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28 March 2024

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

Results for the year ended 31 December 2023

Deltex Medical Group plc (AIM: DEMG) today announces its results for the year ended 31 December 2023.

HIGHLIGHTS

Financial

- Successfully completed the restructuring of the business and achieved annualised cost savings of approximately £1.0 million
- Revenues of £1.8 million (2022: £2.5 million), primarily reflecting the impact from unexpected delays in releasing the new TrueVue monitor and difficult market conditions
- Adjusted EBITDA of £(0.9) million (2022: £(0.6) million)
- £1.89 million fundraise completed in August 2023 with net proceeds successfully used to strengthen the balance sheet and implement the Group's restructuring plan
- Achieved a 31% reduction in overheads (excluding exceptional costs) to £2.0 million (2022: £2.9 million). The annualised reduction in overheads is expected to be c. £1 million
- Gross cash expenditure on research and product development by the Group (excluding the effect of grants or capitalisation of product development) amounted to £0.6 million (2022: £0.8 million). The net amount, having taken into account grants, was £0.4 million (2022: £0.7 million).
- Cash in hand at 31 December 2023 of £0.7 million (2022: £0.5 million)

Business / commercial activities

- Launch of the new TrueVue monitor in the UK and the EU with encouraging interest levels from existing legacy monitor users and orders now increasing, suggesting a large potential replacement market
- Markets in the Middle East, Asia and South America also being targeted for the new TrueVue monitor where Europe's CE mark is recognised, with preparatory work also underway for local regulatory approvals
- Work started on the FDA 510(k) premarket regulatory filing for the new TrueVue monitor which, when approved, will enable sales into the USA which are expected to start in 2025
- Good progress in securing production efficiencies associated with the manufacture of the new TrueVue monitor
- Ongoing successful development work on a new non-invasive Doppler-based haemodynamic monitoring device incorporating Deltex Medical's core oesophageal doppler monitoring ("ODM") technology with a substantial addressable market
- Implementation of new lower cost and more efficient digital marketing strategies in line

with the Group's new "zero-based budgeting" approach

- Have met the operational and internal financial targets agreed by the Board for the first quarter and the outlook is positive

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

"2023 was a difficult year for the Group; however, we have successfully refinanced the business and reduced our cost base substantially and I am pleased to be able to report that 2024 has started well."

"We also launched the new TrueVue monitor and see a significant upgrade and replacement market."

"Good progress is being made on a new, easy-to-use non-invasive device which sits on the same platform as Deltex Medical's core ODM technology."

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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 control trials conducted on anaesthetised patients. As a result, the primary application for ODM is focussed on guiding therapy for patients undergoing elective surgery, although sedated patients in intensive care are still an important part of our business. 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, new TrueVue monitor which was released onto the market in November 2023. Monitors are sold or, due to hospitals' often protracted procurement times for capital items, may be 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 new TrueVue monitor, 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

CHAIRMAN'S STATEMENT

Introduction

We are pleased to report that we successfully completed the restructuring of the Group's business as well as achieving annualised cost savings of approximately £1.0 million. We have since met the operational and internal financial targets agreed by the Board for the first quarter of the year and the outlook is positive.

Notwithstanding 2023 initially being a difficult year for Deltex Medical, 2023 saw a number of key milestones achieved by the Group, including the successful turnaround of the business.

Deltex Medical faced three principal challenges which together contributed to the Group needing to carry out a fundraise, details of which were announced by Deltex Medical on 14 July 2023 (the "Fundraise"). These challenges comprised:

- a continuing slow pick-up in activity levels post the end of the Covid-19 pandemic;
- extended lead times for certain specific components needed to complete the new TrueVue monitor development, largely related to post Covid-19 supply chain issues. This resulted in the slippage of the launch date for the new TrueVue monitor; and
- delays in orders and the award of a national tender for haemodynamic monitoring with one of the Group's Latin American distributors which had been expected to have strong short-term prospects for cash generation.

