CREO MEDICAL

2024 Annual Report

Creo Medical is a medical device company focused on the development and commercialisation of minimally invasive electrosurgical devices, bringing advanced energy to endoscopy.

CLINICAL CASE STUDIES

Learn how Speedboat is improving lives

SCAN THE QR CODE TO READ OUR CASE STUDIES

01 Strategic Report

Our Achievements

2024 Overview

Strong Core Technology performance, continued cost management and a 74% increase in Core Technology revenues

- Total group revenues of £30.7m with £4.0m from continuing operations and £26.7m from discontinued operations, following the sale of Creo Medical Europe (see below)
- Commercial roll out of Speedboat UltraSlim driving a strong orderbook and a 74% increase in Creo Core Technology sales vs FY23
- Cost reductions of c.£5.0m (annualised basis) on continuing operations made during H2-24 with the full c.£5.0m benefit to be realised in FY25
- £12m before expenses raised through a placing and open offer in October 2024
- Strategic partnership with Micro-Tech (Nanjing) Co. Ltd and sale of 51% of Creo Medical Europe, realising approximately €30m net cash to strengthen balance sheet (post period) with a €36m investment asset held on the balance sheet, providing future balance sheet strength
- Remaining 49% stake in Creo Medical Europe to provide cash inflows going forwards, via an ongoing share of profits
- Board refresh with a new Chairman and additional NED to bring additional strength, industry expertise and experience to the team
- Amendment to the collaboration agreement with Intuitive to accelerate controlled market release of MicroBlate Flex, increasing the number of sites able to undertake combined robotic diagnostic and ablation procedures

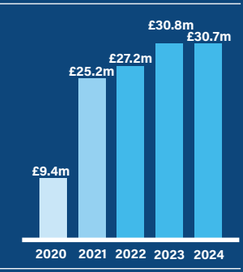
Regulatory & operational highlights

- Significant progress in roll-out of Creo's Core Technology with over 5,000 procedures performed globally to date with Speedboat UltraSlim being used in over 3,000 resection procedures in its first year on the market
- Multiple upper and lower GI procedures performed with Speedboat UltraSlim, further enhanced by the launch of Speedboat Notch post period end in April 2025

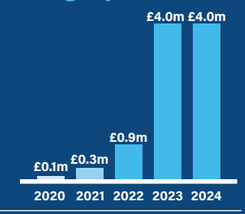
- NHS Supply Chain case study published setting out significant cash and operational savings from the use of Speedboat for lower GI tract Speedboat Submucosal Dissection ("SSD") procedures
- King's Award for Innovation received for Creo's Speedboat technology
- World's first robotic-guided microwave ablation of lung tissue in the same sitting as a diagnostic procedure performed using MicroBlate Flex
- Launch of SpydrBlade Flex following CE marking during the year

Financial Highlights as of 31st December 2024

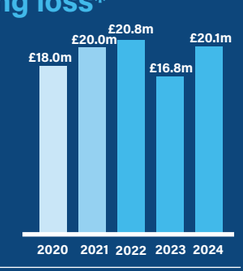
Revenue
£30.7m
(2023: £30.8m)



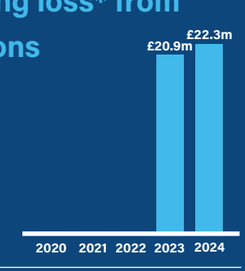
Revenue from continuing operations
£4.0m
(2023: £4.0m)



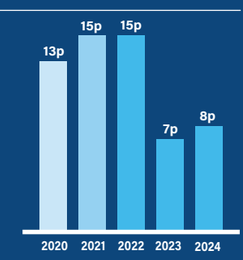
Underlying operating loss*
£20.1m
(2023: £16.8m)



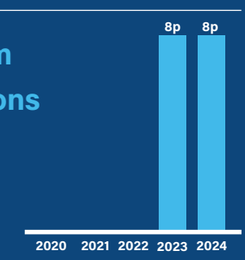
Underlying operating loss* from continuing operations
£22.3m
(2023: £20.9m)



Loss per share
8p
(2023: 7.0p)



Loss per share from continuing operations
8p
(2023: 8.0p)



Cash raised from Fundraise
£12m
(Fundraise – October 2024 before expenses)

Net proceeds from sale of Creo Medical Europe
€30m
(Completed post period in February 2025)

* Underlying operating loss is defined on page 37.

