



Deltex Medical

A UK-headquartered medical device company which develops, manufactures and sells specialist haemodynamic monitoring technology which is used to monitor cardiac output – and hence optimise patient perfusion - before, during and after surgical procedures

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HIGHLIGHTS

Financial

- Revenues increased by 16% to £2.1 million (2023: £1.8 million)
- Gross margin increased slightly to 68% (2023: 63%)
- Administrative and Sales & distribution costs decreased to £1.6 million (2023: £1.8 million)
- Research & Development ("R&D") and Quality & Regulatory increased to £0.6 million (2023: £0.2 million) reflecting expenditure linked to the launch of the new TrueVue monitor
- Gross cash expenditure on R&D by the Group (excluding the effect of grants or capitalisation of product development) was £0.3 million (2023: £0.6 million)
- Exceptional costs increased to £0.8 million (2023: £0.4 million), largely associated with the write-off of R&D projects not taken forward
- Adjusted EBITDA (per note 3.2 of the consolidated financial statements) was a loss of £533,000 (2023: £860,000)
- Loss for the year was £1.8 million (2023: £1.3 million)
- Cash in hand at 31 December was £0.2 million (2023: £0.7 million)

Business / commercial activities

- Good progress was made in 2024 in relation to sales of the new TrueVue monitor, especially to overseas distributors
- During 2025 a number of significant changes have been made, including:
 - the Group de-listed its shares from AIM
 - Natalie Wettler was promoted to CEO
 - a new commercial strategy has been developed, focused on selling into the UK market targeting high risk, high acuity procedures (further information on the new commercial strategy is set out in the Business Review)
 - an Additional Working Capital Facility of £350,000 was raised from the Group's largest shareholders in April 2025 and deferral of interest payable on the Convertible Loan Notes ("CLNs") for 9 quarters was agreed with the holders of the CLNs (per Note 26) to help give the new CEO the financial resources to execute the new strategy
 - substantial cost savings have been identified and are in the process of being implemented

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

"2024 was a difficult year and it became increasingly clear that to capture the commercial and financial potential of Deltex Medical's technology – and to start to generate cash – a number of changes needed to be made."

"2025 has started with real energy – with a number of substantive changes already implemented. It will take time for these to be reflected fully in the financial results; however, there are already encouraging signs visible in a number of key performance indicators."

CHAIRMAN'S STATEMENT

Introduction

The successful launch of the new TrueVue monitor in 2024 has given Deltex Medical an opportunity to adjust its commercial strategy significantly and plot a different, and more rapid, path to cashflow breakeven – and thereafter to revenue growth and cash generation.

During 2024 it had become clear that the Group could further reduce its costs by de-listing its shares and there was little prospect of it being able to access further finance from the AIM market.

At the same time, it also became clear that the timing was right for a change in leadership of the Group.

Although the execution of these changes occurred in the first quarter of 2025, much of the planning work occurred in 2024. Further details on these changes are set out below as well as in the Business Review.

Financial results

Group revenues for the year ended 31 December 2024 increased by 16% to £2.1 million (2023: £1.8 million), primarily reflecting an encouraging level of sales of the new TrueVue monitor to international distributors.

Monitor revenues increased by 87% to £483,000 (2023: £258,000), with some 68% of monitor revenues associated with sales of the new TrueVue monitor.

Sales of the Group's single-use disposable oesophageal Doppler monitoring ("ODM") probes were flat at £1.4 million (2023: £1.4 million), although direct sales into the UK and US markets declined by 5% and 18%, respectively. ODM probes sales by distributors into 'Rest of World' increased by 16% and in Europe by 8%, reflecting preliminary signs of increased probe purchases from international distributors purchasing the new TrueVue monitor.

As a proportion of total Group revenues, direct sales into the USA and UK declined to 39% (2023: 50%), reflecting the strategy in place at the time which was to focus on rapid generation of TrueVue monitor sales from the network of overseas distributors.

The increase in revenues positively affected the Group's gross profit which increased to £1.4 million (2023: £1.1 million) and in percentage terms to 68% (2023: 63%).

Overheads, excluding exceptional costs, increased by 12% to £2.2 million (2023: £2.0 million). There was a 9% year-on-year decline in Administrative as well as Sales and distribution costs; however, Research and Development ("R&D"), Quality and Regulatory ("Q&R") costs increased to £604,000 (2023: £217,000) largely as a result of reduced capitalisation of intangibles, being £12,000 capitalised in the year (2023: £361,000) and increased amortisation in 2024 reflecting 12 months of amortisation of the new monitor of £167,000 (2023: £23,000).

The exceptionals of £756,000 (2023: £366,000) largely relate to the write-off of development projects from previous years. This write-off is an accounting adjustment and is "non-cash".

Adjusted EBITDA (comprising earnings before interest, tax, depreciation and amortisation, share-based payments and non-executive directors' fees) was a loss of £(533,000) (2023: £(860,000)). Adjusted EBITDA is reconciled to operating loss in note 3.2 of the financial statements. The improvement in the adjusted EBITDA figure largely reflects the increased gross margin generated by the Group.

Gross cash expenditure on research and product development by the Group (excluding the effect of grants or capitalisation of product development) amounted to £0.3 million (2023: £0.6 million). The net amount, having taken into account grants, was £0.3 million (2023: £0.4 million). This year-on-year reduction reflects that additional external costs for the development work on the new TrueVue monitor were incurred in 2023 and before.

Despite higher revenues and increased gross margins, the increase in R&D, Q&R and exceptional costs meant that the operating loss increased in the year to £(1.6) million (2023: £(1.1) million). Loss for the year was £(1.8) million (2023: £(1.3) million).

Cash at hand at 31 December 2024 was £0.2 million (2023: £0.7 million).

Business activities

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

During 2024 the Group focused its sales activities on its network of international distributors as it had identified an opportunity to generate rapidly new monitor revenues from these distributors, whereas it became apparent that it was going to take longer to generate direct sales in UK hospitals. Further, the new TrueVue monitor cannot be sold into US hospitals until the appropriate 510(k) regulatory approvals have been granted. Sales of the new monitor were notably strong in Europe as distributors started to re-stock with this new technology.

Sales of the Group's ODM equipment and probes often take place via tenders, particularly in Central and South American (together "LATAM") countries. In some instances it can take many months before contracts from LATAM territories are awarded post the tender process. Such contracts require Deltex Medical to work very closely with the in-territory distributors. In 2024, the Group saw probe and monitor revenues from LATAM increase due, in part, to contract tender awards associated with work carried out in previous years.

The launch of the new TrueVue monitor provided the Group with a good opportunity to re-evaluate and, as appropriate, adjust its commercial strategy, particularly mindful of the need, as a first step, to reach cashflow breakeven. As part of the planning work relating to this new commercial strategy, it has become clear that there is increasing market demand for the use of the Group's unique ODM technology in high-risk, high-acuity surgical procedures.

Accordingly, the commercial plan for 2025 is to focus on driving high margin probe revenues into UK hospitals that are now using the new monitor, whilst continuing to reduce the cost base. Once cashflow breakeven has been reached, then the Group has plans to increase revenues substantially, from both UK hospitals via direct sales as well as its international distributors; and post award of 510(k) approval then into US hospitals.

Further information on the new commercial strategy as well as the steps being taken to reach cashflow breakeven are set out in the attached Chief Executive's Business Review.

Post balance sheet events and Board changes

A number of significant and important changes have taken place since the year end.

New Chief Executive

On 16 January 2025, the Group announced the intention of the previous Chief Executive, Andy Mears, to stand down. His last day as Chief Executive was 12 February 2025. I would like to thank Andy for all his hard work as Chief Executive, particularly during the dark days of Covid-19.

The Board is delighted that Natalie Wettler accepted the appointment of Chief Executive. Natalie has been Chief Financial Officer ("CFO") of the Group since May 2021, as well as Chief Operating Officer since last year. She has been the architect of a revised commercial plan for the Group focussed initially on reaching cashflow breakeven and with a clear path for profitable growth

thereafter. The Board approved this new commercial strategy shortly after Natalie was appointed CEO. The new strategy is more fully discussed in the attached Business Review but in summary, working off a lower cost base, it involves using the launch of the new TrueVue monitor as an opportunity to increase prices and focus on direct sales into the UK by targeting high-risk surgical procedures. This will provide higher margin revenues incremental to the revenues which accrue from the Group's overseas distributor network. Natalie has also recommended to the Board that, in order to keep the Group's overheads as low as possible in the short term, no replacement CFO is recruited at the current time.

De-listing from AIM

The Group's listing on AIM was expensive and had ceased to provide any meaningful benefits. The low trading volumes reflected an unrealistic valuation of the Company's equity which therefore made it impossible for the Group to raise incremental finance from interested investors. Furthermore, the regulatory environment imposed under the AIM Rules made it difficult and costly for the Group to make the needed changes to its business model going forward. Consequently the Board decided to delist from AIM and accordingly on 21 January 2025 a circular was sent to Deltex Medical shareholders ("Shareholders") seeking their approval to de-list from AIM by way of cancelling the admission of its ordinary shares to trading on AIM. Shareholders approved the de-listing from AIM on 12 February 2025. This is expected to give rise to savings of some £0.2 million per annum, although not all these savings will be achieved in 2025.

Raising of £350,000 of Additional Working Capital Facility from large Shareholders

On 23 April, 2025 the Group raised £350,000 of debt finance (the "AWCF") from five of its largest Shareholders. This additional cash is intended to provide the new Chief Executive with sufficient financial resources to initiate the execution of the revised commercial strategy which is more fully described in the attached Business Review.

The subscribers of the AWCF were also granted warrants (the "Warrants") by the Company over ordinary shares of 0.01p each in the capital of the Company ("Shares") at a rate of 768,400 Warrants per £10,000 of AWCF subscribed, with an exercise price of 0.03p per Share, capable of exercise at any time before 23 April 2032. A total of 22,752,000 Warrants have been issued.

Amendment to the Group's Convertible Loan Notes ("CLNs")

On 16 April 2025 the holders of the Group's CLNs agreed to defer interest payments on the CLNs for nine quarters up to 31st December 2026 and at that time to capitalise the deferred interest. The holders of the CLNs were issued Warrants to subscribe for 758,400 new shares at a price of .03p per share for each £10,000 of interest deferred. A total of 15,016,320 Warrants have been issued pursuant to these amendments to the CLNs.

Amendment to the Standby Facility

Imperialise Limited has agreed to extend the repayment date on the Standby Facility to 31 December 2027 with an additional proviso that if the AWCF has been repaid by 30 April, 2027, then £250,000 of the Standby Debt Facility becomes repayable on 30 April, 2027.

Further information on changes to the Group's debt structure

Further information on the AWCF, the amendment to the CLNs and the amendment to the Standby Facility is set out in the Directors' report on page 24 of this document.

Employees

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

Current trading and prospects

The execution of the new strategy of focusing on increasing prices and driving adoption of the Group's new technology in the UK market is beginning to show positive results.

In addition, good progress is being made on the 510(k) regulatory submission for the new TrueVue monitor in the USA as well as developing the novel non-invasive, suprasternal-based modality for the Group's haemodynamic monitoring technology.

The Group's cost base is significantly reduced and there are encouraging signs of sustainable revenue growth which will allow Deltex Medical to head towards positive cash generation.

A handwritten signature in black ink, reading "Nigel Keen", with a horizontal line underneath.

Nigel Keen
Chairman
20 June 2025

BUSINESS REVIEW

Overview of haemodynamics and the criticality of cardiac output

'Perfusion' refers to the process in which blood carries oxygen and nutrients to body tissues and organs, and transports waste products of cellular metabolism away.

'Cardiac output' refers to the volume of blood which is pumped by the heart at each beat.

Oxygen delivery is a critical part of perfusion - and is dependent on a patient's cardiac output and the oxygen-carrying capacity of the blood.

During an operation, good perfusion is critical for optimal patient outcomes. Conversely, poor perfusion leads to poor clinical outcomes, increased post-operative complications and more unwell patients, leading to extended length of stay in hospital and thus increased costs for the healthcare system.

Good cardiac output gives rise to good perfusion – hence healthy organs and improved clinical outcomes - as well as reduced post-operative complications: cardiac output is key.

Cardiac output is assessed by haemodynamic monitoring. Deltex Medical is a world leader in providing continuous, highly accurate oesophageal Doppler monitoring ("ODM"), via its TrueVue platform, which allows real-time monitoring by clinicians of a patient's cardiac output – and hence a patient's haemodynamic status. Importantly, ODM directly measures the volume of blood pumped by the heart in contrast to estimating it via an algorithm based on blood pressure.

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.

Deltex Medical's technology was originally developed in a London intensive care unit ("ICU") to assist with the treatment of acutely unwell critical care patients. Over time demand for the Group's highly accurate, real time ODM-based haemodynamic monitoring technology has migrated from the ICU to the operating theatre ("OR"), particularly for complex elective surgical procedures.

The new TrueVue monitor

After several years in development, the Group started to sell its new TrueVue monitor at the beginning of 2024.

The new monitor has been designed to act as a platform for a range of complementary haemodynamic monitoring technologies, including a new, novel non-invasive device that is under development.

Orders for the new TrueVue monitor during 2024 were encouraging. Most of these sales were from the Group's overseas distributors building up stock levels. The Group generates lower margins from its sales to distributors; however, it expects, after a lag, to see probe orders increasing as a result of the sales of the new monitors by the distributors to end users in hospitals.

Work is well advanced on preparing the necessary documentation required for the 510(k) regulatory submission to the US regulatory authorities, the Food and Drug Administration ("FDA"), in respect of the TrueVue monitor. It is expected that the FDA filing process should take place later in 2025 and sales of the new TrueVue monitor should commence in the US market shortly after receipt of FDA approval.

Non-invasive device

Deltex Medical's current ODM device is principally used on sedated patients, primarily comprising surgical patients under general anaesthetic being operated on in an OR; although some sedated ICU patients are also monitored via the ODM. The ODM equipment provides continuous cardiac output data to clinicians.

The new non-invasive Doppler-based haemodynamic monitoring device that the Group is developing is designed to use the same underlying Doppler haemodynamic monitoring technology (which is supported by a large body of published academic literature). However, this different, novel design will enable the technology to be used non-invasively and thus potentially on a much larger patient population. It is being designed to provide a 'snap-shot' of the patient's cardiac output (rather than the continuous monitoring provided by the ODM technology).

There are a number of clinical settings where being able to assess cardiac output can be extremely important in terms of rapidly identifying acutely sick patients. Examples include obstetrics (where pre-eclampsia is a key risk) and in Accident & Emergency / ER as well as in ICUs and High Dependency units (where the identification of sepsis can represent a significant clinical challenge).

New commercial strategy

Deltex Medical's technology is world class. It has the potential to sell its haemodynamic monitoring systems globally and generate significant revenues and positives cashflow:

- Deltex Medical's ODM technology provides highly accurate, real-time, beat-to-beat data on the cardiac output of patients – which allows clinicians to optimise patients' perfusion during operations as well as when sedated in ICUs;
- this technology has been shown in more than twenty peer-reviewed, randomised controlled trials 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;
- competitors have frequently cited academic literature relating to the use of Deltex Medical's ODM technology, when their own, less precise, haemodynamic monitoring technology (which often measures pressure- related parameters rather than direct flow) has been shown to be poorly effective or not effective at all;
- the technology is the subject of a NICE recommendation – meaning that NHS hospitals should use the technology; but
- notwithstanding the undoubted scientific and technical excellence of the ODM technology, it has not yet been a significant commercial success.

Recognising this, Deltex Medical has developed a new strategic plan which builds on earlier work to drive the commercialisation of the Group's technology, particularly following the launch of the new TrueVue monitor. This plan is at an early stage of execution and preliminary results are encouraging

This revised approach comprises a number of different factors which can be summarised as follows:

1. Deltex Medical needs to make the UK (its domestic market) a commercial success

It remains difficult for any company located in the UK to be successful internationally if it cannot build a large and profitable domestic market, to provide the cashflows needed to fund product development as well as overseas expansion.

The launch of the new TrueVue monitor when combined with a revised approach to targeting prospective customers opens up the possibilities of building a substantial UK customer base.

Having carried out targeted market research and spent time talking to clinicians in the first quarter of 2025, it has become clear that there is a stronger market for Deltex Medical's ODM technology in the UK if the technology is promoted for use with high-risk procedures – where the ODM technology can make a substantial positive difference to patient outcomes.

In addition, by focusing on direct sales in its domestic market, the Group is able to generate high gross margin revenues, which drives cash generation.

2. Focus on high-risk, high-acuity, clinically stressful procedures

Although the academic literature suggests that Deltex Medical's ODM technology should be used during all surgical procedures (and this had influenced the Group's commercial strategy), it has become clear that most anaesthetists perceive more significant value, or utility, from the ODM technology during high-risk surgery - where the impact of poor perfusion can be devastating. For example, emergency laparotomies, colorectal surgery (including oncology-related procedures) and transplants are all procedures where good patient perfusion and cardiac output have a significant positive impact on outcome. As a result, the Group's direct sales efforts are now focused on promoting the use of the ODM technology in such high-risk procedures where anaesthetists recognise as self-evident the clear benefits attributable to highly accurate, real-time continuous cardiac output metrics. Preliminary results indicate that targeting these high-risk, high-acuity surgical procedures in the UK market is driving demand. A recruitment programme has been launched to expand the Deltex Medical's team of Clinical Educators in the UK to allow them to promote the Group's technology effectively into NHS and private UK hospitals carrying out these high-risk, high-acuity procedures.

3. Use of Clinical Educators to promote the ODM technology

Generally, clinicians are disinclined to talk to salespeople. However, it is also apparent that many clinicians are happy talking to other healthcare professionals, including former ICU nurses.

Accordingly, the Group is adopting a modified commercial approach to promoting its ODM technology, by using Clinical Educators, largely drawn from former ICU nurses or other healthcare professionals with cardiac output-related experience. These Clinical Educators are being trained to engage closely with anaesthetists and other clinicians to explain the benefits of using the ODM technology during high-risk procedures.

Given that the clinical procedures now being targeted by the Clinical Educators are the high-risk, high acuity operations, then there is much greater engagement and 'pull' from the market; hence there is a reduced need for prospecting salespeople.

4. Preparing Deltex Medical Inc (USA) for TrueVue sales post 510(k) approval

Although the 510(k) application for the new TrueVue monitor has not yet been submitted to the FDA, good progress is being made on preparing the relevant documentation.

It is critically important that Deltex Medical retains a viable and effective sales organisation in the USA, so that when the 510(k) approval for the TrueVue monitor is finally received, the Group can move rapidly to start to generate revenues from the US market.

As a result, the US team has been tasked with implementing a number of activities to re-engage with the US market – and, in particular, with previous lapsed accounts – in order to minimise any delay between receipt of 510(k) approval from the FDA and the start of TrueVue-associated revenues in the USA.

5. Continuing important role to be played by overseas distributors

Over many years Deltex Medical has developed a network of distributors in continental Europe, Latin America and Asia to sell its technology into hospitals located in these

geographical areas. Sales into these territories often involve participation in complex tender procurement processes, where the local distributors are critically important to securing contract awards.

In the future, Deltex Medical's intention is to build further incremental revenues from these distributor networks by sharing rapidly and efficiently information as well as marketing materials associated with the new commercial approach of focusing on high-risk, high-acuity procedures.