The Fundraise has enabled the Group to turnaround its business with the result that:

- the cost base of the Group has been significantly reduced, bringing down the cashflow breakeven point substantially;
- lower cost and more efficient digital marketing techniques have been adopted which are expected to help drive incremental revenues albeit with smaller salesforces in the UK and USA; and
- the new TrueVue monitor was completed and launched in the UK and Europe, as well as global markets that recognise the EU's 'CE mark', in November 2023.

Since its launch, a number of existing users of the Group's oesophageal Doppler monitoring technology have shown strong levels of interest in the new TrueVue monitor with orders now increasing. In parallel, good progress has been made by the Group in relation to streamlining the manufacturing processes associated with the new monitor.

Financial results

Group revenues for the year ended 31 December 2023 decreased by 28% to £1.8 million (2022: £2.5 million) primarily reflecting difficult market conditions and the delayed launch to the new TrueVue monitor. These issues collectively adversely affected the sales of the Group's single-use disposable ODM probes which declined to £1.4 million (2022: £1.8 million).

As a proportion of total Group revenues, direct sales into the USA and UK remained broadly unchanged at 50% (2022: 51%).

Deltex Medical's European customers have been aware of the expected launch of the new TrueVue monitor and during the year became increasingly reluctant to purchase the previous generation monitor. As a result, monitor revenues reduced by 52% to £258,000 (2022: £537,000).

The reduction in activity levels also adversely affected overhead recovery in the Chichester production facility, resulting in the Group's gross margin reducing to 63% (2022: 74%).

Overheads, excluding exceptional costs, decreased by 31% to £2.0 million (2022: £2.9 million).

The exceptionals of £366,000 largely related to restructuring costs, namely reducing the Group's headcount, including payments in lieu of notice, redundancy costs and associated legal fees. In addition, £141,000 was associated with writing off research and development projects not taken forward.

Adjusted EBITDA (comprising earnings before interest, tax, depreciation and amortisation, share-based payments and non-executive directors' fees) was a loss of £(860,000) (2022: £(607,000)). Adjusted EBITDA is reconciled to operating loss in note 3.2 of the financial statements.

Gross cash expenditure on research and product development by the Group (excluding the effect of grants or capitalisation of product development) amounted to £0.6 million (2022: £0.8 million). The net amount, having taken into account grants, was £0.4 million (2022: £0.7 million). This year-on-year reduction reflects that the majority of the costs for the development work on the new TrueVue monitor were incurred before 2023.

Operating loss for the year was £(1.1) million (2022: £(0.9) million). Loss for the year was £(1.3) million (2022: £(1.1) million).

Cash at hand at 31 December 2023 was £0.7 million (2022: £0.5 million).

Business activities

Deltex Medical sells directly, via its own sales teams, into UK and US hospitals, and via a network of distributors into approximately 40 other international territories.

The Group's direct sales teams continue to experience constraints in being able to access clinicians in UK and US hospitals' operating theatres ("ORs") and intensive care units ("ICUs"). These constraints were imposed by UK and US hospitals during the Covid-19 pandemic, and many of these constraints remain in place notwithstanding the end of the pandemic.

Despite 2023 being a challenging year for the Group, progress was made on a number of fronts including:

- the launch of the new monitor;
- development work on the new, novel non-invasive device;
- a substantial reduction in costs – leading to a significantly lower breakeven point; and
- improved marketing following adoption of new digital techniques.

These items are more fully described in the accompanying Business Review.

The Board remains focussed on the importance of cash generation. Accordingly, Deltex Medical's business development activities are increasingly focused on ensuring significant incremental increases in revenues from a small number of existing and targeted prospective customers.

Employees

On behalf of the Board, I would like to thank all of the Group's employees for their hard work during what was a challenging and at times stressful year.