About Creo

Transforming Energy, Transforming Surgery, Transforming Lives

Creo Medical is a UK-based medical device and advanced energy company, improving lives by delivering pioneering solutions to healthcare providers across the world to improve patient outcomes.

The Company was founded in 2003 by Professor Chris Hancock, initially to target the treatment of cancers through the use of high frequency microwave energy.

One in two[1] people will develop some form of cancer in their lifetime. We will all likely know someone who will be or has been impacted in some way. These diseases can be treated using advanced energy, with potentially huge benefits for both patients and their loved ones. Chris was driven to apply advanced energy technology to make a difference and improve lives; this is the foundation on which Creo is built.

Our products

Creo Medical has developed a suite of unique endoscopic devices (see page 28), which are powered by our CROMA advanced energy platform. It is this unique combination that puts us at the forefront of a paradigm shift in the treatment of an increasing number of indications, particularly in the GI tract, pancreas, liver and lung. Creo is able to complement these devices with a broader range of endotherapy products, which are available to our customers worldwide.

In addition to endoscopic products manufactured by Creo, we are collaborating with leaders from other sectors (particularly robotic surgery) through our Kamaptive Licensing Programme to maximise the benefits of our advanced energy technology; aiding the treatment of more patients and indications and, in turn, generating income from multiple high-growth markets.

Our stakeholders

In pursuing our mission 'to improve lives', multiple stakeholders, directly or indirectly, benefit from our products:

Patients

- Improved patient outcomes
- Shorter procedure times
- Low recurrence risk (rate less than 1%[2])
- Organ preservation
- Reduced risk

Healthcare Professionals

- Minimally invasive treatment
- Reduced risks associated with surgical procedures
- Removal of lesions en-bloc (in a single piece) for improved histology and lower recurrence rates
- Streamlined training curve

Hospitals

- Reduced procedure costs[3]
- Reduced procedure time and fewer follow up appointments[3]
- Reduced waiting times[3]
- Improved patient pathways[3]
- Freeing up critical infrastructure to treat other patients[3]
- QALY ("Quality Adjusted Life Years") value added[3]

"Finally I got the product I was waiting for, and I want the world to know!"

Dr Sergei Vosko, Director of Endoscopy Unit – Senior Gastroenterologist, Digestive Diseases Institute at Hadassah Medical Center

We employ a wide range of experts spanning all Company departments:

- Engineering and R&D
- Enhanced manufacturing capabilities optimised for growth
- Experienced sales teams with bespoke direct and indirect distribution networks across territories
- A world-class Pioneer Clinical Education Programme tailored to the needs of our customers and their patients
- Global business support functions to continue to build the Creo brand globally

Transforming lives, case by case

Creo's products are in everyday use by some of the world's leading physicians and healthcare institutions. In particular, Speedboat is providing excellent outcomes and we have a growing pipeline of physicians globally interested in the technology. The launch of Speedboat UltraSlim device led to an increased number of leading physicians using Speedboat, owing to its compatibility with a wider range of endoscopes and improved access to the gastrointestinal tract.