6. A new approach to commercialising the new non-invasive product

For some time the Group has been working on a new non-invasive haemodynamic monitoring product which is integrated into the recently launched TrueVue platform.

Although a number of technical challenges have been overcome, 'Voice of the Customer' ("VOC") work has started relatively recently. It is also clear that there is a systemic lack of capital expenditure budgets in most healthcare systems around the world - hence a commercial model will be required for this non-invasive product that enables the technology to be sold via 'operating expenses' (i.e. on the revenue account).

Based on VOC work carried out so far in 2025 and careful consideration of the UK and overseas markets, a new approach is being taken to the engineering and commercialisation of this non-invasive product.

Further development work is needed before the product can be launched on the market, including significant regulatory compliance work; however, it appears that the new commercialisation approach for this non-invasive technology should result in significant demand from specific units in a hospital.

This new non-invasive technology will also be highly complementary to the Group's existing ODM technology.

7. Increased prices and better pricing discipline

The commercial environment immediately post Covid-19 was undoubtedly difficult for Deltex Medical. One of the ways that the Group sought to mitigate the effect of the pandemic was to stop imposing annual price increases.

At the same time, healthcare-associated inflation has been significant over the last few years. Prior to the launch of the new TrueVue monitor, the Group was not able to put in place and enforce price increases.

It is clear that Deltex Medical has world-leading haemodynamic monitoring technology. As a result, the launch of the new monitor provides an opportunity where the Group is able to request price increases in the UK and overseas. In parallel, there are now more rigorous systems in place internally to enforce discipline around price points and payment terms.

Conclusion

For the 'right' surgical procedure – comprising high-risk, clinically-stressful procedures at significant risk of blood loss – Deltex Medical's ODM technology can provide clinicians with critically important cardiac output information which facilitates optimised perfusion of the patient leading to improved patient outcomes as well as lower healthcare system costs.

Additionally, based on feedback from VOC discussions, the new non-invasive device has considerable commercial potential.

We are working hard and taking robust steps to move the business to a position where it generates cash on a month-to-month basis.

Operating costs have been cut by delisting from AIM and by reducing the headcount in the senior team, which has also encouraged the remaining team to accept more responsibility and help identify new ways of improving workflows. In parallel, cost control disciplines are being

reinforced and the new focussed UK sales initiatives are beginning to generate incremental increases in high margin probe revenues. Revenues from the distributor-led markets are also expected to improve in the second half as a result of better pricing disciplines and from revenues associated with the successful launch of the new monitor.

2025 started with the business running at an operating cash deficit; however, these actions and the capitalisation of current interest on the Convertible Loan Notes, together with the cash provided from the additional working capital facility supplied by our major shareholders, are expected to lead to Deltex Medical becoming cash flow generative from early in 2026.

A handwritten signature in black ink, reading "N. Wettler". The signature is fluid and cursive, with a large initial 'N' and a stylized 'W'.

Natalie Wettler
Chief Executive
20 June 2025

Directors

NON-EXECUTIVE DIRECTORS

Nigel Keen, *Chairman*, MA FIET

Nigel has been involved with Deltex Medical since 1988 and has been Chairman since 1996. He is also Chairman of University College Hospital London Charity and MedAccess Trust, a charity established to support MedAccess Guarantee Limited, a UK-based social finance company with the pioneering mission to make global healthcare markets work for everyone.

His career has encompassed venture capital, industry and banking. He has a degree in engineering from Cambridge University, is a Fellow of the Institute of Engineering and Technology and has been involved in the formation and development of high technology businesses for more than thirty years. Nigel is Chairman of the Remuneration Committee.

Christopher Jones, *Non-Executive Director*

Chris joined the Board in June 2015 and brings over 35 years of experience in Fortune 500 and venture capital funded healthcare companies in both the UK and the USA.

He is currently the Senior Independent non-executive director (SID) of Deltex Medical.

He is Executive Chairman of: Verinnogen Ltd, and non-executive Director of MediSieve Ltd, Causeway Therapeutics Ltd, Carbometrics Ltd, Rockridge Medical Ltd and Health Enterprise East Ltd. Chris is a US national who came to the UK in 2008 to become CEO of GlySure. Prior to joining GlySure he was CEO of Tensys Medical developing and commercialising a novel continuous, non-invasive blood pressure monitor resulting in the sale of the company in 2008. Chris also spent nine years with Nellcor Inc, a division of Tyco Healthcare, most recently as VP of Marketing responsible for the \$700M WW pulse oximetry and critical care businesses. He has a Bachelor of Science Degree in Molecular Biophysics and Biochemistry from Yale University.

Ben Carswell, *Non-Executive Director*, MBA FCA

Ben joined the Board on 1 December 2023 and is Chairman of the audit committee.

Ben is a seasoned business leader with experience in commercialising Software-as-a-Service (SaaS) platforms for start-ups and established businesses.

Ben is currently a non-board director at Kraken Technologies, which forms part of Octopus Energy Group. Ben was previously Chief Commercial Officer at DPR Limited and has held senior positions at Fiserv and MoPowered.

EXECUTIVE DIRECTOR

Natalie Wettler, *Chief Executive and Group Finance Director*, FCA

Natalie commenced her Deltex Medical career in 2011 and has held a number of senior roles in the Group's finance department between 2011 and 2016. Natalie re-joined the Group in January 2020 as Group Financial Controller and was appointed Group Finance Director in May 2021. She was promoted to the role of Chief Operating Officer in 2024 and became Chief Executive in February 2025.

She has a Bachelor of Science Degree in Cognitive Science from the University of Sheffield and qualified as a Chartered Accountant with Grant Thornton in the UK, and continued her Grant Thornton career in New Zealand. Natalie's experience in the medical sector also includes Head of Finance for Peak Primary Limited in New Zealand in the Primary Healthcare sector.

Directors' Responsibility Statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year.

The Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company, and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether international accounting standards have been followed for the Group financial statements; and, as regards United Kingdom Accounting Standards, comprising FRS 101, whether the relevant accounting standards have been followed for the Parent Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company; and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for the maintenance and integrity of the Group's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Company Secretary and Advisers

Company Secretary and Registered Office

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Independent auditor

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Corporate Governance Statement

Chairman's introduction

Deltex Medical's purpose is to provide returns to shareholders by enabling improvements in clinical outcomes for patients around the world by creating, validating and delivering innovative healthcare solutions associated with haemodynamic monitoring.

The Group aims to achieve this by:

- supporting evidence-based medicine to create sustainable health benefits in the communities which it serves;
- investing in products, services and its employees;
- partnering with clinicians to help them adopt the technologies associated with Deltex Medical's TrueVue System;
- communicating openly and honestly with its customers as well as internally among colleagues;
- providing excellent levels of support, education and specialist training;
- continuing to be thought-leaders to drive innovation; and
- establishing appropriate committees of the Board and related governance structures, including those required under section 172 of the Companies Act 2006, to help monitor and guide the aims summarised above.

The Board of Deltex Medical has chosen to adopt the QCA Corporate Governance Code (the "QCA Code") that was published by the Quoted Companies Alliance in April 2018. The Code is structured around a number of broad principles which the Board seeks to apply and which are summarised below.

Further information in relation to how the Board applies the QCA Code is set out in the Corporate Governance section of the Group's website. <https://www.demg-investors.com/historic/corporate-governance/>

1) Establish a strategy and business model which promote long-term value for shareholders

Deltex Medical's strategy and business model are referred to in this document and, in particular, within the Chairman's Statement and the Business Review.

The Board keeps the Group's strategy and business model under close and continuing review, most notably at its regular Board meetings.

2) Seek to understand and meet shareholder needs and expectations

The Board's primary contact with both institutional and private shareholders is through the Chairman and the Chief Executive ("CEO"). The CEO typically meets with the Group's institutional and large private shareholders, if they wish to meet, twice a year, typically around the publication date of the annual accounts and the interim results.

Shareholders are otherwise kept up to date via announcements made on its website as well as via email transmissions facilitated by its registrars on matters of a material substance and/or regulatory nature.

3) Take into account wider stakeholder and social responsibilities, and their implications for long-term success

The Board believes that engaging with its stakeholders strengthens the Group's relationships and helps it to make better business decisions which, in turn, helps it to deliver on its commitments and responsibilities.

The Board is regularly updated by the CEO on wider stakeholder engagement and feedback in order to help it stay abreast of relevant insights into the issues, including social responsibilities, that matter most to the Group's stakeholders. This information is discussed at the monthly Board meetings and, as appropriate, is incorporated into the Group's strategy and execution plans.

4) Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for the systems of risk management and internal control, and for reviewing their effectiveness.

The internal controls are designed to manage rather than eliminate risk and provide reasonable, but not absolute, assurance against material misstatement or loss. Through the activities of the Audit Committee, the effectiveness of these internal controls is formally reviewed annually, although specific internal controls or risk management issues may be discussed with the Audit Committee on an *ad hoc* basis throughout the year.

A summary of the Board's assessment of the principal risks and uncertainties facing the Group are set out on pages 21 to 23 of this document.

5) Maintain the Board as a well-functioning, balanced team led by the Chairman

The Group is led by the Board of Directors which comprises the non-executive Chairman, the Chief Executive and two non-executive Directors.

The biographical details of the Directors are set out on page 11. These details show that the Board comprises individuals with different backgrounds and extensive commercial experience which, taken in the round, helps to demonstrate the independence and appropriateness of the non-executive Directors. In this respect, for the purpose of the QCA Code, Chris Jones is considered to be the senior independent non-executive Director and Ben Carswell is considered to be an independent non-executive Director.

Nigel Keen, the non-executive Chairman, is responsible for the running of the Board and Natalie Wettler, the Chief Executive, has executive responsibility for managing the Group's business activities and implementing the Group's strategy, which is discussed and agreed by the Board.

To allow the Board to discharge its duties effectively, all Directors are provided with relevant information on a timely basis. In this regard, management reports and appropriate supporting documentation are provided to all Directors in advance of all Board and Committee meetings.

6) Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board comprises individuals with wide ranging commercial and business management experience in the healthcare sector as well as appropriate financial and public market skills. Each non-executive Director brings experience of other relevant businesses which helps the Board, as a whole, benchmark and appraise the Group's progress and strategy. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to any meetings.

The Company retains the services of independent advisors including financial and legal advisers that are available to the Board and who provide support and guidance to the Board.

7) Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Chairman periodically discusses the input of each Director with the individual concerned to ensure that their contribution to the Board is, and remains, both effective and relevant; and that they remain committed to the success of the Group.

Separate Audit and Remuneration committees have been established.

At least twice a year the Chairman informally discusses Board and committee performance with the other Directors to explore how further improvements to the performance of the Board could be made.

The Board considers that the corporate governance policies that it currently has in place for Board performance reviews are commensurate with the size and the current development stage of the Group.

8) Promote a corporate culture that is based on ethical values and behaviours

As a provider of regulated medical devices to patients across the world, ethical behaviour by Deltex Medical's Directors and employees is critically important to the Group's success.

The Group's products are designed and manufactured by highly-trained employees based in Chichester (UK) who comply with Deltex Medical's long-established and extensively audited Quality System.

The Group's sales teams and clinical educators promote Deltex Medical's products, and their benefits, to clinicians and healthcare systems in an open way; and by reference to the substantial body of published academic studies which support the use of the TrueVue technology. Further, the Group provides extensive training to customers to allow them to gain the maximum advantage from its products and their use in the clinical setting.

9) Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board has established a regular programme of Board Meetings at which the Chief Executive reports on the progress of the business, and her assessment of the actual or prospective risks and opportunities for the Group.

There are a minimum of ten Board meetings scheduled per year. The non-executive Directors spend approximately a day a month working on Deltex Medical-related matters, including reviewing the Board papers. The Chairman maintains contact both with the Board, the Chief Executive and employees between Board Meetings, and typically spends approximately three days a month working on Group-related matters.

In 2024 all the non-executive Directors attended the scheduled Board meetings in the year except that Chris Jones was unable to attend the April 2024 meeting.

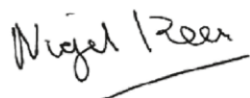
The Group's Quality System, which is regularly audited by outside regulatory bodies, also helps support and enhance the governance regime of the Group.

10) Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Deltex Medical maintains an ongoing and continuous dialogue with shareholders and other stakeholders to discuss, among other things, the opportunities for, and challenges facing, the Group.

Although the shareholder and stakeholder dialogue is primarily built around the Group's annual and interim results, as referred to in paragraphs 2) and 3) above, shareholders are informed of significant developments relating to the business through periodic news updates uploaded to the Group's website.

It is the Board's role to ensure that Deltex Medical Group plc is managed for the long-term benefit of all Deltex Medical's stakeholders with effective, efficient and timely decision making. Corporate governance is an important element of that task, which reduces risk and adds value to Deltex Medical. As Chairman, I am committed that the Group should uphold the highest standards of governance commensurate to its size and the complexity of its business.

A handwritten signature in black ink that reads "Nigel Keen". The signature is written in a cursive style with a horizontal line underneath the name.

Nigel Keen
Chairman
20 June 2025

Strategic Report

The Directors have set out below their Strategic Report for the year ended 31 December 2024.

The Strategic Report should be read in conjunction with the rest of this document and in particular the following sections:

1. Chairman's Statement (page 2)
2. Business Review (page 6)
3. Corporate Governance (page 14)
4. Principal Risks of the Group (page 21)
5. Directors' Report (page 24)

Key performance indicators

The key performance indicators that are used to monitor the performance of the Group are set out in the table below and are discussed in more detail in the Chairman's Statement and the Business Review.

Group KPIs for the year ending 31 December:	2024	2023
Adjusted EBITDA (£000)	(533)	(860)
Operating loss (£000)	(1,586)	(1,052)
Gross profit margin	68%	63%
Cash and cash equivalents (£000)	242	705
Probe revenues (£000)	1,440	1,425
Monitor revenues (£000)	483	258

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 Group also has a Standby Loan and has issued Convertible Loan Notes.

Further information on the standby loan facility and the convertible loan notes are set out in Note 17.

On 23 April 2025 the Group raised £350,000 of debt finance from a number of its largest shareholders.

The Directors have reviewed detailed budgets and forecasts until 30 June 2026, which take into account, among other things, the launch of the new TrueVue Monitor and the effect of a significantly lower cost base. This review indicates that the Group is expected to continue trading as a going concern based on projected net cash flows derived from the sales of Deltex Medical probes and monitors.

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.

Section 172 statement

The Directors of the Company must act in accordance with a set of general duties which are described in section 172 of the UK Companies Act 2006 and which can be summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between shareholders of the company.

Within Deltex Medical, the Directors fulfil their duties, as summarised above, through a corporate governance structure that delegates day-to-day decision and the management of the Company to the Chief Executive; and which is described in summary on pages 14 to 17 within this document. In addition, the following paragraphs summarise how the Directors fulfil other aspects of their duties under section 172:

Risk management

The Group sells highly regulated medical devices. Its customers are principally located in hospital intensive care units and operating theatres / rooms. Given the nature of the Group's business, it is important that Deltex Medical identifies, evaluates, manages and mitigates the risks that it identifies affect, or could affect, its business. For further information on the identification of these risks, see the section entitled 'Principal Risks of the Group' on pages 21 to 23.

Our employees

Deltex Medical has a long-standing commitment to being a responsible business.

The Group's behaviour is aligned with the expectations of its employees, customers, shareholders, communities and society as a whole.

For Deltex Medical to succeed the Group needs to, among other things, help ensure that its employees are performing to the best of their abilities. As part of this, the Group carries out appropriate training and continuous professional development.

Business relationships

The Group's strategy targets organic growth via direct sales in the UK and the USA, and internationally via a network of overseas distributors.

Deltex Medical sells a sophisticated medical device – comprising a monitor (i.e. equipment / hardware) and probes (i.e. consumables) – to existing and new customers as well as to distributors.

In order to successfully generate revenues, the Group needs to develop and maintain strong customer and distributor relationships. Deltex Medical has sought to reinforce these relationships by, among other things, creating an online training and education academy which is free to access for customers.

The Group also needs to develop and maintain close relationships with suppliers, many of which have worked with Deltex Medical for a number of years.

Anti-bribery and corruption legislation, including the UK Bribery Act and the US Foreign Corrupt Practices Act, also apply to Deltex Medical's business. There is a strong global focus on compliance with this legislation in both established and developing markets. For more information on the Group's approach to compliance with anti-bribery legislation see the corporate governance section on the website: <https://www.demg-investors.com/historic/corporate-governance/>

Community and environment

The Group's approach is to use its position, as far as it can and on a proportionate and responsible basis, as an employer and medical device vendor to create positive change for the people and communities with which it interacts.

The regulations which govern its products increasingly give rise to environmental considerations. As part of all new product development work, the Group considers carefully environmental aspects such as the product's carbon footprint as well as ways of reducing the number of non-recyclable plastic components and packaging used in the production process.

The Group is also mindful that as a supplier to the NHS it should be carbon net zero by 2050, and has started to think through the steps that it needs to take to meet this target.

Deltex Medical is also aware that many of its customers require detailed responses to information requests relating to the Group's approach to the protection of the environment.

Shareholders

The Board is committed to engaging openly with the Group's shareholders. The Board also recognises the importance of a continuing dialogue with shareholders, whether with large institutional investors, private shareholders or employee shareholders.

For more information on Deltex Medical's approach to interacting with shareholders please see the Corporate Governance Statement on page 14.

The Strategic Report comprising pages 18 to 20 has been approved by the Directors and signed
By order of the Board



Natalie Wettler
Company Secretary
20 June 2025

Principal Risks of the Group

The Directors have summarised below what they believe to be the principal risks and uncertainties currently facing the Group.

This summary of the principal risks and uncertainties facing the Group should be read in conjunction with the rest of this document including, in particular, the Chairman's Statement and the Business Review.

Note that this summary represents the Board's best assessment and judgement of risks and uncertainties as at the date of this document and, given the nature of business risk and associated uncertainties, there can be no assurances that new or unforeseen specific risks or uncertainties will not arise in the future that are not summarised or referred to below.

Personnel

The successful selling of the Group's technology depends on a number of factors, including: (i) the skill, motivation and experience of its sales personnel in educating (and re-educating) clinicians about the benefits associated with the effective use of Deltex Medical's products; (ii) the manufacturing of its products to detailed specifications, including appropriate engineering tolerances and sterility; (iii) the experience and innovation of its research and development team developing the next generation of its novel products; and (iv) the skill and thoroughness of its quality assurance team in ensuring that all products leaving its manufacturing facilities in Chichester conform to the highest standards and prevailing regulatory requirements. Together these factors, including the ability to recruit and retain appropriately skilled and motivated individuals in each role, including in a high inflation environment with a structural shortage of personnel in the South of England, represent risk to the Group.

Regulatory environment

The Group operates in a number of highly regulated territories and sectors which inherently represents and/or creates risk.

It has a robust Quality Management System which is maintained on the Entropy document control system hosted by the British Standards Institute ("BSI"). This quality system is reviewed regularly by the appropriate European Union regulatory body, BSI and the American Food and Drug Administration.

