

25 May 2018

Surgical Innovations Group plc
("SI", "the Company" or the "Group")

Trading Update

Surgical Innovations Group plc (AIM: SUN), the designer and manufacturer of innovative medical technology for minimally invasive surgery, provides an update on current trading and the outlook for the year ending 31 December 2018.

The Company is experiencing delays in the supply of products for its UK distribution business, Elemental Healthcare Limited ("Elemental"), sourced from Meccellis Biotech SA ("Meccellis").

Since 2015, Elemental has been the exclusive UK distributor of a range of biological matrices under the brand "Cellis", which are used in complex abdominal wall and breast reconstruction procedures. During 2017, Meccellis began to undertake a transition to a new notified body for European regulatory approval, including the recertification of its existing products, and the certification of new products.

This transition has encountered delays which were not anticipated until very late in the process, and despite mitigating actions taken by both Meccellis and Elemental to ensure continuity of supply, it is apparent that product availability will have a continuing impact on revenues of SI Group in the current financial year. The SI Board has determined that it would be prudent to exclude revenues from Cellis products from current year expectations until such time as there is certainty regarding the availability of current and new products in this range following regulatory approval.

This has the effect of reducing revenue expectations for the current financial year by approximately 10%, or £1.25m, on the cautious assumption that sales do not resume in the current year. Revenues from other segments of SI Group activities, comprising the worldwide sale of SI brand products manufactured in the UK and the design and manufacture of OEM products, are unaffected. With the assumption of reduced revenues, the Board anticipates that profit before tax will show modest growth over that reported for the financial year ended 31 December 2017.

Further market updates will be provided as this situation develops, and a further trading update will be presented on the day of the Annual General Meeting which will be held at 3.00 p.m. on 26 June 2018 at WH Ireland Limited, 24 Martin Lane, London EC4R 0DR.

This announcement includes inside information as defined by Article 7 of the Market Abuse Regulation No. 596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

For further information please contact:

Surgical Innovations Group plc
Nigel Rogers, Executive Chairman
Melanie Ross, COO & CFO

www.sigrouplc.com
Tel: 0113 230 7597

WH Ireland Limited (NOMAD & Broker)
Tim Feather
Alex Bond

Tel: 0113 394 6600

Walbrook PR (Financial PR & Investor Relations)
Helen Cresswell
Lianne Cawthorne

Tel: 020 7933 8780 or si@walbrookpr.com
Mob: 07841 917 679
Mob: 07584 391 303