References

1. https://www.nhs.uk/conditions/cancer/
2. Cost-effectiveness analysis of Speedboat submucosal dissection in the management of large nonpedunculated colorectal polyps. Authors: Amir Ansaripour, Mehdi Javanbakht, Adam Reynolds and Zacharias Tsiamoulos
3. https://www.creomedical.com/en/healthcare-professionals/improving-patient-pathways-with-ssd

Chairman's Statement

Creo Medical remains focused on driving a paradigm shift in surgery

"With steadfast conviction, the roll out of additional products, and a laser focus on the continued transformation of the company, I am convinced we will continue to deliver on our objectives, improve lives and generate shareholder returns."

Kevin T. Crofton, Chairman

Introduction

I am delighted to present my first statement as Chairman of Creo Medical Group plc. Before discussing the progress of Creo since coming onboard, I want to take a moment to thank our previous Chair, Charles Spicer who oversaw Creo's transition from a small MedTech start-up to a commercial operation during his eight-year tenure. This transition left Creo in a stronger position to achieve its mission of improving lives.

I did not hesitate to join the Board of Creo in July 2024. Having held a number of senior executive positions in the technology sector over the last three decades, the quality of Creo's technology and, more importantly, the opportunity to use that technology to improve lives, resonated with me personally.

But I knew then – and know now – that there is work to be done. We immediately set some key objectives when I joined the Board and conducted a top-down/bottom-up review of Creo's overall business plan and product development and release strategy. It was imperative to assess the business through an objective, practical set of lenses and generate a business plan that was executable, removing the uncertainty of the timing and size of any Kamaptive programmes and the timing/adoption of new products in the pipeline. This review served as a catalyst to ensure that the business was right-sized to match the revised business plan outlook.

On top of this major business plan review, our primary objectives were to continue to grow revenue from our Core Technology, complete the strategic transactions that were already underway, remove non-core activities, and to ensure that the Board was appropriately structured to match generally accepted industry/market practice. In this statement, I aim to illustrate our performance against these objectives, acknowledging that our job is not yet done.

Overview

Creo Medical remains focused on driving a paradigm shift in surgery. Through the clinical and commercial adoption of our suite of electrosurgical endoscopic products, we aim to provide medical devices that deliver minimally invasive surgical treatments via endoscopic procedures.

In late 2023, Creo's Speedboat® UltraSlim device was cleared for use. A key theme during 2024 was the successful use of this device worldwide to treat cancerous and precancerous lesions in the colon, oesophagus and stomach, as well as being used in oesophageal and gastric POEM procedures (to address swallowing disorders and gastroparesis). Sales continue to grow internationally.

In early 2024, Creo's MicroBlate Flex device was utilised by Professor Pallav Shah and Dr Christopher Orton, of the Royal Brompton Hospital, becoming the first specialists in the world to perform a robotic guided microwave ablation of lung tissue in the same sitting as a diagnostic procedure. In collaboration with Intuitive, we were pleased to announce in July that the number of sites in the UK and Europe which are able to offer such services would be expanded. This is part of an accelerated controlled market release of MicroBlate Flex to support the collection of post-market clinical evidence. We expect each site to become revenue generating once the initial cases are completed.

In the business plan review, we sought to focus the team on developing and delivering a broader suite of advanced energy products in the right timeframe with the highest potential of returns. The execution to this plan has been superb, with the executive team aligned and engaged with the plan.

The Company was already working on the strategic sale of 51% of Creo Medical Europe when I joined. This transaction heralds a new era for Creo. It is obvious to state that the transaction strengthens Creo's balance sheet. However, there are potential opportunities that will come to pass over the next few years. By forming a joint venture with Micro-Tech, a strong international MedTech company, the transaction represents a strategic partnership with a number of opportunities to collaborate. These include broader access to the APAC region, the potential for product co-development, and even for a lower cost manufacturing relationship. We look forward to working closely with Micro-Tech to continue to build on the successes of Creo Medical Europe.

In October, we successfully raised additional financing for the Group against a backdrop of significant global economic and political uncertainty. The raise, together with the proceeds from the sale of Creo Medical Europe, gives a strong balance sheet that allows us to focus on our core objectives in a careful and prudent manner. I thank all shareholders for their continued support.