In Europe, Deltex Medical is working on the transition from the Medical Device Directive to the Medical Device Regulation ("MDR"). The European MDR is a new set of regulations that governs the production and distribution of medical devices in Europe. Compliance with these regulations is mandatory for medical device companies that want to sell their products on the European market. The implementation date of MDR has now been deferred until December 2028 for Class IIb medical devices. The impact of the transition from the existing MDD regime to MDR is currently unknown. There is a level of risk inherent in the uncertainty and costs associated with the transition to MDR.

The Group operates across the world and is subject to extensive legislation and regulation, including with respect to anti-bribery and anti-corruption laws. Deltex Medical's international operations are governed by the UK Bribery Act and the US Foreign Corrupt Practices Act which prohibit, directly or via representatives, the making or offering of improper payments to government officials and other persons; or accepting payments for the purpose of obtaining or maintaining business. The Group's international operations in developing markets via distributors increase its exposure to these risks.

Hospitals and the clinical environment

The Group operates in an environment where, by their very nature, surgical procedures are being undertaken on sick, and sometimes extremely sick, patients. Hospitals are, from time to time, the

subject of litigation by disaffected patients or their relatives; and there is a risk that the Group could be co-joined in such litigation. However, the Group notes that its haemodynamic monitoring technology is designed to minimise certain specific risks for patients and to aid their speedy recovery. It is also the case that, to date, no such litigation has been commenced against the Group or its products.

A number of hospitals have put in place restrictions, particularly post Covid, which effectively stop or severely curtail the ability for suppliers' / vendors' salespersons or clinical educators from meeting with relevant decision-makers within a hospital.

The Group has historic sales data which suggest that Deltex Medical's sales are greatly enhanced by regular face-to-face meetings with users (or prospective users) and, conversely, a lack of such face-to-face meetings tends to result in, over time, a decline in sales.

Accordingly, how receptive or open hospitals are to the setting up of face-to-face meetings by Deltex Medical's sales teams is an important determinant of direct sales in the short to medium term; and as such this openness, or lack thereof, represents a significant commercial risk to Deltex Medical. This issue is also pertinent as regards the successful launch, and sales, of the new monitor.

There is a substantial backlog, particularly in the UK, of elective surgical procedures that had to be cancelled during the pandemic. Although this backlog represents a potential opportunity for increased sales by the Group and its distributors, there is an element of risk and uncertainty associated with how hospitals and/or health systems will seek to reduce this backlog.

Research and Development ("R&D")

The Group is currently carrying out a substantial and complex product development programme. Such R&D programmes are challenging and are not without risk. Further, as the regulatory environment for medical devices becomes more onerous around the world, the successful completion of development programmes becomes more difficult.

Although the Group seeks to mitigate these R&D-associated risks based in large part by drawing upon its years of experience of carrying out product development in and around oesophageal Doppler monitoring as well as the judicious use of consultants, it is not possible to mitigate all the risks associated with carrying out research and development. Moreover, the costs of product development in the medical device sector continue to rise due to ever more onerous regulatory regimes; and the Group does not have unlimited, or substantial, financial resources which it can apply to its R&D activities.

Further information on the Group's R&D work is set out in the Business Review.

Competition

A number of competitors sell products to the same group of clinicians that Deltex Medical is targeting. Most of these competitors' products have the same objective as the Group's, namely to measure a patient's haemodynamic status.

Some of these competitors are significantly larger and have substantially greater financial and marketing resources than the Group. This represents a key risk factor for Deltex Medical.

Substantially all of these competitors use different technologies to the oesophageal Doppler-based technology used by the Group. The Board believes that none of these competitors have a clinical evidence base which is equivalent to that supporting the use of the Group's technology; however, there is a risk that the end-customer will not take into account this evidence base when evaluating Deltex Medical's Doppler-based technology.

There is also a risk that as the technology around "wearables" improves and develops, a competitor(s) could develop small "wearable" devices which it subsequently markets with claims of generating similar high fidelity haemodynamic monitoring data; and which it claims are broadly equivalent, at least in part, to the Group's oesophageal Doppler TrueVue technology. The Board believes that for a number of

technical reasons there will not be true comparability between Deltex Medical's TrueVue technology and any such "wearable" device; however, there are marketing and ease-of-use related risks associated with such potential market developments and competitor activities.

Financial – ongoing funding requirements

Notwithstanding a number of cost reduction programmes, the Group is not yet cashflow positive and since the Covid-19 pandemic the Group has been loss making at the adjusted EBITDA level.

The Chief Executive has implemented a number of changes since being promoted in February 2025 in order to reduce the breakeven point of the Group and to increase cash generation; however, there can be no assurances that the Group will not continue to need to raise further funds.

Financial – currency fluctuations

The Group is exposed to currency fluctuations. Its principal cost base is in pounds sterling. However, it receives a significant proportion of its revenue in US dollars and Euros. As a result, movements in the exchange rates between sterling and other currencies have a direct impact on Group revenue, profits and cash, and as such represents a form of risk.

Financial – credit risk

The Group sells to a network of distributors around the world. The majority of these distributors are heavily focussed on the elective surgery sector. Deltex Medical faces risk in respect of its financial exposure to these distributors.

Other risks and uncertainties

There are a number of other risks and uncertainties which affect, or could affect, the Group including:

- the effects of inflation on all of the Group's input costs, especially in respect of employee salaries, raw materials, purchased components and energy costs;
- changes in government policies and spending plans, particularly in respect of healthcare systems;
- lower than anticipated orders for the Group's products and a concomitant negative effect on the Group's cashflows;
- the availability to the Group of resources, including financial resources, to pursue its strategy and other opportunities that it comes across; and
- the consequences of the war in Ukraine and associated geopolitical stresses, including in the Middle East, as well as the introduction of tariffs which could adversely affect the global economy and make it harder for Deltex Medical to export successfully.

Directors' Report

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2024.

Future developments

The Group's business activities, together with the factors likely to affect its future developments, performance and position are set out in the Chairman's Statement on page 2, the Business Review on page 6 and the Principal Risks of the Group on page 21.

Subsequent events

There have been a number of changes affecting the Group since 31 December 2024.

Since the balance sheet date the former Chief Executive, Andy Mears, stepped down from the Board on 12 February 2025 and Natalie Wettler was promoted to the role of Chief Executive.

On the same day, Deltex Medical shareholders voted in favour of a resolution to cancel the admission of the Group's ordinary shares to trading on AIM which effectively de-listed the shares. The Group's ordinary shares are now traded on a matched bargain basis using J.P. Jenkins:

<https://jpenkins.com/company/deltex-medical-plc/>

Changes to capital structure

Following the appointment of Natalie Wettler as Chief Executive, the Board of Deltex Medical Group plc (the "Company") decided that it was appropriate to modify the Company's capital structure in order to assist the new CEO execute her plans and raise a limited amount of additional working capital finance by way of a debt facility.

Additional Working Capital Facility

Earlier this year the Company approached a number of its largest shareholders requesting the provision of additional working capital finance by way of a debt facility (the "AWCF").

On 23 April 2025, the AWCF was put in place comprising £350,000 of debt provided by certain of the Company's major shareholders with an 8% per annum interest rate, payable quarterly, and repayment dates of 30 September 2027 (for 33% of the principal) and 30 September 2028 (for 67% of the principal).

The subscribers of the AWCF were also granted warrants (the "Warrants") by the Company over ordinary shares of 0.01p each in the capital of the Company ("Shares") at a rate of 3,792,000 Warrants per £50,000 of AWCF subscribed, with an exercise price of 0.03p per Share, capable of exercise at any time before 23 April 2032. A total of 26,544,000 Warrants have been issued pursuant to the debt facility associated with the AWCF.

Amendment to the Convertible Loan Notes

In parallel to the discussions relating to the AWCF, the Company approached the three holders (the "Noteholders") of the £1.1 million of Unsecured Convertible Loan Notes (the "Notes") to request amendments to the terms governing the Notes. (Further information on the Notes is set out in Note 17.2 to the attached financial statements.)

In summary, the amendments to the Notes that have been agreed with the Noteholders comprise: (i) the Repayment Date for the Notes is extended to 31 December 2027; and (ii) the nine quarterly interest payments from 31 December 2024 to 31 December 2026 (inclusively), will not be paid in cash but on 31 December 2026 will be accumulated and added to the principal due on the Notes (the "Deferred Interest").

In consideration of agreeing to these amendments to the Notes, the Noteholders have been granted

Warrants, with the same terms and conditions as those granted to the subscribers of the AWCF debt facility, at a rate of 6,825,600 Warrants per £90,000 of Deferred Interest. A total of 15,016,320 Warrants have been issued pursuant to these amendments to the Notes.

Amendment to the Standby Facility

The Company has drawn down on a £650,000 Standby Debt facility provided by Imperialise Limited, a company controlled by Mr. Nigel Keen, Chairman of Deltex Medical Group plc.

Information on the Standby Facility is set out in Note 17 to the attached financial statements.

Imperialise Limited has agreed to extend the repayment date on the Standby Facility to 31 December 2027 with an additional proviso that if the AWCF has been repaid by 30 April, 2027, then £250,000 of the Standby Debt Facility becomes repayable on 30 April, 2027.

Financial risk management

The financial risk management objectives and policies of the Group, including exposure to currency risk, interest rate risk and liquidity risk are referred to in the Principal Risks on page 21 and are set out in note 23 to the financial statements on pages 73 to 76.

Dividends

The Directors do not propose the payment of a dividend for 2024 (2023: £nil).

Directors

The Directors of the Group who served during 2024 are shown below. Biographical details of the current Directors are given on page 11.

Nigel Keen	Non-executive Chairman
Andy Mears	Chief Executive during 2024; resigned 12 February 2025
Natalie Wettler	Group Finance Director and Chief Operating Officer; promoted to Chief Executive on 12 February 2025
Chris Jones	Non-executive Director (Senior independent Director)
Ben Carswell	Non- executive Director

In the case of each Director in office at the date that the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Parent Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and Parent Company's auditor is aware of that information.

Directors' indemnities

As permitted by the Companies Act 2006, the Company has indemnified the Directors in respect of proceedings brought by third parties and qualifying third party indemnity insurance was in place throughout the year and up to the date of approval of the financial statements.

Research and development activities

Deltex Medical Limited, a subsidiary, undertakes research and development work in support of the Group's principal manufacturing activities. Further information on the Group's research and development activities can be found earlier in this document, including in the Business Review.

Employee engagement

Approximately once a quarter a Board meeting takes place at the Group's Chichester headquarters. Time is scheduled during this meeting to allow the non-executive Directors to have an opportunity to examine progress on the various product development programmes as well as to talk informally with employees across the facility. In addition, from time to time, the Board asks an employee to give a presentation at the beginning of a Board meeting to help educate and inform the Directors on a particular topic. Together these actions help promote the engagement of the Group's employees with the Directors (and vice versa).

Annual General Meeting

The notice convening the Annual General Meeting, which will take place on 23 July 2025 at 12 noon at Deltex Medical, Terminus Road, Chichester, West Sussex, PO19 8TX, can be found at the back of this Report.

By order of the Board.



Natalie Wettler
Company Secretary

20 June 2025

Directors' Remuneration Report

Introduction from Nigel Keen, Chairman of the Remuneration Committee

I am pleased to present this report on behalf of the Remuneration Committee.

Deltex Medical has appointed all the non-executive Directors to the Remuneration Committee and the Committee meets regularly during the year to discuss matters concerning the executive Directors of the Group and more broadly on other topics concerning the Group's employees and their remuneration.

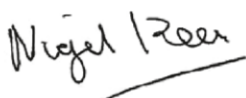
The Board considers that this supervision by the Remuneration Committee is an important component of good corporate governance for the Group as a whole.

During the year the Committee has been involved in reviewing the remuneration of all the Group's employees and, in particular, for the executive Directors and senior managers.

The Committee believes that the remuneration policy continues to both support and motivate Deltex Medical's senior team to achieve the Group's strategic objectives and long-term growth for shareholders.

I would be pleased to respond to any queries should any shareholder require more information about the Group's remuneration policies.

Yours sincerely

A handwritten signature in black ink that reads "Nigel Keen". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Nigel Keen

Chairman of the Remuneration Committee
20 June 2025

The Remuneration Committee

The Remuneration Committee (the “Committee”) is responsible for recommending to the Board the remuneration packages for the executive Directors and has supervision of the bonus and share incentive strategy for the Group’s executive management. It also has input on other remuneration matters concerning the Group’s employees.

The Chairman and the executive Directors are responsible for determining the remuneration of the non-executive Directors, and the Remuneration Committee, excluding Mr. Keen, is responsible for determining the remuneration of the Chairman.

The role of the Committee includes:

- considering and determining the remuneration policy for the executive Directors;
- within this agreed policy, considering and determining the total remuneration packages of each of the executive Directors of the Group;
- approving the design and performance targets for all performance-related plans for employees as well as the overall total annual payments made under such plans;
- reviewing and noting remuneration trends across the Group; and
- determining the policy for pension arrangements, service agreements and termination payments to executive Directors.

The members of the Committee are appointed by the Board and during the year comprised all the independent non-executive Directors.

Nigel Keen is the Chairman of the Committee. The Board considers that Nigel, with his experience of working at senior levels in global healthcare and technology companies, has the most appropriate blend of skills and experience to be chairman of the Committee.

All members served throughout the year.

This report sets out the Directors’ remuneration policy for 2024 and beyond. This report has not been audited. It should be read in conjunction with details of the Directors’ remuneration in notes 5.4 and 5.5 which form part of the audited financial statements.

The remuneration policy is designed to promote the delivery of the Group’s strategy and seeks to align the interests of the Directors and Deltex Medical’s shareholders. The Committee reviews the link between incentive structure and strategy regularly to ensure that remuneration packages are appropriate to attract, motivate and retain the high calibre employees who are needed to execute the Group’s strategy.

The Group seeks to reward employees fairly and responsibly based on Group performance and their individual contribution. The Group has a strategy aimed at delivering profitable growth. It is important for the motivation and retention of its employees that their remuneration takes into account the Group’s plans for sustainable, profitable growth and the increasing complexity of the business.

The Committee considers carefully the motivational effects of the incentive structure in order to ensure that it is effective and does not have any unintentionally negative impact on matters such as governance, environmental or social issues. More generally, the Committee seeks to ensure that the overall remuneration policy does not encourage inappropriate risk taking.

During the year the Committee considered whether the current policy remained appropriate for 2024. It aims to have a remuneration policy which is appropriately balanced between competitive pay, incentives to develop and the growth of the Group in line with its strategy; and that it effectively rewards for success and does not reward where targets are not met. Salaries were last reviewed across the Group on 1 July 2024. Cash expenditure needs to be tightly controlled while the Group is achieving its turn round to profitability which restricts the opportunity for more normal cash bonus arrangements.

Apart from the performance options, there are no material differences in the structure of remuneration arrangements for the executive Directors and senior management, aside from quantum and participation levels in incentive schemes, which reflect the fact that a greater emphasis is placed on performance-related pay for executive Directors and the most senior individuals in the management team. Outside the senior management team, the Group aims to provide remuneration structures for employees which reflect market norms.

Executive Directors' service contracts and policy on cessation

Details of the service contracts of the executive Directors serving during 2024, which are available for inspection at the Group's registered office, are as follows:

Executive director	Contract date	Unexpired term of contract
Andy Mears*	6 November 2018	Rolling contract; 6 months' notice
Natalie Wettler	28 May 2021	Rolling contract; 6 months' notice

* Note that Mr. Mears stepped down as Chief Executive on 12 February 2025

Non-executive Directors

For the appointment of a new Chairman or non-executive Director, the fee arrangement would be in accordance with the approved remuneration policy in place at the time.

Non-executive Directors do not have service contracts but are appointed under letters of appointment. Their appointment can be terminated without notice and with no compensation payable on termination, other than accrued fees and expenses.

Chairman

Under an arrangement between the Group and Imperialise Limited, Nigel Keen is retained to act as Chairman of the Group. His current term of appointment commenced on 19 April 2009. This arrangement can be terminated by either party at any time by the giving of six months' written notice.

Directors' remuneration

The remuneration paid to the Directors during the year under review and the previous year is summarised in the tables below:

EXECUTIVE DIRECTORS

Executive Director	Year	Cash settled salary	Benefits*	Pension	Annual bonus	Total
		£	£	£	£	£
Andy Mears	2024	125,000	7,500	5,000	-	137,500
	2023	175,000	7,500	8,000	-	190,500
Natalie Wettler	2024	100,000	7,500	4,000	-	111,500
	2023	116,667	7,500	4,750	-	128,917
Total	2024	225,000	15,000	9,000		249,000
	2023	291,667	15,000	12,750		319,417

* 'Benefits' comprise the provision of a car allowance paid in cash

Andy Mears

During 2024, Andy Mears had an interest in share options over Deltex Medical ordinary shares as described in the table below. These options cannot be exercised without first fulfilling certain performance criteria.

Andy Mears share options*	Exercise from date	Exercise to date	Exercise price	Number
2024 EMI Share Option Plan**	12 June 2027	12 August 2031	0.105p	56,500,000
2024 Executive Performance Plan**	27 April 2024	26 April 2031	0.2p	94,000,000
Total				150,500,000

* Mr. Mears resigned from Deltex Medical on 12 February 2025

** Further information on the award of the 2024 share options was set out in an announcement by the Company on 12 June 2024 and can be view on the Company's investor website at: <https://www.demg-investors.com/historic/>

Following the resignation of Mr. Mears on 12 February 2025 then as part of the Settlement Agreement between Mr Mears and the Company, he has retained a number of share options over Deltex Medical ordinary shares. Mr. Mears had 150.5 million share options outstanding under the Deltex Medical 2024 share option schemes. 134.45 million will be cancelled on 12 August 2025 and the remaining 15.05 million under the 2024 Executive Performance Plan will remain in place and, subject to the fulfilment of the relevant performance conditions, may be exercised at any time up to 30 June 2028 in a single tranche.

Natalie Wettler

During 2024, Natalie Wettler had an interest in share options over Deltex Medical ordinary shares as described in the table below. Certain of these options cannot be exercised without first fulfilling certain performance criteria.

Natalie Wettler share options	Exercise from date	Exercise to date	Exercise price	Number
2024 EMI Share Option Plan*	12 June 2027	12 August 2031	0.105p	56,500,000
Executive Performance Plan*	27 April 2024	26 April 2031	0.2p	94,000,000
Total				150,500,000

* Further information on the award of the 2024 share options was set out in an announcement by the Company on 12 June 2024 and can be view on the Company's investor website at: <https://www.demg-investors.com/historic/>

NON-EXECUTIVE DIRECTORS

Non-executive Directors	Year	Cash settled Directors' fees	Equity settled Directors' fees	Benefits	Pension	Annual bonus	Long term incentive awards	Total
		£	£	£	£	£	£	£
Nigel Keen	2024	-	33,333	-	-	-	-	33,333
	2023	-	33,333	-	-	-	-	33,333
Chris Jones	2024	9,000	12,000	-	-	-	-	21,000
	2023	-	24,000	-	-	-	-	24,000
Ben Carswell	2024	9,000	12,000	-	-	-	-	21,000
*	2023	1,500	-	-	-	-	-	1,500
Total	2024	18,000	57,333	-	-	-	-	75,333
	2023	1,500	79,333	-	-	-	-	80,833

Notes to the above table

- * Ben Carswell was appointed to the Board on 1 December 2023. His fees for 2023 were settled in cash in January 2024

Dilution limits

Under a new share option plan put in place in 2023, up to 15% of the Company's share capital from time to time over a ten year period can be made available to award share options to the Group's employees.