I would also like to thank Julian Cazalet, Mark Wippell and Tim Irish who retired as non-executive directors of the Group on 1 December 2023. Together they have been a source of invaluable wise counsel and sound advice over a number of years.

We were separately delighted to welcome Ben Carswell to the Board on 1 December as a non-executive director.

Current trading and prospects

The launch of the new, next generation TrueVue monitor is a key milestone for the Group, with the first sale of the new TrueVue monitor having taken place at the end of November 2023.

We are seeing encouraging levels of interest in this product from the UK and our international distributors. Work has already started on the FDA 510(k) premarket regulatory submission to the US Food and Drug Administration (the "FDA") which, once regulatory approval has been received, will enable us to sell the new monitor into the US market.

We are continuing to drive forwards the development of our new non-invasive device. We believe the new device will be used in clinical areas not served well by our existing products and will therefore allow us to sell into significantly larger markets.

We continue to focus on optimising the commercial opportunities associated with a small number of significant tenders, including in Latin America, where we believe that Deltex Medical's ODM technology has strong opportunities to take market share.

After a tough 2023, I am pleased to be able to report that 2024 has started well and we are much encouraged for the future.

Nigel Keen
Chairman
27 March 2024

BUSINESS REVIEW

Overview

Deltex Medical is a world leader in high accuracy oesophageal Doppler monitoring, via its TrueVue platform, which allows real-time monitoring by clinicians of a patient's haemodynamic status.

More than twenty peer-reviewed, randomised controlled trials have demonstrated that an ODM-driven haemodynamic protocol can result in statistically significant reductions in post-operative complications such as acute kidney injuries, resulting in lower costs for hospitals due to shorter patient length-of-stay. The use of the ODM technology is good for patients. It also increases throughput and capacity for hospitals, which should help reduce the backlog in elective surgery, which is a particular issue in the United Kingdom.

Deltex Medical's technology was originally developed in a London ICU to assist with the treatment of acutely unwell critical care patients. Over time demand for the Group's high fidelity ODM-based haemodynamic monitoring technology has migrated from the ICU to the OR, particularly for complex elective surgical procedures; however, there are now signs of increasing interest from ICUs in the ODM technology.

Before the Covid-19 pandemic, approximately 80% of the Group's revenues were associated with elective surgical procedures in ORs. The near-complete cessation of elective surgery during the pandemic was highly disruptive to Deltex Medical's commercial activities, particularly in the UK and the USA, where the Group sells its technology to hospitals directly.

Although, post-pandemic, elective surgery has restarted around the world, medical device sales teams, including Deltex Medical's, are still experiencing more restricted levels of access to ORs and ICUs than they enjoyed pre-pandemic.

Launch of the new TrueVue monitor

After a number of years in development, the Group released its new TrueVue monitor onto the market in November 2023. The development of the new device had taken longer than expected as a result of disrupted supply chains during, and for some time after, the Covid-19 pandemic.

The new monitor has been designed to act as a platform for a range of complementary technologies, including a new, novel non-invasive device that the Group is also developing.

Orders for the new TrueVue monitor are increasing which is encouraging. There is a substantial domestic and international replacement and upgrade market, which it is anticipated will drive orders in the short to medium term. In addition, the Group expects to see probe orders increasing based on new monitor equipment sales.

The new TrueVue monitor has been designed with production engineering input in order to reduce the prime costs of the equipment as well as enhance its overall reliability. Good progress has been made with reducing the labour hours required for each of the sub-assemblies as the Group streamlines its manufacturing processes. Overall, the gross margin on the new TrueVue monitor is expected to be higher than the previous unit, although price points vary significantly between direct sales into the UK (as well as, post launch, the USA) and overseas sales to distributors.

Work has started on assembling the necessary documents required for the 510(k) premarket regulatory submission to the US FDA. It is planned that the FDA filing process should be completed in 2025 and sales of the new monitor into the US market should follow shortly thereafter.