During the year, Creo continued to build on its sales growth and pipeline. Along with the ongoing product releases, Creo achieved a 74% increase in Core Technology revenues, with £2.4m of sales in H2 24, representing 50% growth half-on-half.

In early 2025, we announced the UK & EU launch of our SpydrBlade Flex device, a unique multi-modal endoscopic device designed for precision and adaptability in endoscopic procedures. We will continue to roll this product out further during 2025, and look forward to sharing clinical and commercial updates in due course.

As committed, actions to reduce costs in the second half of the year resulted in a decrease in operating costs of approximately £5.0m with the full benefit of this to come through in FY25.

These operational changes support our drive towards increasing revenue and achieving self-sustaining cashflows. The Board has undertaken a rigorous review of its going concern position. The steps that have been taken to date together with downside scenario modelling support the going concern assumptions and conclusions made.

This all being said, there remain continued global and local geopolitical and economic challenges to which we are not immune - global markets remain uncertain. This volatility is exacerbated in the smaller cap stock markets. We remain diligent and flexible to be able to respond to these challenges and are steadfast in our mission.

Management and Employees

Creo invests in talented and experienced individuals across the full range of business functions needed for success. Our headcount peaked during the second half of 2022, from the intensity of our R&D investment since IPO. The business has been gradually reducing its headcount wherever possible by taking advantage of natural attrition. However, we made an active decision during Q4 of 2024 to reevaluate the needs of the Group as it emerged from this intensive R&D and regulatory clearance stage of growth but also in alignment with the revised business plan.

Post the announcement of the sale of 51% of Creo Medical Europe and following the divestment of Aber Electronics, our headcount has further reduced and the Group has been simplified significantly.

Through our Remuneration Committee, chaired by Ivonne Cantu, we have revised our remuneration policy to emphasise close alignment with the interests of our shareholders and other stakeholders and completely in alignment with the long-term vision of the Company. We made an active decision in 2024 to not issue LTIP awards due to the number of corporate transactions that were taking place within the business, as well as the significant performance misses versus plan in 2024. Going forward, these transactions have a fundamental impact on Group revenues and EBITDA but also redefine the future performance criteria of the business. As announced, a

Chairman's Statement continued

LTIP was granted in March 2025 with forward looking performance conditions that are appropriate for the newly defined Group. Please see the Remuneration Report on pages 78 to 88 for further details of Creo's remuneration practices.

The Board thanks all our employees for their hard work, commitment and patience during the year which, most critically, laid the foundations for the commercial roll out of Speedboat UltraSlim, the continued roll out of MicroBlate Flex and the commercial launch of SpydrBlade Flex and Speedboat Notch.

Governance and Board Make-Up

We have continued to build the Company's governance framework during the year in alignment with the QCA Code of Conduct through the existing committees, additional board oversight, and regular discussion with shareholders and advisers. Please see pages 64 to 68 for our 2024 Compliance Statement.

Along with myself, Brent Boucher joined the Board of directors on 1 July 2024 as an additional Independent Non-Executive Director and a member of the Remuneration Committee. Brent is recognised as a business leader of multiple innovative growth businesses and has extensive experience in the commercialisation of novel medical devices. He brings to Creo an impressive record of success in growing and transforming businesses across a range of medical device specialities, including technologies, oncology interventions, surgical solutions and respiratory care. His in-depth knowledge of the MedTech space, coupled with his track record of success, brings area specific expertise and guidance to Creo's Board and team.

At the 2024 AGM we announced that John Bradshaw, Creo's Senior Independent Non-Executive Director and Audit Committee Chair had informed the Board of his intention to retire and step down from his role before the 2025 AGM. During John's 9-year tenure since IPO, John has helped guide and lead Creo with professionalism and pragmatism. John has been instrumental to maintaining stability during the last 12 months whilst the Company transitioned to its new leadership model. As we work to identify an appropriate candidate to replace John, Ivonne Cantu has agreed to act as interim Audit Committee chair. John has agreed to be available to support Ivonne during this interim role and to ensure that he can provide a handover to any future incoming Audit Committee chair. I thank John for his support and in welcoming Brent and myself to the team.