Directors' shareholdings

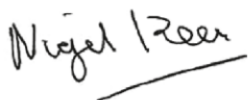
Directors' shareholdings as at 31 December 2024 are shown in the table below.

Directors' shareholdings	Legally owned	Unexercised options	Unvested options subject to performance conditions share option schemes
Andy Mears*	11,658,731	-	150,500,000
Natalie Wettler	1,010,400	-	150,500,000
Nigel Keen	354,581,178	-	-
Ben Carswell	-	-	-
Chris Jones	20,596,756	-	-

- * Andy Mears resigned as Chief Executive on 12 February 2025

Approval

This report was adopted by the Committee on 20 June 2025 and has been approved subsequently by the Board.

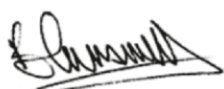
A handwritten signature in black ink that reads "Nigel Keen". The signature is written in a cursive style with a long horizontal stroke at the end.

Nigel Keen
Chairman of the Remuneration Committee
20 June 2025

Report of the Audit Committee

Introduction from Ben Carswell MBA FCA, Chairman of the Audit Committee

I am pleased to present this report on behalf of the Audit Committee. I have been Chair of the Audit Committee since 1 December 2023 when I joined the Board and consider that I have recent and relevant financial experience.



Ben Carswell MBA FCA
Audit Committee Chairman
20 June 2025

Key responsibilities

The primary responsibility of the Audit Committee is to assist the Board fulfil its oversight responsibilities in respect of the Group's financial reporting, accounting systems, risk management and associated public disclosure. Accordingly, the Audit Committee is required to:

- monitor the integrity of both the Group's interim and annual report and accounts;
- review any significant financial reporting matters that may arise, and agree on the reasonableness of the judgements that they may contain;
- advise on the clarity of disclosure of information provided in the report with the objective of ensuring that the annual report and accounts, as a whole, is fair and balanced;
- ensure that both the Group's interim and annual report and accounts have been prepared in accordance with applicable accounting standards and that any significant estimates made are considered to be reasonable;
- review the adequacy and effectiveness of the Group's systems of internal control and risk management; and
- oversee the relationship with the Group's independent auditor, reviewing the effectiveness of the external audit and advising the Board on their appointment and remuneration.

Audit Committee governance

The Audit Committee comprises all the non-executive Directors and was chaired during the year under review by Ben Carswell who is also a Chartered Accountant with recent and relevant financial experience.

The other non-executive Directors who served during the year under review are all considered to have the ability and experience necessary to understand both interim and annual reports and accounts.

The Audit Committee usually meets twice a year along with the executive Directors, by invitation. A private meeting is also held with the Group's independent auditor without the executive Directors in attendance.

Activities of the Audit Committee during the year

Internal controls and risk management

The Board has collective responsibility for the effectiveness of the Group's system of internal control. The Audit Committee has assisted the Board with its review of the effectiveness of these internal controls and risk management during the year, principally through discussion with the executive Directors and other senior managers within the Group. In addition, the Audit Committee receives reports from its external auditor which contain, among other things, control findings that are relevant to its work.

Information relating to the Principal Risks of the Group can be found on pages 21 to 23.

Financial reporting matters and judgements

The Audit Committee has received updates on the key judgemental financial reporting areas in the annual report and accounts from the Group Finance Director (who is now the Chief Executive) and considered the findings from the external auditor on these matters.

The principal significant reporting matters that were considered by the Audit Committee during the year comprised, in summary, the carrying value of investments in subsidiaries and group balances in the Parent Company's individual financial statements as well as detailed analyses prepared to examine and consider the disclosure required in respect of going concern.

The Audit Committee reviewed the key assumptions used in the underlying cashflow forecasts which were used as the basis for the value-in-use calculation required by the relevant accounting standards. The key assumptions reviewed in the cash flow forecasts were the sales growth rates, gross margins and likely progression of the Group's overheads. In the context of the value-in-use calculation, the Committee satisfied itself that the discount rate adopted was appropriate to use.

External audit

Prior to the commencement of the audit, the Audit Committee received an audit planning document from the auditor which set out the auditor's perceived audit risks and the scope of the work to be performed. The Audit Committee was satisfied that the risks identified were aligned with its own assessment and that the proposed approach was appropriate for a high quality audit to be performed.

Following the completion of the audit, the Audit Committee received from the auditor a post-audit management letter which set out the key findings from the audit. The auditor also confirmed their independence and how they comply with their professional and regulatory requirements.

The Audit Committee has confirmed that it is satisfied with the independence, objectivity and the effectiveness of Cooper Parry Group Limited.

Independent auditor's report to the members of Deltex Medical Group plc

Opinion

We have audited the financial statements of Deltex Medical Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

We adopted a risk-based audit approach. We gained a detailed understanding of the group's business, the environment it operates in and the risks it faces.

The key elements of our audit approach were as follows:

In order to assess the risks identified, the engagement team performed an evaluation of identified components and to determine the planned audit responses based on a measure of materiality, calculated by considering in which components of the group identified risks of material misstatement were present.

From this, we determined our planned audit responses in each component. In order to address the audit risks described in the Key audit matters section which were identified during our planning process, we performed a full-scope audit of the financial statements of the parent company, Deltex Medical Group plc, and of the group's UK trading subsidiary. The operations that were subject to full-scope audit procedures made up 92% of consolidated revenues and 91% of consolidated loss after tax.

We also performed audit procedures over revenue, cost of sales, administrative expenses and inventory balances within the group's US subsidiary, Deltex Medical Inc. We applied analytical procedures to the Balance Sheets and Income Statements of the entities comprising the remaining operations of the group, focusing on applicable risks identified as above.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement

(whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk Description	Our response to the risk
<p>Revenue recognition: As detailed in note 2 to the financial statements, Significant Accounting Policies, the group's revenue is generated from two main streams, as follows:</p> <ul style="list-style-type: none"> • the sale of equipment; • maintenance contracts. <p>Given the material nature of revenue and the variety of methods it is generated through, the appropriateness of revenue recognition and management's application of the group's revenue recognition accounting policies represents a key risk area of significant judgement in the financial statements.</p>	<p>We have assessed accounting policies for consistency and appropriateness with the financial reporting framework and in particular that revenue was recognised when performance obligations were fulfilled. In addition, we reviewed for the consistency of application as well as the basis of any recognition estimates.</p> <p>We have obtained an understanding of processes through which the business initiates, records, processes and reports revenue transactions.</p> <p>We performed walkthroughs of the processes as set out by management, to ensure controls appropriate to the size and nature of operations are designed and implemented correctly throughout the transaction cycle.</p> <p>We tested equipment sales to gain assurance over the completeness, existence and accuracy of reported revenue.</p> <p>We tested ongoing maintenance contracts to gain assurance over the completeness, existence and accuracy of reported revenue.</p> <p>We performed cut-off procedures to test transactions around the year end and verified a sample of revenue to originating documentation to provide evidence that transactions were recorded in the correct year.</p>
<p>Valuation of development costs: The group capitalises a significant amount of development costs, which is held on the Balance Sheet as an intangible asset and amortised over its estimated useful life.</p> <p>The carrying value of these intangible assets is £3,745,000 with immaterial new costs capitalised in the year.</p> <p>Given the amounts involved are significant, there is a risk that these costs are not recoverable through future cashflows, causing a risk of impairment.</p>	<p>We reviewed future forecast cashflows in respect of these intangible assets, and assessed the appropriateness of the assumptions concerning growth rates and inputs to the discount rates against latest market expectations.</p> <p>We performed sensitivity analysis to determine whether an impairment would be required if revenue did not increase at the forecast rate.</p>
<p>Impairment of investments in subsidiaries (parent company only) The parent company holds investments in its subsidiaries which have been significantly impaired in previous years.</p> <p>Both the cost, and the remaining carrying value are material to the parent company and therefore there is a risk that there is further impairment in light of current trading and future forecast results.</p>	<p>We reviewed future forecast cashflows in respect of each of the subsidiaries and assessed the appropriateness of the assumptions concerning growth rates and inputs to the discount rates against latest market expectations.</p> <p>We performed sensitivity analysis to determine whether an impairment would be required if revenue did not increase at the forecast rate.</p> <p>We tested the arithmetical accuracy of the impairment model.</p>

<p>Going concern The group has suffered losses both historically and in the year ended 31 December 2024. Accordingly, we consider going concern to represent a key audit matter.</p>	<p>Our response to this key audit matter is discussed below within conclusions relating to going concern.</p>
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Our application of materiality

We apply the concept of materiality in planning and performing our audit, in determining the nature, timing and extent of our audit procedures, in evaluating the effect of any identified misstatements, and in forming our audit opinion.

The materiality for the group financial statements as a whole was set at £41,000. This has been determined with reference to the benchmark of the group's revenue which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 2% of group revenue. Performance materiality has been set at 80% of group materiality.

The materiality for the parent company financial statements as a whole was set at £37,000 and performance materiality represents 80% of materiality. This has been determined with reference to the parent company's net assets, which we consider to be an appropriate measure for a holding company with investments in trading subsidiaries, but has been restricted to 90% of our group materiality.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements;
- Challenging management on key assumptions included in their forecast scenarios;
- Considering the potential impact of various scenarios on the forecasts;
- Considering the group's ability to repay borrowings as they fall due and to operate within current agreed facilities;
- Reviewing results post year end to the date of approval of these financial statements and assessing them against original budgets;
- Reviewing additional debt funding secured post year end for repayment terms and any other conditions included; and
- Reviewing management's disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information included in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such

material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice (UK GAAP) and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias specially in relation to the carrying value of goodwill and intangible assets.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Melanie Hopwell (Senior Statutory Auditor)
For and on behalf of Cooper Parry Group Limited
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Date: 20 June 2025

Consolidated statement of comprehensive income
For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Revenue	3	2,056	1,776
Cost of sales	4	(658)	(651)
Gross profit		1,398	1,125
Administrative expenses		(1,092)	(1,081)
Sales and distribution expenses		(516)	(685)
Research and Development, Quality and Regulatory		(604)	(217)
Exceptional costs	9	(756)	(366)
Total costs	4	(2,968)	(2,349)
Other (loss)/ gain	7, 17	(16)	172
Operating loss		(1,586)	(1,052)
Finance costs	6	(211)	(230)
Loss before taxation		(1,797)	(1,282)
Tax credit on loss	7	-	-
Loss for the year		(1,797)	(1,282)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Net translation differences on overseas subsidiaries		6	5
Other comprehensive expense for the year, net of tax		6	5
Total comprehensive loss for the year		(1,791)	(1,277)
Total comprehensive loss for the year attributable to:			
Owners of the Parent		(1,790)	(1,252)
Non-controlling interests		(1)	(25)
		(1,791)	(1,277)
Loss per share – basic and diluted	10	(0.09p)	(0.11p)

The notes on pages 45 to 78 form an integral part of these consolidated financial statements.

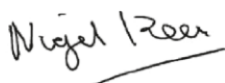
Consolidated balance sheet

As at 31 December 2024

Company Number 03902895

		2024	2023
	Note	£'000	£'000
Assets			
Non-current assets			
Property, plant and equipment	11	134	198
Intangible assets	12	3,054	3,965
Total non-current assets		3,188	4,163
Current assets			
Inventories	14	609	716
Trade receivables	15	284	177
Other current assets	15	63	87
Current income tax recoverable		-	84
Cash and cash equivalents	16	242	705
Total current assets		1,198	1,769
Total assets		4,386	5,932
Liabilities			
Current liabilities			
Borrowings	17	(838)	(79)
Trade and other payables	17	(907)	(855)
Total current liabilities		(1,745)	(934)
Non-current liabilities			
Borrowings	17	(1,054)	(1,665)
Trade and other payables	17	(54)	(119)
Provisions	19	(80)	(71)
Total non-current liabilities		(1,188)	(1,855)
Total liabilities		(2,933)	(2,789)
Net assets		1,453	3,143
Equity			
Share capital	20	7,253	7,204
Share premium	20	35,685	35,650
Capital redemption reserve	25	17,476	17,476
Other reserve	25	228	473
Translation reserve	25	179	173
Convertible loan note reserve	25	82	82
Accumulated losses	25	(59,303)	(57,769)
Equity attributable to owners of the Parent		1,600	3,289
Non-controlling interests		(147)	(146)
Total equity		1,453	3,143

The notes on pages 45 to 78 form an integral part of these consolidated financial statements. The financial statements on pages 40 to 44 were approved by the Board of Directors and authorised for issue on 20 June 2025 and were signed on its behalf by:



Nigel Keen

Chairman



Natalie Wettler

Group Finance Director

Consolidated statement of changes in equity for the year ended 31 December 2024

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	convertible loan note reserve £'000	Translation reserve £'000	Accumulated losses £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2024	7,204	35,650	17,476	473	82	173	(57,769)	3,289	(146)	3,143
Comprehensive loss										
Loss for the period	-	-	-	-	-	-	(1,797)	(1,797)	(1)	(1,798)
Other comprehensive income for the period	-	-	-	-	-	6	-	6	-	6
Total comprehensive loss for year	-	-	-	-	-	6	(1,797)	(1,791)	(1)	(1,792)
Transactions with owners of the Group										
Shares issued during the year	49	35	-	-	-	-	-	84	-	84
Issue expenses	-	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment	-	-	-	18	-	-	-	18	-	18
Transfers	-	-	-	(263)	-	-	263	-	-	-
Balance at 31 December 2024	7,253	35,685	17,476	228	82	179	(59,303)	1,600	(147)	1,453

The notes on pages 45 to 78 form an integral part of these consolidated financial statements.

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

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Convertible loan note reserve £'000	Translation reserve £'000	Accumulated losses £'000	Total £'000	Non-controlling interest £'000	Total equity £'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

The notes on pages 45 to 78 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2024

	2024 £'000	2023 £'000
Cash flows from operating activities		
Loss before taxation	(1,797)	(1,282)
Adjustments for:		
Finance costs	211	230
Depreciation of property, plant and equipment	72	110
Amortisation of intangible assets	167	23
Loss on disposal of property, plant and equipment	22	11
Write off of research and development projects not taken forward	756	141
Modification gain on convertible loan note	-	(89)
Non-Executive Director fees	75	91
Share-based payment expense	18	-
Accumulated absence movement	8	-
Other loss/(gain)	16	(83)
Effect of exchange rate fluctuations	-	5
	(452)	(843)
Decrease/(Increase) in inventories	107	105
(Increase)/Decrease in trade and other receivables	(83)	332
Increase/(Decrease) in trade and other payables	45	(691)
Decrease in staff advances	-	15
Increase in provisions	9	7
Net cash used in operations	(374)	(1,075)
Interest paid	(175)	(191)
RDEC taxes received	68	71
Net cash used in operating activities	(481)	(1,195)
Cash flows from investing activities		
Purchase of property, plant and equipment	(9)	(9)
Capitalised development expenditure (net of grants)	(12)	(361)
Interest received	1	-
Net cash used in investing activities	(20)	(370)
Cash flows from / (used in) financing activities		
Issue of ordinary share capital	-	1,887
Expenses in connection with share issue	-	(193)
Net movement in invoice discount facility	109	(106)
Standby loan facility repayment	-	-
Standby loan facility drawdown	-	250
Principal lease payments	(58)	(52)
Net cash generated from financing activities	51	1,786
Net increase/(decrease) in cash and cash equivalents	(450)	221
Cash and cash equivalents at beginning of the period	705	471
Exchange loss on cash and cash equivalents	(13)	13
Cash and cash equivalents at end of the period	242	705

The notes on pages 45 to 78 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2024

1. Principal accounting policies

Presented below are those accounting policies that relate to the financial statements as a whole and include details of new accounting standards that are or will be effective for 2024 or later years. To facilitate the understanding of each note to the financial statements, those accounting policies that are relevant to a particular category are presented within the relevant notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1. General information

These financial statements are the consolidated financial statements of Deltex Medical Group plc, a company incorporated and domiciled in England and Wales, and its subsidiaries ('the group'). Deltex Medical Group Plc was listed on the Alternative Investment Market of the London Stock Exchange until 21 February 2025 at which point the company was delisted. The address of the registered office is Deltex Medical Group plc, Terminus Road, Chichester, PO19 8TX, registered number 03902895. The Group is principally involved with the manufacture and sale of advanced haemodynamic monitoring technologies.

1.2. Basis of reporting

The consolidated financial statements have been 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 as discussed in more detail under the 'Going Concern' section of this note.

These financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 31 December 2024.

New standards adopted for the year ended 31 December 2024

The following amendments to standards were applicable during the year but did not have a material impact on the Group:

- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Group.

Management anticipate that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

1.3. Basis of consolidation

The consolidated financial statements include the financial statements of the Parent Company and all of its subsidiaries. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Consistent accounting policies have been adopted across the Group. Subsidiaries are all entities over which

the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Costs related to acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

1.4. Foreign currency translation

The functional and presentational currency for the Parent Company is UK pounds sterling. Group companies use their local currency as their functional currency. Transactions denominated in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions.

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date, with any gains or losses being included in the net profit or loss of the period.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are dealt with through the Group's reserves, until such a time as the subsidiary is sold whereupon the cumulative exchange differences relating to the net investment in that foreign subsidiary are recognised as part of the profit or loss on disposal in the Consolidated Statement of Comprehensive Income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as sterling denominated assets and liabilities.

The following are the principal foreign exchange rates that have been used in the preparation of the financial statements:

	2024		2023	
	Average Rate	Closing rate	Average rate	Closing rate
Sterling/US Dollar	1.28	1.25	1.24	1.27
Sterling/Euro	1.18	1.21	1.15	1.15
Sterling/Canadian Dollar	1.75	1.80	1.68	1.69

1.5 Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss. The recoverable amount is the higher of the asset's value in use and its fair value less costs to sell. Value in use is calculated using cash flow projections for the asset (or Group of assets where cash flows are not identifiable for specific assets) discounted at the Group's cost of capital. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset

(or cash generating unit) is reduced to its recoverable amount. Non-financial assets other than goodwill which have suffered an impairment are reviewed for possible reversal of impairment at each reporting date.

1.6 Use of key judgements and key sources of estimation uncertainty

In preparing these consolidated financial statements, management has had to make judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. However, actual results may differ from these results.

Key Judgements

Research and development

Costs for research and development activities are only capitalised as intangible assets if the qualification criteria are met. These criteria are met only when the technical as well as commercial feasibility can be demonstrated and cost can be measured reliably. The amounts capitalised represent the Group's judgement of which costs have met these criteria.

There is a risk that the intangible asset will not generate the required future economic benefits and therefore could result in potential impairments. Management must exercise judgement on whether there are any indicators of impairment to the capitalised costs. Where necessary, the Directors will perform impairment reviews which involve estimation uncertainty around the future economic benefits.

Key Sources of Estimation Uncertainty

Information about estimation uncertainties at 31 December 2024 that could have a risk of adjustment to the carrying amount of assets in the next financial year is considered in the following notes:

Research and development

As noted above, where necessary, the Directors will perform impairment reviews which involve estimation uncertainty around the future economic benefits of capitalised development costs.

Trade receivables

Notes 15 and 23 provide information on the measurement of expected credit losses in respect of trade receivables, staff advances and other receivables.