Non-invasive device

Deltex Medical's current ODM device is principally used on sedated patients: typically those admitted to ICUs or being operated on within ORs. The resultant haemodynamic data derived from the ODM technology is extremely accurate and has been shown in some 24 published randomised controlled trials to be associated with significantly improved patient outcomes and reduced costs to hospitals as a result of shorter hospital stays. However, limiting the use of this technology just to patients in ICUs and ORs self-evidently reduces the size of the addressable market and constrains the Group's revenues.

The new non-invasive Doppler-based haemodynamic monitoring device that the Group is developing is

designed to use the same underlying oesophageal Doppler haemodynamic monitoring technology which is supported by a large body of published literature. However, a different, novel design will enable the technology to be used non-invasively and thus on a much larger patient population.

Although this new non-invasive device is still in the development phase, the Group is working on the basis that it should ultimately end up representing a form of digital haemodynamic stethoscope. This will give healthcare workers, from doctors to nurses across a range of departments, immediate access to high quality, real time haemodynamic data for patients. In turn, these data are anticipated to give rise to improved and more rapid treatment of patients throughout a hospital or other clinical care-giving facility such as the emergency services or a primary care doctor's office.

Deltex Medical believes that this new, non-invasive device, with a substantially larger addressable market, represents a significant opportunity for the Group to drive substantial profitable growth.

In parallel with working on the technical development aspects of this new, novel non-invasive technology, Deltex Medical is carrying out structured 'voice of the customer' discussions with prospective hospital-based users to determine how best to launch, and charge for, this new non-invasive ODM technology. Discussions with a number of the Group's international distributors suggest that there could be significant overseas market demand when this new device is launched.

Three principal divisions: UK, USA and International

Deltex Medical's commercial activities are structured across three divisions: the UK; the USA and International.

The Group has faced difficulties in driving its commercial activities back to those levels seen pre the Covid-19 pandemic in its two direct sales territories of the UK and the USA. Many hospitals have imposed significant restrictions on salespersons or clinical educators accessing ORs or ICUs. Once any hospital stops using Deltex Medical's ODM technology, it can take time and significant resources to re-instigate the use of the technology as the clinical staff change rapidly and new staff need to be trained on the use of ODM.

Deltex Medical has also been restricting expenditure on sales and marketing activities in the UK and USA in advance of the launch of the new monitor.

One way in which the Group has been seeking to mitigate the impact of its reduced sales and marketing spend, as well as the impact of greater restrictions on sales teams meeting hospital-based decision-makers in person, is by increasing the use of digital marketing materials. The Group is adopting a number of digital marketing techniques as well as training via the launch of its online Deltex Medical Academy.

The Group monitors closely per user probe revenues. Internal analyses demonstrate that only small increases in per (hospital) account probe purchases, or the successful adoption of the ODM technology by a small number of new, high-volume users, should drive the Group to positive cashflow.

There remains a substantial, and increasing, backlog in elective surgery as a result of the Covid-19 pandemic. In the UK the adverse effects of this backlog on patients have been exacerbated by a number of strikes by NHS healthcare workers. This backlog represents both an opportunity and a challenge for the Group. For example, there are powerful arguments, supported by the published evidence base, that the use of Deltex Medical's TrueVue technology increases patient throughput in a hospital and improves patient outcomes, thereby helping to reduce the size (and associated cost) of the backlog. Conversely, there is some anecdotal evidence that certain NHS hospitals, under pressure to reduce the backlog, are reluctant to promote the adoption of new and/or different technologies.

Following the launch of the new TrueVue monitor, Deltex Medical has now notified all UK hospitals that the previous legacy version (CardioQ-ODM+) is now obsolete. The Group has a regulatory requirement to provide service support to maintain these devices for ten years. Many NHS hospitals with the previous monitor are expected to apply for funding from capital replacement programmes to purchase the new monitor.