As part of the review to ensure Creo's Board is appropriately structured to match generally accepted practice, David Woods and Christopher Hancock have agreed to not stand for re-election at the 2025 AGM and to step down from their roles as plc board directors. This will result in a non-executive majority on Creo's Board. David and Chris will continue in their day-to-day executive functions and will remain as advisors to the Board. In addition, both Chris and David will be senior contributors to Creo's operational board tasked with putting into effect the decisions and guidance of the main board.

I look forward into the remainder of 2025 and beyond with optimism. We are starting to see some of the benefits from the actions taken since joining the Board. With steadfast conviction, the roll out of additional products, and a laser focus on the continued transformation of the Company, I am convinced we will continue to deliver on our objectives, improve lives and generate shareholder returns.

Kevin T. Crofton
Chairman

"To be able to sit the device on the muscle bed, and safely and securely coagulate vessels and tissue without causing injury or tissue damage was the wow factor as to why I want to use this product."

Dr Eduardo Albéniz

CEO's Review

A year of delivery, focus and recognition

"Creo's original vision was to utilise microwave energy to treat cancer. To achieve this as well as delivering cost and operational benefits to healthcare providers, drives home that we are succeeding in our mission to improve lives."

Craig Gulliford, Chief Executive Officer

Introduction

2024 was characterised by new product launches and foundations for growth across a broader product range, with the launch of Speedboat UltraSlim into the market, the initial launch of SpydrBlade Flex in the EU in the second half of the year and a robotic ablation world's first. These foundational product launches now delivering in clinical practice enable increased focus of resources on commercial growth and moving beyond the R&D phase of the business.

In late 2023 we launched Speedboat UltraSlim, our smallest resection device to date. The enthusiastic reception from existing and new users for this device, helped to drive revenue. With a team focused on the commercialisation of our Core Technology, Creo ended the year with record sales of £4.0m achieved from our Core Technology, representing 74% year-on-year growth.

Delivering the strategic agreement with Micro-Tech (NL) International B.V., a wholly owned subsidiary of Micro-Tech (Nanjing) Co. Ltd (SHA: 688029) ("**Micro-Tech**") for the sale of 51% of Creo's Spanish subsidiary, Creo Medical SLU ("**Creo Medical Europe**") during 2024 was significant. Micro-Tech was selected after considering a number of potential partners. The transaction closed in early 2025, delivering a significant non-dilutive cash injection, strengthening our balance sheet and providing new opportunities to collaborate with our new partner. The deal also:

- Strengthens our ongoing strategy with Creo Medical Europe to secure long term continuity of supply of the product portfolio;
- Broadens the Creo branded portfolio in Europe as well as our US, LATAM and APAC channels;
- Offers an opportunity to improve pricing and margin within Creo Medical Europe;
- Provides for potential access to the Chinese market; and
- Offers strategic joint development and manufacturing opportunities

This is an excellent deal for Creo and Micro-Tech. With Micro-Tech as a joint venture partner, we have the opportunity together to be a significant force within the industry enabling us to focus on our Core Technology business.

Our remaining 49% stake in Creo Medical Europe will bring cash inflows going forwards, via an ongoing share of profits, plus a €36m investment asset held on the balance sheet, providing future balance sheet strength.

Early in 2024 we were delighted to learn that the world's first robotic-guided microwave ablation of lung tissue had taken place in the same sitting as a diagnostic procedure with our MicroBlate Flex device being used in conjunction with ION by Intuitive.