1.7 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 2026 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 delisting from AIM which took place in February 2025, as well as a renewed focus on the Group's direct markets, 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.

2. Revenue recognition

2.1 Accounting policy

Revenue arises predominantly from the sale of advanced haemodynamic monitoring equipment which comprise monitors and consumable items such as single use probes and other ancillary items such as cables, roll stands etc. Revenue is also earned from after sales maintenance contracts.

In determining whether to recognise revenue, the Group applies the following 5-step process:

1. identifying the contract with the customer;
2. identifying the performance obligations set out in the contract;
3. determining the overall transaction price;
4. allocating the transaction price to the performance obligations; and
5. recognising revenue either when or as performance obligation(s) are satisfied.

The Group recognises contract liabilities for consideration received in advance of unsatisfied performance obligations and reports these amounts as other liabilities in the Consolidated Balance Sheet. Typically, these amounts relate to consideration received in advance for after-sales maintenance contracts or, occasionally, consideration received from new customers in settlement of pro-forma sales invoices.

Monitor and consumable revenues

Revenue on monitors and consumables is recognised when the Group transfers the control of the assets to the customer. For customers in both the UK and the USA, this is when the goods are accepted for delivery at the customer's specified delivery address. For our network of independent distributors which form our 'International' business stream, the transfer of control occurs on despatch of the goods in accordance with the Group's distributor agreements.

Preventative planned maintenance (PPM) agreements

The Group enters into PPM agreements with customers for the provision of an annual service for their monitors. These agreements can range in length from 1 to 10 years and provide for an annual service for each monitor specified by the serial number on the PPM agreement. Revenue is recognised when the service has been completed and the monitor is ready for use by the customer. As noted above, consideration received from customers in advance of completing the service of their monitors is recognised as other liabilities in the Consolidated Balance Sheet.

3. Segmental analysis

3.1 Accounting policy

Assessment of performance and the allocation of resources are made on the basis of results derived from the sale of probes, monitors and other products analysed by territory, of which revenues and gross margins are regularly reported to the Group's Chief Executive Officer, who has been identified as the Chief Operating Decision Maker (CODM). The CODM also monitors a profit measure described internally as 'adjusted earnings before interest, tax, depreciation and amortisation, share-based payments and non-executive directors' fees' (Adjusted EBITDA). However, this measure is reported at a Group level rather than an operating segment which is based on the nature of the goods provided rather than the geographical market in which they are sold.

3.2 Note

The operating segment results for 2024 are:

	Probes ¹ £'000	Monitors £'000	Other £'000	Unallocated £'000	Total £'000
Revenues	1,440	483	133	-	2,056
Adjusted gross profit ²	958	377	85	-	1,420
Sales and marketing costs	-	-	-	(516)	(516)
Administration costs	-	-	-	(1,000)	(1,000)
R&D costs	-	-	-	(292)	(292)
Quality and regulation costs	-	-	-	(145)	(145)
Adjusted EBITDA					(533)

1. Managed care service revenue is categorised as probe revenue

2. Gross profit excluding the depreciation charge relating to machines loaned to customers and production equipment (£22,000).

The operating segment results for 2023 were:

	Probes ¹ £'000	Monitors £'000	Other £'000	Unallocated £'000	Total £'000
Revenues	1,425	258	93	-	1,776
Adjusted gross profit ²	928	165	36	(101)	1,028
Sales and marketing costs	-	-	-	(782)	(782)
Administration costs	-	-	-	(905)	(905)
R&D costs	-	-	-	(14)	(14)
Quality and regulation costs	-	-	-	(187)	(187)
Adjusted EBITDA	-	-	-	-	(860)

1. Managed care service revenue is categorised as probe revenue

2. Gross profit excluding the depreciation charge relating to machines loaned to customers and production equipment (£4,000) and including exceptional items (£101,000)

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:

	2024 £'000	2023 £'000
Adjusted EBITDA	(533)	(860)
Non-cash items:		
Depreciation of property, plant and equipment	(72)	(110)
Amortisation of development costs	(167)	(23)
Non-executive directors' fees and employer's NIC	(75)	(91)
Gain on convertible loan note	-	89
Share-based payment expense	(18)	-
Write off of research and development projects not taken forward	(756)	(141)
Release of historic accrual	59	-
Change in accumulated absence cost liability Cash item:	(8)	1
Other tax income	(16)	83
	(1,053)	(192)
Operating loss	(1,586)	(1,052)
Finance costs	(211)	(230)
Loss before tax	(1,797)	(1,282)
Tax credit on loss	-	-
Loss for the year	(1,797)	(1,282)

The following table provides an analysis of the Group's sales by revenue stream and markets. This information is regularly provided to the Group's CODM:

For the year ended 31 December 2024							
	Direct Markets			Indirect Markets			Total £'000
	Probes	Monitors	Other	Probes	Monitors	Other	
	£'000	£'000	£'000	£'000	£'000	£'000	
UK	373	71	71	-	-	-	515
France	-	-	-	320	89	4	413
Latin America	-	-	-	176	190	4	370
USA	235	-	45	-	-	-	280
Portugal	-	-	-	156	-	-	156
Austria	-	-	-	19	42	1	62
South Korea	-	-	-	61	-	-	61
Scandinavia	-	-	-	39	10	1	50
Other countries	2	-	-	59	82	6	149
	610	71	116	830	413	16	2,056

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

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.

	2024	2023
	£'000	£'000
Sale of goods	1,996	1,732
Maintenance income	60	44
	2,056	1,776

The following table provides information about trade receivables and contract liabilities from contracts with customers. There were no contract assets at either 31 December 2024 or 31 December 2023.

	31 December 2024	31 December 2023
	£'000	£'000
Trade receivables which are in 'Trade and other receivables'	284	177
Contract liabilities (Note 17.3)	(42)	(44)

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 2024:

	2025	2026	2027	2028	Total
	£'000	£'000	£'000	£'000	£'000
Revenue expected to be recognised	19	6	3	14	42

Revenue recognised in 2024 which was included in contract liabilities at 31 December 2023 amounted to £32,000. Revenue recognised in 2023 which was included in contract liabilities at 31 December 2022 amounted to £24,000.

4. Expenses

4.1 Expenses by nature

The following table provides information on the nature of expenses recognised within the Statement of Comprehensive Income:

	2024 £'000	2023 £'000
Raw materials and consumables used	426	357
Employee benefit costs	1,326	1,716
Non-executive directors' fees	84	91
Depreciation of property, plant and equipment	72	110
Amortisation of development costs	167	23
Write off of research and development projects not taken forward	756	141
Short-term leases	8	17
Net foreign exchange loss/(gain)	6	18
Gain on convertible loan note	-	(89)
Other tax charge/(income)	16	(83)
Other	781	527
	3,642	2,828

4.2 Auditor's remuneration

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Group's auditors at the cost detailed below.

Cooper Parry Group Limited

	2024 £'000	2023 £'000
Fees payable to the Group's auditor for the audit of Parent Company and consolidated financial statements	10	10
Fees payable to the Group's auditor for other services:		
The audit of the Group's subsidiaries	55	50
	65	60

5. Employees

5.1 Accounting policy

Short-term obligations

Liabilities for wages and salaries, including annual leave, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employee services up to the end of the financial reporting period. They are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are categorised as current liabilities within trade and other payables in the Consolidated Balance Sheet.

Post-employment obligations

The Group operates two defined contribution schemes for its employees. One scheme is for UK based employees and the other is for US based employees.

For defined contribution schemes, the Group pays contributions to privately administered pension schemes on a

mandatory, contractual or discretionary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

5.2 Employee benefit expense

	2024 £'000	2023 £'000
Wages and salaries	1,147	1,867
Social security costs	132	213
Pension costs – defined contribution plans	37	55
	1,316	2,135
Less amounts capitalised as research and development expenses	(9)	(403)
	1,307	1,732
Accumulated absence liability movement	(8)	(1)
Accrued bonuses for the year	12	(15)
Share-based payment expense	18	-
	1,329	1,716

The pensions cost expense of £37,000 (2023: £55,000) represents the aggregate amount paid and payable into defined contribution pension schemes on behalf of employees.

5.3 Average monthly number of people employed

	2024 Number	2023 Number
Number of employees	24	37
Average monthly number of people (including executive directors) employed:		
Sales and marketing	5	9
Production	7	12
Office and management	6	9
Quality and regulatory	1	2
Research and development	5	5
Total monthly average headcount	24	37

5.4 Directors' emoluments

	2024 £'000	2023 £'000
Aggregate emoluments	282	354
Sums paid to third parties for directors' services	33	33
Contributions to the Group's defined contribution scheme	9	13
	324	400

Sums paid to third parties for the services of a director comprise:

Third party payee	Director		
Imperialise Limited	Nigel Keen	33	33

5.5 Highest paid director

	2024 £'000	2023 £'000
Aggregate emoluments	132	182
Contributions to director's personal pension scheme	5	8
	137	190

6. Finance costs

	2024 £'000	2023 £'000
Invoice discount facility	4	7
Convertible loan note	127	123
Standby loan facility	52	65
Lease liability finance expense	18	24
Other interest	10	11
	211	230

7. Tax credit on loss

7.1 Accounting policy

The tax credit represents the sum of current tax and deferred tax. Tax is recognised in profit or loss in the Consolidated Statement of Comprehensive Income (SOI) except to the extent that it relates to items recognised in equity, in which case it is recognised in other comprehensive income in the Consolidated SOI. The current tax is based on taxable results for the year calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

7.2 Note

Current tax	2024 £'000	2023 £'000
Research and development tax credit	-	(1)
Adjustment in respect of prior years	-	1
Total current tax	-	-
Total deferred tax	-	-
Total tax credit on loss	-	-

In 2024, the other loss includes an amount of £(16,000) (2023: £83,000) comprising an adjustment in respect of the prior year for tax income arising from the Research and Development Expenditure Credit scheme, which is accounted for as a government grant.

The taxable credit on the loss for the year is lower (2023: lower) than the effective rate of corporation tax in the UK of 25% (2023: 25%) applied to the Group's loss on ordinary activities before tax. The differences are explained below:

	2024 £'000	2023 £'000
Loss before tax	(1,797)	(1,282)
Loss multiplied by the standard rate in the UK of 25% (2023: 25%)	(449)	(321)
Effects of:		
Non-taxable income	(4)	(21)
Losses carried forward for which no deferred tax asset has been recognised	449	341
Tax rate of difference on receivable research and development tax credit	-	1
Share based payment deduction	4	-
Total tax credit on loss	-	-

8. Deferred tax

8.1 Accounting policy

Deferred tax is provided using the balance sheet date liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is not probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current liabilities and when the deferred income taxes relate to the same fiscal authority.

8.2 Note

At 31 December 2024, the Group had accumulated trading losses carried forward which are available to offset against future profits of £42,024,000 (2023: £41,208,000) resulting in an unrecognised potential deferred tax asset of £9,971,000 (2023: £9,779,000).

Loss relief is available indefinitely in the UK and for 20 years in the USA. Trading losses in the USA do not begin to expire until 2028. The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same jurisdiction, is set out below:

Deferred tax liabilities	2024 £'000	2023 £'000
Development costs	995	1,222
Accelerated capital allowances	34	49
	1,029	1,271
	2024 £'000	2023 £'000
At 1 January	1,271	1,190
Charged to profit or loss in the Consolidated SOCI	(242)	81
At 31 December	1,029	1,271
Deferred tax asset on losses	2024 £'000	2023 £'000
At 1 January	(1,271)	(1,190)
Credited to profit or loss in the Consolidated SOCI	242	(81)
At 31 December	1,029	(1,271)

The UK corporation tax rates were increased from 19% to 25% effective 1 April 2023.

9. Exceptional items

9.1 Accounting policy

As permitted by IAS1, 'Presentation of Financial Statements', certain items are presented separately in the Consolidated SOCI as exceptional items where, in the judgement of the directors, they need to be presented separately by virtue of their nature, size or incidence to obtain a clear and consistent presentation of the Group's underlying business performance.

9.2 Note

Exceptional items comprised:

	2024 £'000	2023 £'000
Payments in lieu of notice	-	107
Redundancy costs	-	98
Legal and professional costs relating to redundancies	-	19
Write off of research and development projects not taken forward	756	142
	756	366

10 Basic and diluted loss per share

The loss per share calculation is based on the loss of £1,797,000 and the weighted average number of shares in issue of 1,893,732,449. For 2023, 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. While the Group is loss-making, the diluted loss per share and the loss per share are the same.

11 Property, plant and equipment

11.1 Accounting policy

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. The cost of purchased assets includes the original purchase price together with any incidental expenses of acquisition.

Depreciation is calculated to write down property, plant and equipment to their estimated realisable values, by equal annual instalments over their expected useful economic lives at the following periods:

- Leasehold property and improvements: five years or to the end of the lease term, if shorter
- Right of use asset: over the period of the lease term
- Plant and equipment: three to five years
- Machines loaned to customers: five years
- Fixtures and fittings: three to five years

Estimated residual values and useful lives are reviewed annually and adjusted where necessary.

Machines loaned to customers

In order to support key accounts and increase probe usage, monitors may be placed on long-term loan with customers. Where these monitors are expected to be placed for a period longer than six months, the monitors are transferred at book value to property, plant and equipment and depreciated over five years. Where monitors are placed on a short-term loan of less than six months and it is expected that the monitors will be sold thereafter, the monitors are included within inventories.

The Group monitors probe usage by customers that have loan monitors and where, for various reasons, probe volumes do not support the loaned monitor state, the under-utilised monitors are removed and held ready to meet future demand for monitors by other customers.

11.2 Note

	Leasehold property and improvements	Right of use asset	Plant and equipment	Fixtures and fittings	Machines loaned to customers	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2023	180	427	577	2	1,235	2,421
Exchange difference	-	-	(2)	-	(69)	(71)
Additions	-	-	9	-	-	9
Transferred from inventory	-	-	-	-	39	39
Disposals	-	-	(19)	-	(260)	(279)
At 31 December 2023	180	427	565	2	945	2,119
Exchange difference	-	-	1	-	65	66
Additions	-	-	-	-	9	9
Disposals	-	-	(55)	-	(392)	(447)
At 31 December 2024	180	427	511	2	627	1,747
Accumulated depreciation						
At 1 January 2023	180	252	506	2	1,212	2,152
Exchange difference	-	-	(2)	-	(71)	(73)
Depreciation charge	-	49	22	-	39	110
Disposals	-	-	(19)	-	(249)	(268)
At 31 December 2023	180	301	507	2	931	1,921
Exchange difference	-	-	-	-	45	45
Depreciation charge	-	49	22	-	1	72
Disposals	-	-	(55)	-	(370)	(425)
At 31 December 2024	180	350	474	2	607	1,613
Net book value						
At 1 January 2023	-	175	71	-	23	269
At 31 December 2023	-	126	58	-	14	198
At 31 December 2024	-	77	37	-	20	134

Depreciation has been included in the following expenses in profit or loss in the Consolidated SOCI:

	2024 £'000	2023 £'000
Cost of sales	22	59
Administration expenses	50	51
	72	110

12 Intangible assets

12.1 Accounting policy

Expenditure on research and development is charged to profit or loss in the Consolidated SOCI in the year in which it is incurred. The exception to this being expenditure incurred in respect of the development of new products where the outcome of those projects is assessed as being reasonably certain for viability and technical feasibility and the costs incurred can be reliably measured. Such expenditure is capitalised and amortised over the estimated period of sale for each product, commencing in the year that sales of the product are first made. The Useful Economic Life (UEL) is assessed annually by the directors to reflect the pattern of benefits expected to flow from the intangible asset. As such, the amortisation period relates to a specific period to reflect the benefits, being between 6 and 20 years. The carrying amounts of intangible assets have been reviewed at the balance sheet date and other than amounts written off, the directors consider that there is no indication that the remaining assets have suffered an impairment loss.

Government grants are received for innovative research and development projects. The grants are recognised when there is reasonable assurance that the conditions of the grant will be complied with and that the grants will be received. Government grants are offset against the development costs to which they relate. During the year to 31 December 2024, £nil (2023: £267,000) was recognised from government grants.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. Goodwill represents the goodwill that arose in 2013 on the acquisition of the trade and assets of Deltex Medical Canada Limited. The directors have tested goodwill for impairment based on the profitability and value in use and consider the balance to be recoverable.

12.2 Note

	Development costs £'000	Goodwill £'000	Total £'000
Cost			
At 1 January 2023	5,008	66	5,074
Additions	361	-	361
Amounts written off	(384)	-	(384)
At 31 December 2023	4,985	66	5,051
Additions	12	-	12
Amounts written off	(756)	-	(756)
At 31 December 2024	4,241	66	4,307
Accumulated amortisation			
At 1 January 2023	1,305	-	1,305
Amortisation expense	23	-	23
Amounts written off	(242)	-	(242)
At 31 December 2023	1,086	-	1,086
Amortisation expense	167	-	167
At 31 December 2024	1,253	-	1,253
Net book value			
At 1 January 2023	3,703	66	3,769
At 31 December 2023	3,899	66	3,965
At 31 December 2024	2,988	66	3,054

Amortisation expense of £167,000 (2023: £23,000) has been categorised as research and development expenditure in profit or loss in the Consolidated SOCI.

Individually material projects are outlined below. The directors have carried out impairment reviews on these projects as required by IAS 36 in respect of recoverable amounts and it was determined that some of these incomplete projects are now impaired:

Project description	£'000
Completed projects:	
TrueVue Monitor	
Total Cost	3,027
Total amortisation expense	(164)
Net book value at 31 December 2024	2,863
Incomplete projects:	
Suprasternal Doppler Probe	
Total Cost	601
Amounts written off	(533)
Net book value at 31 December 2024	68
TrueVue Velocity Pressure Loops	
Total Cost	221
Amounts written off	(221)
Net book value at 31 December 2024	-

13 Subsidiary undertakings

Details of the Group's subsidiary undertakings are set out below. In all cases, the direct holding is 100% of the ordinary shares unless otherwise stated:

Name	Country of incorporation and place of business	Nature of trading activities	Proportion of ordinary shares directly held by the parent %	Proportion of shares held by non-controlling interests %
Deltex Medical Limited	UK	Manufacture and marketing of medical devices	100	-
Deltex Medical, SC, Inc	USA	Marketing and sales of medical devices in the USA	100	-
Deltex Medical Espana SL	Spain	Marketing and sales of medical devices in Spain	100	-
Deltex Medical Canada Limited	Canada	Marketing and sales of medical devices in Canada	51	49
Deltex Medical Holdings Inc	USA	Dormant	100	-
Deltex Inc	USA	Dormant	100	-
Deltex Medical Inc	USA	Dormant	100	-

The registered addresses of the Group's subsidiary undertakings are:

Subsidiary undertaking	Registered Address
Deltex Medical Limited	Terminus Road, Chichester, United Kingdom PO19 8TX
Deltex Medical, SC, Inc	330 East Coffee St., Greenville, South Carolina, USA
Deltex Medical Holdings Inc	330 East Coffee St., Greenville, South Carolina, USA
Deltex Inc	330 East Coffee St., Greenville, South Carolina, USA
Deltex Medical Inc	330 East Coffee St., Greenville, South Carolina, USA
Deltex Medical Espana SL	C/ del Mirador, 3A, 17250 Playa De Aro, Girona, Spain
Deltex Medical Canada Limited	Baine Johnston Centre, 10 Fort William Place, St John's NL A1C 5W4, Canada

Deltex Medical Canada Limited reported revenue of £1,000 (2023: £11,000), a loss of £2,000 (2023: £55,000) and net liabilities of £321,000 (2023: £341,000).