As it will take some time to complete the submissions required to receive FDA approval for the new

TrueVue monitor, the Group's US operation has been tasked with supporting as many existing customers as possible in order to drive up probe sales, whilst cultivating these existing relationships in advance of the launch of the new TrueVue monitor into the US market, which is expected to be next year.

The International division, with its team of some 40 overseas distributors, continues to represent an important route to market for the Group's products. International sales represent approximately half of the Group's revenues.

In the first quarter of 2024, the new TrueVue monitor has been demonstrated at three large international medical exhibitions. Deltex Medical attended Arab Health in January 2024, which is now one of the largest medical device exhibitions worldwide, where it also met with a number of its distributors. Deltex Medical also attended the Korea International Medical & Hospital Equipment Show (KIMES) in Seoul, as historically the legacy monitor sold well in South Korea.

Earlier this month, the Group exhibited at the World Congress of Anaesthesia (WCA) in Singapore which is held every four years. The advantages of using Deltex Medical's technology were presented at the WCA by a clinician who presented data that demonstrated that the ODM technology should be used on young fit patients; and not just sick elderly patients.

Although the Latin American contract that the Group was awarded last year has not developed as rapidly as was first expected, there are encouraging signs that over the next couple of years this contract will be an important source of revenues to Deltex Medical. In this respect, it is encouraging that some hospitals in that market have already started to purchase probes that are linked to this contract.

Product development and innovation

During 2023, the research and development team were focussed on completing the development of the new TrueVue monitor. This included the completion of complex and onerous regulatory testing, including electromagnetic compatibility (EMC) testing.

Notwithstanding that the successful development of the new monitor was the Group's priority, research work also continued on the development of the new, novel non-invasive haemodynamic monitoring technology, including the integration of the recommendations of the National Physical Laboratory arising from Deltex Medical's collaborative research work with them.

In addition to the development work on the new non-invasive device, work continues in relation to supporting the launch of the new TrueVue monitor.

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. The post-Brexit regulatory regime in the UK, as well as for UK companies selling into Europe, is still evolving and the Group keeps actual or prospective changes in applicable regulations under close scrutiny.

In Europe the transition from the Medical Device Directive to the European Medical Device Regulation ("MDR") has been deferred until 2028. Although this reduces some regulatory-associated complexity in the short term, there is still considerable uncertainty as to what steps will be required, and by when, for a Class II medical device manufacturer to comply with MDR in the future.

Investment in the Group's regulatory activities remains an important part of the business and is critical for its future success.

Conclusion

Completion of the new TrueVue monitor has greatly enhanced Deltex Medical's technological offering to the market as well as opening up the possibility to use this instrument as a platform for further product line extensions. We are particularly interested in the commercial potential, and significantly larger addressable market, associated with the easier-to-use non-invasive haemodynamic monitoring technology which we are developing.

Initial market feedback and demand for the new monitor has been encouraging, both from existing and prospective customers. We see its launch as a critical building block in driving up probe revenues across all three of the Group's divisions.

Our key challenge is to commercialise the Group's new technologies successfully from our significantly lower cost base by maximising the use of digital marketing. As we start to generate cash, we will be able to initiate further sales initiatives to drive up revenues.

We are pleased with the progress that we have made to date in 2024.

Andy Mears
Chief Executive
27 March 2024

Consolidated statement of comprehensive income
For the year ended 31 December 2023

