



26 June 2018

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

AGM Statement

Surgical Innovations Group plc (AIM: SUN), the designer, manufacturer and distributor of innovative medical technology for minimally invasive surgery, holds its Annual General Meeting at 3pm today.

At the meeting, Executive Chairman, Nigel Rogers, will make the following statement:

Total group revenues for the six months ending 30 June 2018 are expected to exceed £5m with gross margin and profitability slightly ahead of the corresponding period last year. For the reasons indicated below, we anticipate much stronger results in the second half of the year.

Export sales of SI branded products are gaining increasing traction in many overseas markets, as a result of product range extensions, additional sales resources and business development initiatives. We anticipate further opportunities to improve our market share across several key geographical markets to be delivered in the coming months.

Market conditions in the UK during the first half of the year have been challenging as a result of reduced activity levels of elective surgery in the NHS, and the supply chain disruption in respect of the Cellis range of biological matrices. There are positive signs that NHS hospitals are continuing to return to normalised activity levels, and recent government policy announcements regarding a longer-term funding settlement for the NHS are encouraging.

Distribution sales in the UK market will also benefit from additional product lines taken on during the first half of the year, and the renewal of a number of key contracts.

Revenues from OEM customers have been steady, and are expected to increase in the second half of the year, following the redesign of certain key products and additional revenues from precision engineering products.

Management have used this period of subdued demand to bear down further on working capital, delivering significant reductions in inventory levels and strong cash flow. The Group is expected to have little or no net debt at 30 June 2018.

Interim results for the first half of the year will be released in September 2018.

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:

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