14 Inventories

14.1 Accounting policy

Inventories, including work in progress and finished goods, are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Labour and overheads are allocated on the basis of normal operating capacity using standard rates. The standard labour and overhead rate are reviewed at each year end. Cost is calculated using the first in, first out basis.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provision is made for obsolete, slow-moving or defective items where appropriate.

14.2 Note

	2024 £'000	2023 £'000
Raw materials and consumables	363	266
Work in progress	31	54
Finished goods	215	396
	609	716

There is a provision of £15,000 for slow-moving inventory in 2024 (2023: £nil).

15 Trade and other receivables

15.1 Accounting policy

Trade receivables, which are financial assets at amortised cost, are non-interest bearing and generally have a 30-day term for sales made in the UK and the USA, and a 60-day term for sales made to other overseas customers. Due to their short maturities, the carrying amount of trade and other receivables is a reasonable approximation of their fair value.

The carrying amount of trade receivables includes receivables which are subject to a secured invoice discounting arrangement. Under this arrangement, the Group has transferred the relevant receivables to the invoice discounting organisation in exchange for cash and is prohibited from selling or pledging the receivables. However, the Group has retained late payment and credit risk. In the light of this, the Group continues to recognise the transferred assets in their entirety in its balance sheet.

The Group classifies its other financial assets at amortised cost. Based on prior experience and an assessment of the current economic environment, the Group do not consider an impairment provision is required against the financial assets at amortised cost and consider that the carrying amount of these is a reasonable approximation of their fair value.

As required by IFRS 9, the Group applies the simplified approach to measuring impairment losses which uses lifetime expected loss allowance for all trade receivables and contract assets.

15.2. Note

Trade receivables

	2024 £'000	2023 £'000
Trade receivables	284	177

As at 31 December 2024, trade receivables of £15,000 (2023: £17,000) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2024 £'000	2023 £'000
Up to 3 months past due	10	11
3 to 6 months past due	1	2
Over 6 months past due	4	4
	15	17

Other receivables generally arise from transactions outside the normal operating activities of the Group.

Other current assets

	2024 £'000	2023 £'000
Sundry debtors	-	2
Prepayments	63	85
	63	87

16 Cash and cash equivalents

16.1 Accounting policy

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

16.2 Note

	2024 £'000	2023 £'000
Cash at bank	242	705

17 Financial liabilities

17.1 Accounting policy

The Group's financial liabilities include borrowings, trade payables and other payables.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss in the Consolidated SOCI over the period of the borrowing using the effective interest method.

Compound financial instruments issued by the Group comprise convertible loan notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognised initially at the fair value of a similar financial liability that does not have an equity conversion feature.

The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the financial liability component. Any directly attributable transaction costs are allocated to the financial liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the financial liability component is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Where a non-substantial modification of a financial liability occurs, and the financial liability is not derecognised, the Group recalculates the amortised cost of the modified financial liability by discounting the modified contractual cash flows using the original effective interest rate and recognises any gain or loss in other gain or other costs in profit or loss in the Consolidated SOCI.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs in the Consolidated SOCI.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade payables and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the agreed credit terms of the relevant party concerned. Trade payables and other payables are presented as current liabilities unless payment is not due within 12 months after the end of the reporting period. They are recognised initially at their fair value and subsequently at amortised cost using the effective interest method.

17.2 Note

Borrowings

	2024		2023	
	Current £'000	Non-current £'000	Current £'000	Non-current £'000
Invoice discounting facility	188	-	79	-
Standby loan facility	650	-	-	650
Convertible loan note	-	1,054	-	1,015
	838	1,054	79	1,665

Invoice discounting facility

The amount shown represents the cash drawn down under an invoice discounting facility; There was £nil undrawn amounts at the end of the year (2023: £1,000). The amount outstanding under this facility is secured by way of a fixed charge over the Group's UK trade receivables and a proportion of the Group's international trade receivables. Amounts drawn down under the facility are repayable from the end of the month of invoice.

This is an ongoing facility and is separated into three accounts being Sterling, US\$ and Euro currencies. The facility is subject to one month's notice (2023: one month's notice) on either side and is not subject to an annual review.

Convertible loan note

No changes to the terms of the convertible loan notes were made during the year ended 31 December 2024 and hence no modification gain/(loss) was recognised.

In February 2023, the maturity date of the convertible loan notes was extended from February 2024 to June 2026. All other terms of the convertible loan notes, which were issued in February 2016, at a conversion price of 4p per share, remain unchanged.

In the year ended 31 December 2023 a gain of £89,000 was recognised in profit or loss in the Consolidated SOCI within other gain following the extension of the maturity date.

The convertible loan note recognised in the Consolidated Balance Sheet is calculated as:

	Financial liability £'000	Equity component £'000	Total £'000
Carrying amount at 1 January 2024	1,015	82	1,097
Interest expense	127	-	127
Interest accrued	(10)		(10)
Interest paid	(78)	-	(78)
Carrying amount at 31 December 2024	1,054	82	1,136

The directors consider that the coupon payable of 8% on the convertible loan note continues to be at a market rate of interest and, therefore, the carrying amount approximates to its fair value. The effective rate of interest is 13.14% (2023: 13.14%).

Standby loan facility

On 2 August 2023, as part of the fundraising and capital reorganisation, £100,000 of the £750,000 Standby loan facility was converted into 50,000,000 loan conversion shares at a price of 0.2 pence per share. As part of this transaction, the remaining £650,000 Standby loan facility had the maturity extended to £250,000 being repayable by 30 June 2025 and £400,000 being repayable by 31 December 2025. The interest rate remains at 8% per annum.

The maturity date of the Standby facility at 31 December 2024, was £250,000 being repayable by 30 June 2025 and £400,000 being repayable by 31 December 2025. The interest rate remains at 8% per annum.

Borrowings in foreign currencies

The carrying amounts of the Group invoice discount facility borrowings are denominated in different currencies and are subject to differing average effective interest rates.

	2024		2023	
	Rate %	Amount £'000	Rate %	Amount £'000
Sterling	7.59	52	7.47	40
Euro	6.92	132	6.54	33
US Dollar	7.76	4	8.77	6
		188		79

All other of the Group's borrowings are at variable rates of interest other than the convertible loan note and standby loan facility as disclosed above.

17.3. Trade and other payables

	2024		2023	
	Current £'000	Non-current £'000	Current £'000	Non-current £'000
Trade payables	245	-	173	-
Other payables	78	-	89	-
Social security and other taxes	60	-	94	-
Lease obligations	65	54	58	119
Contract liabilities	42	-	44	-
Employee short-term benefits	16	-	23	-
Accrued expenses	401	-	374	-
	907	54	855	119

Included within other payables is an offset amount of £78,000 (2023: £89,000) which is payable to the non-controlling interest in the Group's Canadian Subsidiary. This amount is expected to be settled in full over the next 5 – 10 years depending on the amount of cash generated from sales made in the Canadian market. However, as the amount is repayable on demand it has been categorised as a current liability. The directors consider that the carrying amount of trade payables and other payables approximates to their fair value.

18 Leases

18.1 Accounting policy

At the inception of a contract, the Group assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (being less than £5,000), including short-term office space. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

18.2 Note

Included within Property, plant and equipment is the net book amount of £77,000 (2023: £126,000) relating to the right-of-use asset arising from the lease over the Group's head office and factory in Chichester. Included within administration expenses in profit or loss in the Consolidated SOCI is an amount of £49,000 (2023: £49,000) relating to the depreciation expense of this asset and included within finance costs is an amount of £18,000 (2023: £24,000) relating to the finance charge on the related lease obligation. Included within administration expenses in profit or loss in the Consolidated SOCI is an amount of £9,000 (2023: £17,000) relating to short term leases.

Included within trade and other payables in the Consolidated Balance sheet are current lease obligations amounting to £65,000 (2023: £58,000) and non-current lease obligations amounting to £54,000 (2023: £119,000). The non-current lease obligations are all due in 2 to 5 years. The weighted average incremental borrowing rate applied to the lease was 12% (2023: 12%).

The total cash outflow for leases in the period was £75,000 (2023: £75,000).

The table below shows the maturity analysis of the lease obligation using contractual undiscounted cash flows:

	2024 £'000	2023 £'000
Within 1 year	75	75
Within 2 to 4 years	56	131
	131	206

19 Provision for liabilities

19.1 Accounting policy

Provisions are recognised when the Group has a present legal or constructive obligation in respect of a past event and it is probable that settlement will be required of an amount that can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to passage of time is recognised as an interest expense in profit or loss in the Consolidated SOCI.

19.2 Note

	Dilapidation provision £'000
At 1 January 2023	64
Unwinding of discounting	7
At 1 January 2024	71
Unwinding of discounting	9
At 31 December 2024	80

Dilapidation provision

Under the terms of the operating leases over land and buildings, predominantly in the UK, the Group has an obligation to return the property in a specified condition at the end of the lease. As the unexpired lease term is more than one year, the provision has been classified as a non-current liability. It is expected that the provision will be utilised within the next 10 years. The dilapidation provision has been discounted and the unwinding of the discounting is on an annual basis.

20 Share capital and share premium

20.1 Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or the exercise of share options are shown in equity as a deduction, net of tax, from the proceeds.

20.2 Note

At 31 December 2024, the authorised share capital of the Company comprised 656,854,621,000 ordinary shares with a nominal value of 0.01 penny each (2023: 656,854,621,000 with a nominal value of 0.01 penny each).

In August 2023, a resolution was passed to sub-divide and redesignate each existing ordinary share (709,057,601 shares) of 1 penny to one new ordinary share of 0.01 pence and one deferred share of 0.99 pence.

The movement in the Company's issued share capital is set out below:

	Number of shares (thousands)	Ordinary shares £'000	Deferred shares £'000	Share premium £'000	Total £'000
At 1 January 2023	699,064	6,990	-	33,672	40,662
Share issues:					
17 April 2023 (1p)	9,994	100	-	10	110
	709,058	7,090	-	33,682	40,772
Change in nominal value 709,058,000 shares:					
1 August 2023 Deferred shares (0.99p)	-	-	7,019	-	7,019
1 August 2023 Ordinary shares (0.01p)	-	71	-	-	71
	709,058	71	7,019	33,682	40,772
2 August 2023 (0.01p)	1,137,596	114	-	2,161	2,275
Share issue expenses:					
2 August 2023	-	-	-	(193)	(193)
At 31 December 2023	1,846,654	185	7,019	35,650	42,854
18 January 2024 (0.01p)	49,372	49	-	35	84
At 31 December 2024	1,896,026	234	7,019	35,685	42,938

Net proceeds from the issue of shares totaled £nil (2023: £2,192,000), after expenses of £nil (2023: £193,000). There were non-cash proceeds from the issue of shares to clear historical equity settled director fees for certain current and former non-executive directors of £84,000 (2023: £nil).

21 Share-based payments

21.1 Accounting policy

The Group awards directors, employees and certain of the Group's distributors and advisers equity-settled share-based payments, from time to time, on a discretionary basis. In accordance with IFRS 2 'Share-based payments', equity-settled share-based payments are measured at fair value at the time of grant. Due to the specialist nature of the work performed by contractors, the Group is unable to reliably measure the fair value and therefore the fair value is measured using an option pricing model. Fair value is measured by the use of a Black-Scholes option pricing model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. The options are subject to vesting conditions of up to seven years, and their fair value is recognised as an expense with a corresponding increase in 'other reserves' in equity over the vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in profit or loss in the Consolidated SOCI, with a corresponding adjustment to equity. The fair value of the equity-settled share-based payment is recharged by the Company to the subsidiary operating company at fair value. The expense is, therefore, recognised in the subsidiary operating company, with the equity reserve being recognised in the Company. The expected volatility of the Company's share price is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

21.2 Note

During the year, the Group launched a new share option scheme, the Deltex Medical 2024 Enterprise Management Incentive ('EMI') plan. Going forward, this will replace the following two pre-existing schemes:

- Deltex Medical 2003 Enterprise Management Incentive ('EMI') plan; and
- Deltex Medical Group 2011 Executive Share Option Scheme (HMRC Approved Scheme).

Options granted under the new EMI scheme are either granted at nominal value per option or at market price on the date of grant and are conditional on the employee completing three years' service. Options granted in lieu of cash for bonuses or salary obligations relating to past achievement have no vesting period.

Options that are conditional on the employee completing three years' service have a three-year vesting period. The options have a contractual term of ten years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

There were no share options outstanding during the year under the Approved Share Option Scheme, and no new share options will be granted going forward.

Details of share options outstanding during the year for the Group's share option schemes are as follows:

	2024 Enterprise Management Incentive Scheme		2003 Enterprise Management Incentive Scheme		Total
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	
	No.	p	No.	p	
Options outstanding at					
1 January 2023	-	-	49,526,216	1.3	49,526,216
Granted during the year	-	-	-	-	-
Lapsed during the year	-	-	(4,130,860)	1.3	(4,130,860)
Expired during the year	-	-	(12,023)	1.0	(12,023)
Options outstanding at					
31 December 2023	-	-	45,383,333	1.3	45,383,333
Granted during the year	366,900,000	0.15	-	-	366,900,000
Lapsed during the year	-	-	(37,675,000)	1.2	(37,675,000)
Expired during the year	-	-	-	-	-
Options outstanding at					
31 December 2024	366,900,000	0.15	7,708,333	1.6	374,608,333

Share options exercisable at the end of the year were:

	2024 Enterprise Management Incentive Scheme		2003 Enterprise Management Incentive Scheme		Total
	Number of options	Weighted average exercise price p	Number of options	Weighted average exercise price p	
	No.		No.		No.
Options exercisable at 1 January 2023	-	-	5,394,966	1.0	5,394,966
Options exercisable at 31 December 2023	-	-	9,383,333	1.1	9,383,333
Options outstanding at 31 December 2024	366,900,000	0.15	7,708,833	1.6	374,608,833

There were no share options exercised during the year ended 31 December 2024 or the year ended 31 December 2023. The mid-market closing price of the Company's shares at the end of the year was 0.08 pence (2023: 0.145 pence).

Details of the remaining contractual life of share options outstanding for each of the share option schemes is shown in the table below:

	2024 Enterprise Management Incentive Scheme		2003 Enterprise Management Incentive Scheme	
	2024 Years	2023 Years	2024 Years	2023 Years
Weighted average remaining contractual life of options outstanding at the end of the financial year	9.42	-	6.00	7.42

Fair value of options granted

Share options granted during the year ended 31 December 2024 under the 2024 EMI scheme had an estimated weighted average fair value of 0.02 pence and £17,601 in aggregate. The fair value of a share option at grant date is determined using a Black Scholes option pricing model which takes into account the share price at date of grant and the expected price volatility of the underlying share, the exercise price of the option, the expected term of the option and the risk-free interest rate for the term of the option.

The model inputs for the 2024 EMI scheme options granted during the year ended 31 December 2024 were:

	June 2024	June 2024 Executive	June 2024 Performance
Exercise price	0.105p	0.105p	0.200p
Expected price volatility of the Company's shares	47.16%	47.16%	47.16%
Expected option life (expressed as weighted average life used in modelling)	3.5 years	5 years	5 years
Risk-free interest rate	4.08%	3.97%	3.97%
Fair value at measurement date	0.04p	0.05p	0.03p

There were no share options granted under the 2003 EMI scheme during the year ended 31 December 2024 or in the year ended 31 December 2023.

Contractor options

There were no contractor options granted during the year ended 31 December 2024.

On 6 December 2021, 2,000,000 share options were granted to a contractor under the 2003 EMI scheme with an exercise price of 1.3 pence per share. The share options are exercisable from the grant date and may be exercised in part or in whole at any time during the exercise period. The option has an exercise period of 10 years from grant date.

A further option over 500,000 shares with an exercise price of 1.22 pence per share, exercisable from the date of grant of 9 October 2018 also remain outstanding at 31 December 2024. The option has an exercise period of 10 years from grant date.

These 2,500,000 (2023: 2,500,000) options are the only outstanding options held by contractors.

Notes to the consolidated financial statements for the year ended 31 December 2024

22 Change in liabilities arising from financing activities

This note sets out the reconciliation of liabilities arising from financing activities for each of the financial years presented:

	Standby loan facility	Convertible loan note	Sterling denominated £000	Invoice discount facility Euro denominated £'000	US Dollar denominated £'000	Lease liability £'000	£'000
At 1 January 2023	760	1,069	61	91	33	228	2,242
<i>Cash flows:</i>							
Drawdowns	250	-	717	423	136	-	1,526
Repayments	-	-	(738)	(484)	(167)	(52)	(1,441)
Cash flow from financing activities	250	-	(21)	(61)	(31)	(52)	85
Interest paid	(62)	(88)	(1)	(5)	(1)	(23)	(180)
Net cash outflow	188	(88)	(22)	(66)	(32)	(75)	(95)
<i>Non cash flows</i>							
Interest charged at the effective rate	65	123	1	5	1	24	219
Gain on convertible loan note	-	(89)	-	-	-	-	(89)
Conversion to equity	(350)	-	-	-	-	-	(350)
Foreign exchange movements	-	-	-	3	4	-	7
At 1 January 2024	663	1,015	40	33	6	177	1,934
<i>Cash flows:</i>							
Drawdowns	-	-	608	607	73	-	1,288
Repayments	-	-	(596)	(507)	(75)	(58)	(1,236)
Cash flow from financing activities	-	-	12	100	(2)	(58)	52
Interest paid	(26)	(78)	(1)	(3)	-	(18)	(126)
Net cash outflow	(26)	(78)	11	97	(2)	(76)	(74)
<i>Non cash flows</i>							
Interest charged at the effective rate	52	127	1	3	-	18	201
Interest accrued	(26)	(10)	-	-	-	-	(36)
Foreign exchange movements	-	-	-	(1)	-	-	(1)
At 31 December 2024	663	1,054	52	132	4	119	2,024

23 Financial risk management

The Group's financial instruments comprise some cash and various items, such as trade receivables and trade payables that arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The Board reviews and agrees policies for managing liquidity risk, currency risk, credit risk, interest rate risk and capital risk. The policies have remained unchanged throughout the year.

Liquidity risk

The Group is managed to ensure that sufficient cash reserves and credit facilities are available to meet liquidity requirements. The Group has available to it an invoice discounting facility and a standby loan facility to supplement working capital needs. From time to time, additional funding is raised to allow the Group to invest in its strategic projects to develop the business in its chosen markets. Management monitors rolling forecasts of the Group's liquidity reserves which comprise undrawn invoice discounting facilities, undrawn standby loan facilities and cash and cash equivalents on the basis of expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their expected maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the expected undiscounted cash flows at 31 December.