A controlled market release of MicroBlate Flex also commenced during 2024. With cases now being performed in two sites in the UK and further European sites expected to come online soon, this valuable collection of post market clinical data aims to assist further adoption of the technology and future revenue generation for Creo. This is really exciting. By treating patients we are demonstrating safety and early efficacy. Working with such a huge industry partner who shares our values and approach to early market development is both rewarding as well as a validation of our approach with our broader product range.

Whilst our intensive R&D phase is, in the main, complete, we continue to hone and develop additional products to remain at the forefront of technology development in our field.

During 2024 we worked hard to bring our SpydrBlade Flex device to market. We also finalised a variation to Speedboat UltraSlim, called Speedboat Notch. This is an enhanced device adapted following user feedback, making it suitable for additional complex endoscopic procedures.

Our innovation doesn't go unrecognised. NHS Supply Chain published data in 2024 demonstrating significant cost and operational savings arising from the use of Speedboat. Creo's original vision was to utilise Microwave energy to treat cancer. To achieve this, as well as delivering cost and operational benefits to healthcare providers, drives home that we are succeeding in our mission to improve lives. In addition, it was with immense pride and gratitude that I was invited to attend Windsor Castle to receive the King's Award for Enterprise and Innovation from His Majesty King Charles. This award is a true accolade for the hard work and effort we have all contributed to Creo, with our technology treating patients around the world.

We continued to grow our user base and pipeline during 2024. Core Technology users grew from 175 at the end of 2023 to 214 at the end of 2024. With a focus on increasing utilisation and the introduction of additional products, this c.20% growth in users led to an increased utilisation of c.35%, supporting the 74% growth in Core Technology revenue. The introduction of additional products also helped our pipeline grow significantly, from c.650 potential users to c.850 potential users at the end of 2024. Moving forward, we will continue to focus on generating growth through increasing utilisation, supported by the launch of additional products.

As a Board, we sharpened our focus on commercialisation during 2024. Charles Spicer, who chaired the Company from IPO, stepped down at the end of June. Charles was succeeded by Kevin Crofton who hit the ground running, leading an in-depth review of our business plan and commercialisation strategy. Brent Boucher also joined the Board, bringing a wealth of MedTech industry and commercialisation expertise which is proving invaluable. At a personal level and on behalf of the Board, I thank Charles for his guidance and work to grow Creo from IPO to where he left it with multiple devices cleared in major markets with early commercial traction. I also welcome both Kevin and Brent to the Board and look forward to continuing to build on the great working relationship we have established so far.

Revenue and cost base

Group revenues in 2024 were £30.7m (FY23: £30.8m) (with £4.0m (FY23: £4.0m) from continuing operations and £26.7m (FY23: £26.8m) from discontinued operations following the sale of Creo Medical Europe) reflecting significant growth in our Core Technology and growth in Creo Medical Europe consumables offset by FOREX headwinds.

The launch of Speedboat UltraSlim in Q4-23 was a significant milestone, helping to drive record sales of Core Technology during 2024. Core Technology sales increased by 74% to £4.0m (FY23: £2.3m), with £2.4m of sales in H2-24 representing 50% growth half-on-half. Core Technology revenues include sales from all core products such as Speedboat UltraSlim and CROMA platform from both existing and new customer additions during the period and remains as continuing operations in the Group's FY24 results.

Creo Medical Europe consumables revenues were up 2.6% in constant currency during 2024, in line with management expectations. Reported revenues of £26.7m (FY23: £26.8m) are reflective of FOREX headwinds in the period. Creo Medical Europe consumable sales are held as discontinued activities in the Group's FY24 results.

With the onset of new leadership in the business, we undertook a top-down/bottom-up review of the business, with an increased emphasis on decreasing operating costs, in particular in R&D, engineering and operations. This review led to significant headcount reductions in 2024 where business need is now less resource intensive. Along with this, we manage an external development programme with partners which allows us to make significant cost savings alongside further simplification and efficiencies from the Creo Medical Europe deal. The net effect is an approximate £5m reduction in our annualised operating costs, the full benefits of which will be seen during 2025.