	2023 £'000	2022 £'000
Revenue	**1,776**	2,482
Cost of sales	**(651)**	(643)
Gross profit	**1,125**	1,839
Administrative expenses	**(1,081)**	(1,560)
Sales and distribution expenses	**(685)**	(1,027)
Research and Development, Quality and Regulatory	**(217)**	(231)
Impairment loss on trade receivables	**-**	(39)
Exceptional costs	**(366)**	-
Total costs	**(2,349)**	(2,857)
Other gain	**172**	71
Operating loss	**(1,052)**	(947)
Finance costs	**(230)**	(199)
Loss before taxation	**(1,282)**	(1,146)
Tax credit on loss	**-**	1
Loss for the year	**(1,282)**	(1,145)
Other comprehensive expense		
Items that may be reclassified to profit or loss:		
Net translation differences on overseas subsidiaries	**5**	35
Other comprehensive expense for the year, net of tax	**5**	35
Total comprehensive loss for the year	**(1,277)**	(1,110)
Total comprehensive loss for the year attributable to:		
Owners of the Parent	**(1,252)**	(1,114)
Non-controlling interests	**(25)**	4
	(1,277)	(1,110)
Loss per share – basic and diluted	**(0.11p)**	(0.17p)

Consolidated balance sheet

As at 31 December 2023
Company Number 03902895

	2023	2022 (restated)*
	£'000	£'000
Assets		
Non-current assets		
Property, plant and equipment	**198**	269
Intangible assets	**3,965**	3,769
Total non-current assets	**4,163**	4,038
Current assets		
Inventories	**716**	821
Trade receivables	**177**	456
Financial assets at amortised cost	**-**	15
Other current assets	**87**	140
Current income tax recoverable	**84**	72
Cash and cash equivalents	**705**	471
Total current assets	**1,769**	1,975
Total assets	**5,932**	6,013
Liabilities		
Current liabilities		
Borrowings	**(79)**	(935)
Trade and other payables	**(855)**	(1,540)
Total current liabilities	**(934)**	(2,475)
Non-current liabilities		
Borrowings	**(1,665)**	(1,069)
Trade and other payables	**(119)**	(177)
Provisions	**(71)**	(64)
Total non-current liabilities	**(1,855)**	(1,310)
Total liabilities	**(2,789)**	(3,785)
Net assets	**3,143**	2,228
Equity		
Share capital	**7,204**	6,990
Share premium	**35,650**	33,672
Capital redemption reserve	**17,476**	17,476
Other reserve	**473**	527
Translation reserve	**173**	168
Convertible loan note reserve	**82**	82
Accumulated losses	**(57,769)**	(56,566)
Equity attributable to owners of the Parent	**3,289**	2,349
Non-controlling interests	**(146)**	(121)
Total equity	**3,143**	2,228

*Prior year restatement relates to an offset of a debtor and creditor balance

Consolidated statement of changes in equity for the year ended 31 December 2023

	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 2023	**6,990**	**33,672**	**17,476**	**527**	**82**	**168**	**(56,566)**	**2,349**	**(121)**	**2,228**
Comprehensive loss										
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(1,257)**	**(1,257)**	**(25)**	**(1,282)**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**5**	**-**	**5**	**-**	**5**
Total comprehensive loss for year	**-**	**-**	**-**	**-**	**-**	**5**	**(1,257)**	**(1,252)**	**(25)**	**(1,277)**
Transactions with owners of the Group										
Shares issued during the year	**214**	**2,171**	**-**	**-**	**-**	**-**	**-**	**2,385**	**-**	**2,385**
Issue expenses	**-**	**(193)**	**-**	**-**	**-**	**-**	**-**	**(193)**	**-**	**(193)**
Transfers	**-**	**-**	**-**	**(54)**	**-**	**-**	**54**	**-**	**-**	**-**
Balance at 31 December 2023	**7,204**	**35,650**	**17,476**	**473**	**82**	**173**	**(57,769)**	**3,289**	**(146)**	**3,143**