	2024				2023			
	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Between 5 and 10 years £'000	Less than 1 year £'000	Between 1 and 2 Years £'000	Between 2 and 5 years £'000	Between 5 and 10 years £'000
Invoice discounting facility	188	-	-	-	79	-	-	-
Convertible loan note	88	1,166	-	-	88	88	1,166	-
Lease obligations	75	56	-	-	75	75	56	-
Trade and other payables	646	-	-	234	546	-	-	248
Standby loan facility	650	-	-	-	-	650	-	-
	1,647	1,222	-	234	788	813	1,222	248

Currency risk

The Group has overseas subsidiaries in the USA, Spain and Canada and as a result, the Group's sterling balance sheet can be affected by movements in the US Dollar, Euro and Canadian dollar exchange rates. The Group also has transactional currency exposures. Such exposures arise from sales and purchases by operating units in currencies other than the unit's functional currency. In general, all overseas operating units trade and hold assets and liabilities in their functional currency. The Group does not engage in any hedging in respect of currency risks.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in sterling, was as follows:

	2024		2023	
	US Dollars £'000	Euro £'000	US Dollars £'000	Euro £'000
Cash at bank	61	88	88	117
Trade receivables	12	165	29	34
Trade payables	(-)	(7)	(-)	(-)
Invoice discount facility	(4)	(132)	(6)	(33)

The table below details the Group's sensitivities to changes in sterling against the respective foreign currencies. The sensitivities represent management's assessment of the effect on monetary assets of the reasonably possible changes in foreign exchange rates.

The sensitivities analyses of the Group's exposure to foreign currency risk at the year-end has been determined based upon the assumption that the increase in Euro, US Dollar and Canadian Dollar exchange rates is effective throughout the financial year and all other variables remain constant.

However, these potential changes are hypothetical and actual foreign exchange rates may differ significantly depending on developments occurring in global financial markets.

		2024			2023	
	Sensitivity %	Profit £'000	Equity £'000	Sensitivity %	Profit £'000	Equity £'000
Euros	10.0	14	14	10.0	14	14
US Dollar	10.0	9	9	10.0	14	14

If the Euro strengthened against Sterling by 10% (2023: 10%), an aggregate foreign exchange gain of £14,000 (2023: £14,000) would be recognised in both profit or loss in the Consolidated SOCI and equity comprising of gains on the trade payables and invoice discount facility, offset by exchange losses on cash at bank balances and trade receivables. The opposite movement would occur if the Euro weakened.

A similar fact pattern applies to the strengthening of the US dollar against sterling.

Credit risk

The Group is exposed to credit related losses in the event of non-performance by counter parties in connection with financial instruments. The Group takes actions to mitigate this exposure by ensuring adequate background on credit risk is known about counterparties prior to contracting with them and through selection of counterparties with suitable credit ratings. The Group monitors its exposure to credit risk on an ongoing basis.

The Group is also exposed to credit related losses and territory specific credit risk in the event of non-performance by counterparties in connection with financial instruments.

The Group uses international distributors in a number of overseas territories. In order to assist the distributors in developing their markets, these distributors may be given extended trade terms. Extended trade terms, by their nature can increase the credit risk to the Group. Such risks are carefully managed through direct relationships with the distributors and knowledge of their markets. The maximum credit risk

exposure at the balance sheet date is represented by the carrying value of financial assets and there are no significant concentrations of credit risk.

The Group's financial assets that are subject to the credit loss model are namely trade receivables from the sale of inventory and the provision of preventative planned maintenance contracts and other receivables.

The level of expected credit losses on trade receivables is considered to be immaterial given the nature of the Group's customer base. In the UK, USA and Canada, its customers are predominantly large hospitals. There have not been any bad debts experienced during the year.

Occasionally bad debts have been experienced in our International distributor-led market. However, as this market has been developed over many years, our network of independent distributors has remained relatively stable and consequently the expectation of incurring a credit loss is considered to be immaterial.

There is no credit loss provision of the Group trade receivables balance as at 31 December 2024 (2023: £nil).

Other receivables relate to a historic trade receivable balance owed by the non-controlling interest in Deltex Medical Canada Limited. Based on expectations of future trading, the expectation of incurring a credit loss is considered to be immaterial.

While cash is subject to the impairment requirements of IFRS 9, no such impairment loss was identified either at 31 December 2024 or 31 December 2023.

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. As at the date of signing the financial statements, all cash and cash equivalents are held with institutions with an 'A' rating as per Standard & Poors.

The maximum credit risk exposure at the balance sheet date is represented by the carrying value of the financial assets and there are no significant concentrations of credit risk.

Interest Rate Risk

The Group has both interest-bearing assets and interest-bearing liabilities. The Group's policy is to seek the highest possible return on interest-bearing assets without bearing significant credit risk, and to minimise the rate payable on interest-bearing liabilities. The Group places its cash balances on deposit at floating rates of interest. Surplus cash balances are placed on short-term deposit (less than three months). No interest rate swaps are used. Interest rate risk comprises both the interest rate price risk that results from borrowing at fixed rates of interest and also the interest cash flow risk that results from borrowing at variable rates.

The Group has borrowings at both fixed and floating rates as shown below:

	2024 £'000	2023 £'000
Fixed rates:		
Lease obligations	119	177
Convertible loan note	1,054	1,015
Standby loan facility	650	650
	1,823	1,842
Floating rates:		
Invoice discounting facility	188	79
	2,011	1,921

There is no material change to the Group's profit or equity if a hypothetical change of 1% is applied to interest rates in the current year and prior year, with all other variables remaining constant.

Capital risk

The Group's objectives when managing capital (ordinary shares) are to safeguard the Group's ability to continue as a going concern in order to provide future returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Ordinary shares are classified as equity. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board encourages employees to hold shares in the Company. This has been carried out through the Company's various executive share option plans.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and discusses these at regular Board meetings. There were no changes to the Group's approach to capital management during the year.

The Group is not subject to any externally imposed capital requirements.

24 Related party transactions

24.1 Key management compensation

The Group has defined its key management personnel to be the Board of Directors. The remuneration of the Board of Directors is already disclosed in the Directors' emoluments note (see note 5.4).

24.2 Other transactions

During the year, £29,918 (2023: £40,000) was paid to Imperialise Limited, a company controlled by Nigel Keen, non-executive Chairman of the Group, that was due on its £500,000 nominal amount holding of the Convertible Loan Notes 2024. At 31 December 2024, £20,164 (2023: £10,082) was owing in respect of interest for the quarters ended 30 September 2024 and 31 December 2024 (2023: quarter ended 31 December 2023).

At 31 December 2024, a further £26,213 (2023: £13,107) was owing in respect of interest for the quarters ended 30 September 2024 and 31 December 2024 to Imperialise Limited, on its standby loan facility (2023: quarter ended 31 December 2023). At 31 December 2024, the balance of the standby loan facility to Imperialise Limited was £650,000 (2023: £650,000).

25 Capital and reserves

Details of the movement in reserves are set out in the Statement of Changes in Equity. A description of each reserve is set out below:

Name of reserve	Nature and purpose
Capital redemption reserve	This reserve represents the nominal value of ordinary shares that were repurchased and subsequently cancelled in December 2001. This reserve is non-distributable and represents paid up share capital.
Other reserve	This reserve represents the reserve that is used to recognise the grant date fair value of options issued to employees but not yet exercised. On exercise, lapse or expiry, the amount relating to the options exercised is transferred to Accumulated Losses.
Translation reserve	Exchange differences arising on the translation of the foreign controlled entity are recognised in other comprehensive income in the Consolidated SOCI and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss in the Consolidated SOCI when the net investment is disposed of.
Convertible loan note reserve	This reserve represents the residual value attributed to the equity conversion component at the time of issue of the Convertible loan notes. On conversion or redemption, the amount relating to the principal amount either converted or redeemed is transferred to Accumulated Losses.

26 Subsequent Events

Since the balance sheet date the former Chief Executive, Andy Mears, stepped down from the Board on 12 February 2025 and Natalie Wettler was promoted to the role of Chief Executive.

On the same day, Deltex Medical shareholders voted in favour of a resolution to cancel the admission of the Group's ordinary shares to trading on AIM which effectively de-listed the shares. The Group's ordinary shares are now traded on a matched bargain basis using J.P. Jenkins: <https://jpjenkins.com/company/deltex-medical-plc/>

Changes to capital structure

Following the appointment of Natalie Wettler as Chief Executive, the Board of Deltex Medical Group plc (the "Company") decided that it was appropriate to modify the Company's capital structure in order to assist the new CEO execute her plans and raise a limited amount of additional working capital finance by way of a debt facility.

Additional Working Capital Facility

Earlier this year the Company approached a number of its largest shareholders requesting the provision of additional working capital finance by way of a debt facility (the "AWCF").

On 23 April 2025, the AWCF was put in place comprising £350,000 of debt provided by certain of the Company's major shareholders with an 8% per annum interest rate, payable quarterly, and repayment dates of 30 September 2027 (for 33% of the principal) and 30 September 2028 (for 67% of the principal).

The subscribers of the AWCF were also granted warrants (the "Warrants") by the Company over ordinary shares of 0.01p each in the capital of the Company ("Shares") at a rate of 3,792,000 Warrants per £50,000 of AWCF subscribed, with an exercise price of 0.03p per Share, capable of exercise at any time before 23 April 2032. A total of 26,544,000 Warrants have been issued pursuant to the debt facility associated with the AWCF.

Amendment to the Convertible Loan Notes

In parallel to the discussions relating to the AWCF, the Company approached the three holders (the "Noteholders") of the £1.1 million of Unsecured Convertible Loan Notes (the "Notes") to request amendments to the terms

governing the Notes. (Further information on the Notes is set out in Note 17.2.)

In summary, the amendments to the Notes that have been agreed with the Noteholders comprise: (i) the Repayment Date for the Notes is extended to 31 December 2027; and (ii) the nine quarterly interest payments from 31 December 2024 to 31 December 2026 (inclusively), will not be paid in cash but on 31 December 2026 will be accumulated and added to the principal due on the Notes (the “Deferred Interest”).

In consideration of agreeing to these amendments to the Notes, the Noteholders have been granted Warrants, with the same terms and conditions as those granted to the subscribers of the AWCF debt facility, at a rate of 6,825,600 Warrants per £90,000 of Deferred Interest. A total of 15,016,320 Warrants have been issued pursuant to these amendments to the Notes.

Amendment to the Standby Facility

The Company has drawn down on a £650,000 Standby Debt facility provided by Imperialise Limited, a company controlled by Mr. Nigel Keen, Chairman of Deltex Medical Group plc.

Information on the Standby Facility is set out in Note 17.2.

Imperialise Limited has agreed to extend the repayment date on the Standby Facility to 31 December 2027 with an additional proviso that if the AWCF has been repaid by 30 April, 2027, then £250,000 of the Standby Debt Facility becomes repayable on 30 April, 2027.

Parent company balance sheet

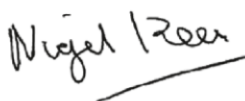
As at 31 December 2024

Company Number 03902895

	Note	2024 £'000	2023 £'000
Non-current assets			
Intangible assets - Goodwill	4	66	66
Investments	5	4,574	5,771
Trade and other receivables	6	1,900	2,347
Total non-current assets		6,540	8,184
Current assets			
Trade and other receivables	6	9	7
Cash and cash equivalents		1	1
Total current assets		10	8
Current liabilities			
Trade and other payables	7	(871)	(227)
Net current (liabilities)/assets		(861)	(219)
Total assets less current liabilities		5,679	7,965
Non-current liabilities			
Trade and other payables	8	(1,054)	(1,665)
Net assets		4,625	6,300
Equity			
Share capital		7,253	7,204
Share premium		35,685	35,650
Capital redemption reserve		17,476	17,476
Other reserve		228	473
Convertible loan note reserve		82	82
Accumulated losses:			
At 1 January		(54,585)	(53,383)
Loss for the year		(1,777)	(1,256)
Transfers		263	54
Accumulated losses		(56,099)	(54,585)
Total equity		4,625	6,300

No income statement is presented by the Company as permitted by Section 408 of the Companies Act 2006. The loss for the year is £1,777,000 (2023: loss of £1,256,000).

The notes on pages 81 to 88 form an integral part of these financial statements. The financial statements on pages 79 to 80 were approved by the Board of Directors and authorised for issue on 20 June 2025 and were signed on its behalf by:



Nigel Keen
Chairman



Natalie Wettler
Group Finance Director

Parent company statement of changes in equity
For the year ended 31 December 2024

	Share Capital	Share premium account	Capital redemption reserve	Other reserve	Convertible loan note reserve	Accumulated losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	6,990	33,672	17,476	527	82	(53,383)	5,364
Comprehensive expense							
Loss for the year	-	-	-	-	-	(1,256)	(1,256)
Total comprehensive expense for the year	-	-	-	-	-	(1,256)	(1,256)
Shares issued during the year	214	2,171	-	-	-	-	2,385
Issue expenses	-	(193)	-	-	-	-	(193)
Equity-settled share-based payment	-	-	-	-	-	-	-
Transfers	-	-	-	(54)	-	54	-
Balance at 31 December 2023	7,204	35,650	17,476	473	82	(54,585)	6,300
Comprehensive expense							
Loss for the year	-	-	-	-	-	(1,777)	(1,777)
Total comprehensive expense for the year	-	-	-	-	-	(1,777)	(1,777)
Shares issued during the year	49	35	-	-	-	-	84
Issue expenses	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	-	18	-	-	18
Transfers	-	-	-	(263)	-	263	-
Balance at 31 December 2024	7,253	35,685	17,476	228	82	(56,099)	4,625

The notes on pages 81 to 88 form an integral part of these financial statements.

Notes to the parent company financial statements

For the year ended 31 December 2024

1 Principal accounting policies

1.1 Basis of preparation

These financial statements are the financial statements for Deltex Medical Group plc, the parent of the Deltex Medical Group, which operates as a Group holding company. It is a public company, limited by shares and is incorporated in England and Wales. It is quoted on the London Stock Exchange's Alternative Investment Market. The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

They have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The preparation of financial statements in accordance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

No income statement is presented by the Company as permitted by Section 408 of the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of IFRS 7 'Financial Instruments: Disclosures';
- The requirements of paragraphs 91-99 of IFRS 13, 'Fair Value Measurement';
- The requirement in paragraph 38 of IAS 1, 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16, 'Property, Plant and Equipment'; and
 - Paragraph 118(e) of IAS 38, 'Intangible Assets';
- The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1;
- The requirements of IAS 7, 'Statement of Cash Flows';
- The requirements of paragraphs 30 and 31 of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors';
- The requirements of paragraph 17 of IAS 24, 'Related Party Disclosures'; and
- The requirements in IAS 24 to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

1.2 Key judgements and key sources of estimation uncertainty

The Company has funded the trading activities of its principal subsidiaries by way of intra-group loans. The

amounts advanced did not have any specific terms relating to their repayment, were unsecured and were interest free.

In light of the above, management have had to determine whether such loan balances should be accounted for as loans and receivables in accordance with IFRS 9, 'Financial Instruments', or whether, in fact, it represents an interest in a subsidiary which is outside the scope of IFRS 9 and accounted for in accordance with IAS 27, 'Separate Financial Statements'.

Management have concluded that, whilst in substance, the loans represent an interest in a subsidiary as the funding provided is considered to provide the subsidiary with a long term source of capital, in legal form, the loans are financial liabilities of the subsidiaries concerned. Therefore, the loans are accounted for in accordance with IFRS 9 and are carried at their amortised cost less any credit loss allowances, if any.

The carrying amount of the loans are assessed for credit impairment and if considered to be credit impaired a credit loss provision is recognised. In determining whether a credit loss provision is required, management must determine whether there has been a significant change in the credit risk of the respective subsidiary. If there has, then management are required to recognise a lifetime credit loss. The key estimate is the determination of the probability of default and the loss given default under a range of scenarios, and the likelihood of each scenario and the relevant credit loss occurring.

1.3 Significant accounting policies

Investments

Investments which comprise investments in share capital are stated at cost less any provisions for impairment in value. At each balance sheet date, the Company reviews the carrying amount of the investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss. The recoverable amount is the higher of the investment's value in use and its fair value less costs to sell. Value in use is calculated using cash flow projections for the investments discounted at the Company's cost of capital.

If the recoverable amount of the investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised in profit and loss in the Statement of Comprehensive Income (SOCI), unless the relevant investment is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Deferred taxation

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the exception of when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a

single net payment.

Foreign currency translation

Foreign currency monetary assets and liabilities are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in overseas currencies are translated at the rate of exchange ruling on the date of the transaction or at a contracted rate if applicable. Any gains or losses arising during the year have been dealt with in profit or loss in the SOCI.

1.4 Share-based payments

The Company awards directors, employees and certain of the Group's distributors and advisors equity-settled share-based payments, from time to time, on a discretionary basis. In accordance with IFRS 2 'Share-based payments', equity-settled share-based payments are measured at fair value at the time of grant. Fair value is measured by use of a Black-Scholes option pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest. The options are subject to vesting conditions of up to seven years, and their fair value is recognised as an expense with a corresponding increase in 'other reserves' equity over the vesting period. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest.

It recognises the impact of the revision to original estimates, if any, in profit or loss in the SOCI with a corresponding adjustment to reserves. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The fair value of the equity-settled share-based payment is recharged by the Company to the subsidiary operating company at fair value. The expense is therefore recognised in the subsidiary operating company, with the equity reserve being recognised in the Group company.

Related party transactions

The Company is the ultimate parent undertaking of the Deltex Medical Group plc and is therefore included in the consolidated financial statements of that Group, which are on pages 39 to 43 of the Annual Report & Accounts 2024.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held with banks.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Terms of loans to subsidiaries

The Company uses its cash to fund the operations of its subsidiaries until such a time that the subsidiaries are in a position to return the monies to Group. These loans are interest free and have no fixed repayment date, apart from a £3,000,000 10% fixed interest-bearing loan which is repayable on demand. Interest income is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the financial asset when the asset is not judged to be credit impaired. If subsequent to initial recognition a financial asset becomes credit impaired, interest income is calculated by applying the effective interest rate to the financial asset's amortised cost. If the financial asset is no longer credit impaired, then the interest calculation reverts to the gross basis.

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital at the option of the holder, or subject to certain conditions at the option of the Company and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option.

The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 Auditor's remuneration

The statutory audit fee in respect of the Parent Company's financial statements payable to Cooper Parry Group Limited was £10,000 (2023: Cooper Parry Group Limited £10,000).

There were no fees paid to the Company's auditor, Cooper Parry Group Limited, for services other than the statutory audit.

3 Directors' emoluments

	2024 £'000	2023 £'000
Aggregate emoluments	42	48
Short term benefits paid to third parties	33	33
	75	81

There are no (2023: nil) benefits accruing to directors under personal pension plans.

Included in the above figure are amounts payable to the employing company, Imperialise Limited, of £33,333 (2023: £33,333), for the services of a director.

Remuneration, including Executive directors, is provided in the Directors' remuneration report on pages 27 to 32.

All Executive directors in office at the year-end receive their emoluments from Deltex Medical Limited, a subsidiary undertaking of the Group. Except for financing activities, their services to the Company are incidental to their services to the Group as a whole. The average number of non-executive directors by function, categorised as administrative for both years, was 3 (2023: 5). None of the directors had contracts for service so the monthly average number of employees was nil (2023: nil).

4 Intangible fixed assets – Goodwill

This amount represents the goodwill that arose in 2013 on the acquisition of the trade and assets of Deltex Medical Canada Limited. The directors have tested goodwill for impairment based on the profitability and

value in use, and consider the balance to be recoverable. Deltex Medical Canada Limited reported a loss of £2,000 (2023: loss of £55,000).