Continuing this traction throughout 2025, and seeing our other key projects come to fruition, positions us to achieve our goals of increasing revenues while maintaining appropriate cost management. We are actively looking at our manufacturing strategy, how we interact with our strategic partners and how we deliver long term shareholder value.

An example of how we are evolving our relationships with strategic partners is Aber Electronics Limited ("**Aber**"), a manufacturer, designer and supplier of power amplifiers and radio frequency products which Creo acquired in 2021. As part of the focus on streamlining the business now that the foundational work is complete, our need to de-risk supply has dramatically reduced. This has enabled discussions with Aber's management to reach the decision to sell the business back to management having completed the design and secured the supply of the key, innovative new Microwave component and intellectual property embedded in the CROMA generator. The transaction completed post period end in March 2025 and for the purposes of the FY24 accounts has been held as a discontinued operation. We thank the Aber team for their contribution to Creo and look forward to continuing our longstanding relationship.

Creo Medical Europe

The sale of a 51% stake in Creo Medical Europe to MicroTech was an excellent deal for both parties. For Creo, the transaction brought a significant, non-dilutive, cash injection and a large financial return on investment whilst preserving access to the sales channel acquired in 2020. Having acquired the business for €28m, the transaction valued Creo Medical Europe at an equity value of €72m, reflecting the growth achieved in the business since being acquired. With our remaining 49% ownership, we will continue to see an ongoing share of the profits with an expectation that the ongoing dividends will exceed those we had when we first acquired the company. This is an outstanding return for shareholders.

Since 2020, we have integrated and developed the Creo brand across the product range distributed through Creo Medical Europe. More than 80% of all product sales in 2024 came from the integrated branded product portfolio across

CEO's Review continued

high volume complementary GI products through to the high value advanced energy devices.

With Micro-Tech as a partner in Creo Medical Europe, the business gains long term product supply certainty across the range from a strategically important manufacturer. It also gains access to an increasing range of products to complement Creo's Core advanced energy products. Creo will have the global rights to sell any Creo Medical branded product distributed through the Creo Medical Europe channel in the USA, LATAM and APAC.

Funding

On the back of the Micro-Tech deal and against the backdrop of an uncertain macro environment towards the end of the year with budget statements and significant global elections, we took the decision to secure additional funds in October to mitigate the risk that the process to obtain clearances required for the sale of 51% of Creo Medical Europe could delay closing of the transaction beyond Q1-25. We are very grateful for the shareholder support received. The funding, alongside the completion of the Creo Medical Europe deal in February 2025, provides significant balance sheet strength providing the financial platform to continue to drive towards significant milestones during the year ahead and the next stage of Creo's development. We are committed to and focussed on the commercialisation of our Core Technologies, to generate self-sustaining cashflows.

Products

The launch of Speedboat UltraSlim in Q4-23, our smallest device to date, was a significant milestone. The device was enthusiastically received by existing and new users during 2024. As already noted, the launch of this device helped to drive record Core Technology sales during 2024 as well as generating a strong orderbook for the first quarter of 2025.

To date, Speedboat has been used in over 5,000 cases. This is just the start of the utilisation of this device. Talking about Speedboat UltraSlim, Dr Regi George, Gastroenterologist at The Royal Oldham Hospital, UK said "*This is a safer technology and allows much deeper submucosal dissection. We are now moving on to use this as our preferred and only device for endoscopic dissection.*"

In 2025 we will be commercialising an additional version of Speedboat, Speedboat Notch. Taking on board user feedback, particularly in the upper GI space, we have enhanced the design of Speedboat UltraSlim to include additional features designed to support a wider range of reimbursed complex third-space endoscopic procedures, including E-, F-, and G-POEMs. Developed at pace through 2024, the Speedboat Notch was launched at ESGE Days in April 2025.