Consolidated statement of changes in equity for the year ended 31 December 2022

	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 2022	**5,849**	**33,502**	**17,476**	**573**	**82**	**133**	**(55,588)**	**2,027**	**(125)**	**1,902**
Comprehensive loss										
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(1,149)**	**(1,149)**	**4**	**(1,145)**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**35**	**-**	**35**		**35**
Total comprehensive loss for year	**-**	**-**	**-**	**-**	**-**	**35**	**(1,149)**	**(1,114)**	**4**	**(1,110)**
Transactions with owners of the Group										
Shares issued during the year	**1,141**	**285**	**-**	**-**	**-**	**-**	**-**	**1,426**	**-**	**1,426**
Issue expenses		**(115)**						**(115)**		**(115)**
Equity-settled share-based payment	**-**	**-**	**-**	**125**	**-**	**-**	**-**	**125**	**-**	**125**
Transfers	**-**	**-**	**-**	**(171)**	**-**	**-**	**171**	**-**	**-**	**-**
Balance at 31 December 2022	**6,990**	**33,672**	**17,476**	**527**	**82**	**168**	**(56,566)**	**2,349**	**(121)**	**2,228**

Consolidated statement of cash flows
for the year ended 31 December 2023

	2023 £'000	2022 £'000
Cash flows from operating activities		
Loss before taxation	**(1,282)**	(1,146)
Adjustments for:		
Finance costs	**230**	199
Depreciation of property, plant and equipment	**110**	88
Amortisation of intangible assets	**23**	40
Loss on disposal of property, plant and equipment	**11**	-
Write off of research and development projects not taken forward	**141**	-
Modification gain on convertible loan note	**(89)**	-
Non-Executive Director fees	**91**	-
Share-based payment expense	**-**	125
Other gain	**(83)**	(71)
Effect of exchange rate fluctuations	**5**	35
	(843)	(730)
Decrease/(Increase) in inventories	**105**	(48)
Decrease/(Increase) in trade and other receivables	**332**	(57)
(Decrease)Increase in trade and other payables	**(691)**	306
Decrease in staff advances	**15**	-
Increase in provisions	**7**	7
Net cash used in operations	**(1,075)**	(522)
Interest paid	**(191)**	(153)
RDEC taxes received	**71**	69
Net cash used in operating activities	**(1,195)**	(606)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(9)**	(70)
Capitalised development expenditure (net of grants)	**(361)**	(674)
Net cash used in investing activities	**(370)**	(744)
Cash flows from / (used in) financing activities		
Issue of ordinary share capital	**1,887**	1,340
Expenses in connection with share issue	**(193)**	(115)
Net movement in invoice discount facility	**(106)**	(17)
Standby loan facility repayment	**-**	(500)
Standby loan facility drawdown	**250**	750
Principal lease payments	**(52)**	(45)
Net cash generated from financing activities	**1,786**	1,413
Net increase/(decrease) in cash and cash equivalents	**221**	63
Cash and cash equivalents at beginning of the period	**471**	413
Exchange loss on cash and cash equivalents	**13**	(5)
Cash and cash equivalents at end of the period	**705**	471

1. Nature of the financial information

This Results Summary containing condensed financial information for the year ended 31 December 2023 should be read in conjunction with the Deltex Medical Group Plc's Annual Report & Accounts 2023 which were prepared 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 2022 have been filed with the Registrar of Companies and those for the year ended 31 December 2023 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 2022 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.

2. Accounting policies

The Group's principal accounting policies can be found in the Group's Annual Report & Accounts 2023.

Going concern

The Group meets its day-to-day working capital requirements through a combination of operational cash flows, an invoice discounting facility and, if required, the raising of additional finance.

The Directors have reviewed detailed budgets and forecasts until 30 June 2025 that were prepared by the Group. This review indicates that the Group is expected to continue trading as a going concern based on projected net cash flows derived from revenue generated by the Group. As a result of the Group's restructuring which took place in 2023, the Group's cost base has been reduced to a level appropriate for the current revenues of the Group.