5 Investments

The directors consider that the carrying value of the investments is supported by their future cash flows. Details of the Company's subsidiary undertakings are set out on page 61 of this Annual Report & Accounts.

	Investment in subsidiary undertakings £'000
Cost	
At 1 January 2024	45,601
At 31 December 2024	45,601
Accumulated impairment	
At 1 January 2024	39,830
Impairment charge	1,197
At 31 December 2024	40,887
Net book amount	
At 31 December 2023	5,771
At 31 December 2024	4,574

The carrying value of investments in subsidiaries were compared to their recoverable amounts based on valuation in use calculations derived from management approved budgets and forecasts covering the five-year period ending 31 December 2029 (2023: five-year period ending 31 December 2028). A terminal value was calculated using the forecast cash flows for the year ended 31 December 2029 using a long-term growth rate of 2.25% (2023: 2.25%). Forecast cash flows were discounted using a pre-tax discount rate of 15.4% and post-tax rate of 11.6% (2023: pre-tax rate of 15.4% and post-tax rate of 11.6%) which reflects the current market assessments of the time value of money and the risks specific to the Company. This impairment calculation resulted in an impairment charge of £1,197,000 (2023: impairment reversal of £662,000) to be recognised in profit or loss in the Parent Company's Statement of Comprehensive Income (SOCi).

Deltex Medical Limited ("DML") is a wholly owned subsidiary of Deltex Medical Group plc ("DEMG"). DEMG has decided to take advantage of parental corporate guarantees under s479A of the Companies Act, allowing DML to take an audit exemption and present unaudited statutory financial statements.

6 Trade and other receivables

In 2013, the Group reclassified £3,000,000 of the long-term investments by Group in Deltex Medical Limited as a long-term loan. This loan is being charged interest at a rate of 10% per annum, is unsecured and fell due for repayment on 1 January 2018. Since that time, the Parent Company has effectively rolled the loan forward on the existing terms except for the fact that the amount is now repayable on demand. However, the Company has no current intention of making a demand for payment for either this or any of the other intra-group loans that are outstanding. As a consequence, the amounts falling due are classified as non-current assets.

	2024 £'000	2023 £'000
Current		
Other receivables	9	7
	9	7
Non-current		
Amount owed by subsidiary undertakings	1,900	2,347

On transition to IFRS 9, the Company determined that the historical intra-group loans that had previously been accounted for as part of the cost of investment in subsidiaries were credit impaired. It concluded that the term loan owed by Deltex Medical Limited was not. However, it was further concluded that there had been a significant change in credit risk of that loan and, consequently, an expected life credit loss was recognised.

The expected credit losses were determined based on different recovery options and credit loss scenarios. Three recovery options were considered which included full repayment of the balances outstanding, the possibility of a trade sale and the recovery through continued trading. The likelihood of each occurring was assessed together with the expected credit loss under each scenario. The expected credit loss recognised represents the weighted average of the lifetime credit losses. The expected credit loss at 31 December 2024 was £17,109,000 (31 December 2023: £16,047,000), an increase of £1,062,000 in the year, which has been recognised in profit or loss in the Parent Company's SOCI. The gross balances outstanding at 31 December 2024 were £19,010,000 (31 December 2023: £18,394,000).

7 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade payables	73	57
Accruals	148	170
Standby loan facility	650	
	871	227

8 Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
Convertible loan note	1,054	1,015
Standby loan facility	-	650
	1,054	1,665

9 Share capital

See notes 20 and 21 of the Consolidated Financial Statements for full details of the Company's share capital and its share option schemes.

10 Deferred tax

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Foreign exchange £'000
Deferred tax liabilities	
At 1 January 2023	-
Credited to profit or loss in the SOCI	(8)
At 31 December 2023	(8)

Credited to profit or loss in the SOCI	8
At 31 December 2024	-

	Tax losses £'000
Deferred tax assets	
At 1 January 2023	-
Credited to profit or loss in the SOCI	8
At 31 December 2023	8
Credited to profit or loss in the SOCI	(8)
At 31 December 2024	-

11 Ultimate controlling party

There are no shareholders with overall control of the Company as at 31 December 2024 or 31 December 2023.

12 Related party transactions

Exemption has been taken under FRS 101 paragraph 8(k) from disclosing related party transactions between the Company and its subsidiary undertakings and from paragraph 8(j) from disclosing key management compensation. The directors of Deltex Medical Group plc had no other material transactions, other than those disclosed in note 24, with the Company during the year, other than as a result of service agreements. Details of directors' remuneration is disclosed in the Directors' Remuneration Report.

13 Subsequent Events

Since the balance sheet date the former Chief Executive, Andy Mears, stepped down from the Board on 12 February 2025 and Natalie Wettler was promoted to the role of Chief Executive.

On the same day, Deltex Medical shareholders voted in favour of a resolution to cancel the admission of the Group's ordinary shares to trading on AIM which effectively de-listed the shares. The Group's ordinary shares are now traded on a matched bargain basis using J.P. Jenkins:

<https://jpjenkins.com/company/deltex-medical-plc/>

Changes to capital structure

Following the appointment of Natalie Wettler as Chief Executive, the Board of Deltex Medical Group plc (the "Company") decided that it was appropriate to modify the Company's capital structure in order to assist the new CEO execute her plans and raise a limited amount of additional working capital finance by way of a debt facility.

Additional Working Capital Facility

Earlier this year the Company approached a number of its largest shareholders requesting the provision of additional working capital finance by way of a debt facility (the "AWCF").

On 23 April 2025, the AWCF was put in place comprising £350,000 of debt provided by certain of the Company's major shareholders with an 8% per annum interest rate, payable quarterly, and repayment dates of 30 September 2027 (for 33% of the principal) and 30 September 2028 (for 67% of the principal).

The subscribers of the AWCF were also granted warrants (the "Warrants") by the Company over ordinary shares of 0.01p each in the capital of the Company ("Shares") at a rate of 3,792,000 Warrants per £50,000 of AWCF subscribed, with an exercise price of 0.03p per Share, capable of exercise at any time before 23 April 2032. A total of 26,544,000 Warrants have been issued pursuant to the debt facility associated with the AWCF.

Amendment to the Convertible Loan Notes

In parallel to the discussions relating to the AWCF, the Company approached the three holders (the "Noteholders") of the £1.1 million of Unsecured Convertible Loan Notes (the "Notes") to request amendments to the terms governing the Notes. (Further information on the Notes is set out in Note 17.2 of the consolidated financial statements of Deltex Medical Group plc.)

In summary, the amendments to the Notes that have been agreed with the Noteholders comprise: (i) the Repayment Date for the Notes is extended to 31 December 2027; and (ii) the nine quarterly interest payments from 31 December 2024 to 31 December 2026 (inclusively), will not be paid in cash but on 31 December 2026 will be accumulated and added to the principal due on the Notes (the "Deferred Interest").

In consideration of agreeing to these amendments to the Notes, the Noteholders have been granted Warrants, with the same terms and conditions as those granted to the subscribers of the AWCF debt facility, at a rate of 6,825,600 Warrants per £90,000 of Deferred Interest. A total of 15,016,320 Warrants have been issued pursuant to these amendments to the Notes.

Amendment to the Standby Facility

The Company has drawn down on a £650,000 Standby Debt facility provided by Imperialise Limited, a company controlled by Mr. Nigel Keen, Chairman of Deltex Medical Group plc.

Information on the Standby Facility is set out in Note 17.2 of the consolidated financial statements of Deltex Medical Group plc.

Imperialise Limited has agreed to extend the repayment date on the Standby Facility to 31 December 2027 with an additional proviso that if the AWCF has been repaid by 30 April, 2027, then £250,000 of the Standby Debt Facility becomes repayable on 30 April, 2027.

Notice of Annual General Meeting

This Document is Important and requires your Immediate Attention. If you are in doubt as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in Deltex Medical Group plc, you should pass this document, the accompanying form of proxy and the annual report and accounts of Deltex Medical Group plc for the year ended 31 December 2024 without delay to the stockbroker, bank or other person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. This document should be read in conjunction with the accompanying Form of Proxy.

DELTEX MEDICAL GROUP PLC

(Incorporated in England, registered number 03902895)

NOTICE OF ANNUAL GENERAL MEETING

Notice of the annual general meeting of Deltex Medical Group plc (the “Company”) to be held at the registered office of the Company, Terminus Road, Chichester, West Sussex PO19 8TX at 12 noon on 23 July 2025 (the “AGM”) is set out on pages 89 to 96 (inclusive) of this document. To be valid as a proxy in respect of the AGM, the form of proxy accompanying this document must be completed and returned in accordance with the instructions thereon so as to be received by the Company’s registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not less than 48 hours before the time of the meeting or of any adjournment of the meeting.

20 June 2025

To holders of ordinary shares of 0.01p each ("**Shares**") in the capital of Deltex Medical Group plc ("**Deltex Medical**" or the "**Company**")

Dear Shareholder,

Notice of Annual General Meeting of the Company ("AGM") and annual report & accounts for the year ended 31 December 2024

I am pleased to send you details of the arrangements for the AGM, together with the annual report & accounts of Deltex Medical, which contain the reports of the directors and the auditors for the year ended 31 December 2024.

The formal notice of the AGM of the Company, which will take place at the registered office of the Company, Terminus Road, Chichester, West Sussex PO19 8TX at 12 noon on 23 July 2025, is set out on pages 93 to 95 (inclusive) of this document.

The purpose of this letter is to explain certain aspects of the business of the AGM to you.

Resolution 1 - Receipt of audited financial statements

Resolution 1 deals with the receipt of the directors' and auditors' reports and the accounts of Deltex Medical Group plc for the year ended 31 December 2024 (the "**Annual Report & Accounts 2024**").

Resolutions 2 and 3 - Re-election of directors

Resolution 2 proposes the re-election of Natalie Wettler (Chief Executive) as a director; and Resolution 3 proposes the re-election of Christopher Jones as a director. The Company's articles of association require that at each AGM one third of the directors (excluding directors being elected for the first time) must retire by rotation; accordingly, Natalie Wettler and Christopher Jones offer themselves for re-election as proposed by resolutions 2 and 3.

Biographical details of Natalie Wettler and Christopher Jones are set out on page 11 of the Annual Report & Accounts 2024. The Board considers that the considerable experience that each of these individuals bring as directors will continue to be highly beneficial to the Company.

Resolution 4 - Re-appointment of auditors

Cooper Parry Group Limited have expressed their willingness to continue as the Company's auditors. Resolution 4 proposes their re-appointment and authorises the directors to determine their remuneration.

Resolution 5 - Power to allot and issue Shares

The directors are not permitted to allot new Shares (or to grant rights over Shares) unless authorised to do so by the Shareholders of the Company. At the AGM of the Company held on 8 May 2024 (the "**2024 AGM**"), the directors were given authority to allot relevant securities up to a maximum aggregate

nominal value of £126,402 (being two thirds of the then issued ordinary share capital of the Company). This authority expires at the conclusion of the AGM and the directors are seeking renewed Shareholder authority to allot relevant securities.

Accordingly, it is proposed that the directors are given general authority to allot relevant securities up to an aggregate nominal value of £63,201 (being one-third of the issued ordinary Share capital as at 20 June 2025) and in addition to allot relevant securities only in connection with a rights issue or open offer up to a further aggregate nominal value of £63,201.

If this resolution is passed, the directors will have the authority in certain circumstances to allot new Shares and other relevant securities up to a total aggregate nominal value of £126,402 representing an amount equal to two thirds of the Company's issued Share capital as at 20 June 2025. Although the directors have no present intention of exercising this authority, the general authority to allot Shares will provide flexibility for the Company to allot Shares and to grant rights to subscribe for or to convert into Shares when they consider it to be in the Company's best interests to do so.

The authority, if granted, will expire on the earlier of the conclusion of the Company's next annual general meeting after the passing of this resolution or 15 months from the date of passing this resolution. The Board intends to seek its renewal at subsequent annual general meetings of the Company.

Resolution 6 – Disapplication of the statutory rights of pre-emption

Section 561 of the Companies Act 2006 gives holders of equity securities (within the meaning of that Act) certain rights of pre-emption on the issue for cash of new equity securities (other than in connection with an employee share scheme). The directors believe that it is in the best interests of the Shareholders that the directors should have limited authority to allot Shares (or rights to convert into or subscribe for Shares, or sell any Shares which the Company elects to hold in treasury) for cash without first having to offer such Shares to existing Shareholders in proportion to their existing holdings.

Resolution 6 proposes, in substitution for the powers that were granted to the directors at the 2024 AGM, that power be granted to allot securities for cash on a non-pre-emptive basis up to a maximum aggregate nominal value equal to £63,201 (representing approximately one third of the nominal issued share capital of the Company as at 20 June 2025).

Resolution 6 also disapplies the pre-emption rights to the extent necessary to facilitate rights issues, open offers and similar transactions without having to follow the specific statutory procedures that would otherwise apply to such issues.

The authority, if granted, will expire on the earlier of the conclusion of the Company's next annual general meeting after the passing of this resolution or 15 months from the date of passing this resolution. The Board intends to seek its renewal at subsequent annual general meetings of the Company.

Resolution 6 will be proposed as a special resolution

Action to be taken

We would be pleased if you would participate at the AGM. Whether or not you propose coming to the AGM, you can vote on any of the resolutions in one of two ways:

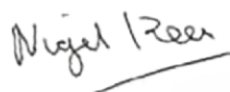
- Register your vote electronically by logging on to www.sharevote.co.uk: or
- Completing and returning the enclosed proxy form

Proxy appointments, whether submitted electronically or by post, must be received by Equiniti by no later than 12 noon on 21 July 2025. Your attention is drawn to the notes on the enclosed form of proxy.

Recommendation

The directors of Deltex Medical believe that all the proposals to be considered at the AGM are in the best interests of the Company and its Shareholders as a whole and recommend that Shareholders vote in favour of the resolutions, as they intend to do in respect of their own beneficial shareholdings of 376,188,334 ordinary shares in aggregate, representing approximately 20 percent of the ordinary shares currently in issue.

Yours sincerely

A handwritten signature in black ink that reads "Nigel Keen". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Nigel Keen
Chairman

DELTEX MEDICAL GROUP plc

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the ANNUAL GENERAL MEETING of Deltex Medical Group plc will be held at the registered office of the Company, Terminus Road, Chichester, West Sussex PO19 8TX at 12 noon on 23 July 2025, to transact the following business:

Ordinary Business

As ordinary business, to consider and if thought fit pass the following resolutions, which will be proposed as ordinary resolutions:

1. To receive the Company's audited financial statements for the year ended 31 December 2024, together with the reports of the directors and of the auditors thereon (together the "Annual Report & Accounts 2024").
2. To re-elect as a director Natalie Wettler.
3. To re-elect as a director Christopher Jones.
4. To re-appoint Cooper Parry Group Limited as auditors of the Company to hold office until the conclusion of the next annual general meeting at which accounts are laid before the Company and that their remuneration be fixed by the directors.

To transact any other ordinary business of the Company.

Special Business

As special business, to consider and if thought fit pass the following resolutions, of which resolution 5 will be proposed as an ordinary resolution and resolution 6 as a special resolution:

5. THAT, in accordance with section 551 of the Companies Act 2006 (the "Act"), the directors be generally and unconditionally authorised to allot Relevant Securities (as defined below):
 - 5.1. comprising equity securities (as defined by section 560 of the Act) up to an aggregate nominal amount of £63,201 in connection with an offer of such securities by way of a rights issue or open offer:
 - (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - (b) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body; and
 - 5.2. in any other case, up to an aggregate nominal amount of £63,201,
provided that this authority shall, unless renewed, varied or revoked by the Company, expire 15 months after the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot Relevant Securities but without prejudice to any

allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

In this resolution, “**Relevant Securities**” means:

- (a) Shares in the Company, other than Shares allotted pursuant to:
 - (i) an employee share scheme (as defined in section 1166 of the Act);
 - (ii) a right to subscribe for shares in the Company where the grant of the right itself constitutes a Relevant Security; or
 - (iii) a right to convert securities into shares in the Company where the grant of the right itself constitutes a Relevant Security; and
- (b) any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined in section 1166 of the Act).

References to the allotment of Relevant Securities in this resolution include the grant of such rights.

- 6. THAT, subject to the passing of resolution 5, and in accordance with section 570(1) of the Act, the directors be authorised to allot equity securities (as defined in section 560 of the Act) for cash under the authority conferred by that resolution and/or to sell ordinary shares held by the Company as treasury shares as if section 561 of the Act did not apply to any such allotment or sale, provided that such authority shall be limited to:
 - (a) the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority granted under 5.1, by way of a rights issue or open offer only):
 - (i) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraph 6(a) of this resolution) to any person up to an aggregate nominal amount of £63,201.

The authority granted by this resolution will expire 15 months after the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired. This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities or sell treasury shares as if section 561 of the Act did not apply but without prejudice to any allotment of equity securities or sale of treasury shares already made or agreed to be made pursuant to such authorities.

By order of the Board

A handwritten signature in black ink, appearing to read 'N. Wettler'.

Natalie Wettler
Company Secretary
20 June 2025

Registered office:

Terminus Road,
Chichester,
PO19 8TX

Notes:

Any member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend and to vote instead of the member.

Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he or she subsequently decide to do so. In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must reach the Company's registrars, to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, not less than 48 hours before the time of the meeting or of any adjournment of the meeting.

Shareholders wishing to appoint a proxy and register their proxy votes electronically should visit the website, www.sharevote.co.uk. The on-screen instructions will give details on how to appoint a proxy and submit proxy voting instructions. Electronic proxy appointments and voting instructions must be received by no later than 12 noon on 21 July 2025 (or 48 hours excluding non-working days before an adjourned meeting) in order to be valid. Shareholders may not use any other electronic address or telephone number, whether found in this document and Notice of Meeting, or in the Annual Report & Accounts 2024 or on any form of proxy or the Company's website, for the purposes of submitting voting instructions or appointing proxies. The only electronic address accepted for this stated purpose is the one at the website, www.sharevote.co.uk.

To be entitled to attend and vote at the annual general meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6:30 pm on 21 July 2025 (or in the case of any adjournment, on the date which is 48 hours before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the annual general meeting. A copy of this notice, within the Annual Report & Accounts 2024, can be found on the Company's website, www.deltamedical.com.

Shareholders can, at no cost, obtain copies of the audited financial statements of the Company for the year ended 31 December 2024 and the directors' and auditors' reports on those financial statements by application to the Company Secretary at the registered office of the Company.

Biographical details of each director who is being proposed for re-election by shareholders are set out in the Company's annual report and accounts for the year ended 31 December 2024.

To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent, Equiniti (ID RA19), not later than 12 noon on 21 July 2025 or, in the case of any adjournment, on the date which is forty-eight hours before the time of the adjourned meeting.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual.

The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertified Securities Regulations 2001. In any case any proxy form must be received by the Company's registrars no later than 48 hours before the time of the meeting or of any adjourned meeting excluding any part of day that is not a working day.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12 noon on 21 July 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

As at 20 June 2025, the Company's issued share capital consists of 1,896,025,700 ordinary shares of 0.01p each, carrying one vote each. No shares are held in treasury.