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 and EBITDA

	For the year ended 31 December 2023						
	Direct market			Indirect markets			
	Probes	Monitors	Other	Probes	Monitors	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
UK	**394**	**113**	**42**	**-**	**-**	**-**	**549**
USA	**287**	**20**	**40**	**-**	**-**	**-**	**347**
France	**-**	**-**	**-**	**283**	**-**	**2**	**285**
Portugal	**-**	**-**	**-**	**185**	**-**	**-**	**185**
Latin America	**-**	**-**	**-**	**91**	**16**	**-**	**107**
Scandinavia	**-**	**-**	**-**	**64**	**4**	**1**	**69**
Hong Kong	**-**	**-**	**-**	**6**	**62**	**-**	**68**
South Korea	**-**	**-**	**-**	**47**	**5**	**4**	**56**
Other countries	**10**	**6**	**3**	**56**	**32**	**4**	**111**
	691	**139**	**85**	**732**	**119**	**11**	**1,776**

	For the year ended 31 December 2022						
	Direct markets			Indirect markets			
	Probes	Monitors	Other	Probes	Monitors	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
UK	461	106	75	-	-	-	642
USA	463	122	51	-	-	-	636
France	-	-	-	464	15	8	487
Latin America	-	-	-	90	212	2	304
South Korea	-	-	-	132	-	-	132
Hong Kong	-	-	-	13	32	3	48
Austria	-	-	-	44	-	2	46
Cayman Islands	-	-	-	24	18	1	43
Other countries	19	30	-	90	2	3	144
	943	258	126	857	279	19	2,482

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 at the point the service is carried out.

	2023	2022
	£'000	£'000
Sale of goods	**1,732**	2,430
Maintenance income	**44**	52
	1,776	2,482

The reconciliation of the profit measure used by the Group's CODM to the result reported in the Group's consolidated SOCI is set out below:

	2023 £'000	2022 £'000
Adjusted EBITDA	**(860)**	(607)
Non-cash items:		
Depreciation of property, plant and equipment	**(110)**	(88)
Amortisation of development costs	**(23)**	(40)
Impairment loss on trade receivables	**-**	(39)
Non-executive directors' fees and employer's NIC	**(91)**	(136)
Gain on convertible loan note	**89**	-
Write off of research and development projects not taken forward	**(141)**	-
Share-based payment expenses	**-**	(125)
Change in accumulated absence cost liability	**1**	17
Cash item:		
Other tax income	**83**	71
	(192)	(340)
Operating loss	**(1,052)**	(947)
Finance costs	**(230)**	(199)
Loss before tax	**(1,282)**	(1,146)
Tax credit on loss	**-**	1
Loss for the year	**(1,282)**	(1,145)

The following table provides information about trade receivables and contract liabilities from contracts with customers. There were no contract assets at either 31 December 2023 or 31 December 2022.

	31 December 2023 £'000	31 December 2022 £'000
Trade receivables which are in 'Trade and other receivables'	**177**	456
Contract liabilities (Note 17.3)	**(44)**	(39)

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied as at 31 December 2023:

	2024 £'000	2025 £'000	2026 £'000	2027 £'000	**Total £'000**
Revenue expected to be recognised	31	4	2	7	**44**

Revenue recognised in 2023 which was included in contract liabilities at 31 December 2022 amounted to £24,000. Revenue recognised in 2022 included in contract liabilities at 31 December 2021 amounted to £30,000.

4. Dividends

The directors cannot recommend payment of a dividend (2022: nil).

5. Basic and diluted loss per share

The loss per share calculation is based on the loss of £1,257,000 and the weighted average number of shares in issue of 1,181,214,755. For 2022, the loss per share calculation is based on the loss of £1,149,000 and the weighted average number of shares in issue of 685,490,974. While the Group is loss-making, the diluted loss per share and the loss per share are the same.

Distribution of Annual Report and Accounts

The Group will shortly be posting a copy of the Annual Report and Accounts for the year ended 31 December 2023 to shareholders, together with a Notice of Annual General Meeting to be held at 11.00 am on 8 May 2024 at the offices of DAC Beachcroft LLP, 25 Walbrook, London, EC4N 8AF.

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