During the year the team has worked hard to commercially launch our SpydrBlade Flex device. SpydrBlade Flex delivers laparoscopic cut and coagulate functionality through an endoscopic device, which has previously been referred to by Dr Rob Hawes as "*The harmonic scalpel at the end of a flexible scope.*" We are particularly excited about this product and the potential it offers to treat patients.

SpydrBlade Flex really is one of the most advanced surgical tools. Again, Creo has pioneered the introduction of this technology into the tiny footprint of a flexible endoscopic instrument. It was fitting that following extensive pre-launch global clinical activity in late 2024, the first customer for the device was St Mark's Hospital in NW London, one of the UK's leading Endoscopy Units and recognised as a world centre of excellence by the WEO (World Endoscopy Organisation). St Mark's Hospital is also an established and regular user of Creo's Speedboat UltraSlim.

We continue to review how to leverage the bipolar technology we have developed for use in additional products to complement our Core Technology and provide healthcare providers with the tools they need. We believe that there are a number of opportunities where we can develop products, either ourselves or in conjunction with third parties, increasing the number of devices available for use with CROMA to drive greater use of Creo's Advanced Energy. These bi-polar products would also complement the EndoTherapy products currently sold alongside our Core Technology products, positioning Creo with a full product offering for users and generating greater cross selling opportunities.

Notwithstanding the growth that we are seeing, we are still early in our commercialisation. Our flagship Speedboat product is clearly ahead of the other devices in our suite of products. However, we look forward to 2025 and beyond and are focused on ensuring that our other core advanced energy devices advance into full commercialisation with the same passion and focus as we have applied to Speedboat.

Kamaptive

We signed the collaboration agreement with Intuitive in May 2021 with a vision to develop our MicroBlate Flex technology through two development phases. The ambition was to enter clinical practice within a couple of years. I was privileged to observe one of the first robotically guided therapeutic cases using MicroBlate Flex in December 2023 which we announced in early 2024. This fantastic milestone was followed by a series of further cases in conjunction with the Ion robot from Intuitive in early 2024. This use triggered an acceleration in our expected commercialisation programme. There is still a lot of work to do to complete our clinical studies, but the expansion beyond clinical studies towards commercial activity with customers is an exciting development.

In July 2024 we announced this change, marking a move to "post-market cases" with Ion and Intuitive, through a shared controlled market release programme. This change is now supporting the collection of post-market clinical data evidence across the UK and Europe as part of a controlled market release as part of the early commercialisation of MicroBlate Flex.

Two UK sites are already performing combined diagnosis and ablation procedures using MicroBlate Flex in conjunction with the Intuitive Ion Endoluminal System. We expect additional commercial sites to go live in the near future. Our expectation is that each site will become revenue generating once a small number of cases have been completed under the limited market release agreement. As such, whilst commercial activity through the market release continues at pace and is expected to create additional future revenue streams, no revenues associated with this collaboration were recorded in the period (FY23: £1.7m).

We continue to explore additional opportunities where our technology can be exploited with Kamaptive partners. On pages 32 to 33, Professor Chris Hancock, Creo's founder and CTO, explains how we have utilised our technology during the past 12 months to develop and demonstrate outstanding performance of prototype vessel sealers that could be used with a number of surgical robots.

Recognition

In April 2024, NHS Supply Chain published data collected from over 130 patient procedures undertaken at East Kent Hospitals University NHS Foundation Trust ("EKHUFT") as part of their bowel cancer and therapeutic endoscopy service. The data demonstrates significant cost and operational savings provided by the use of our Speedboat technology in Speedboat Submucosal Dissection ("SSD") procedures. The life changing patient outcomes and the ability to positively impact NHS waiting lists from these 130 patients aside, EKHUFT realised savings of £687k from these cases alone.

When compared against a similar analysis of surgical alternatives, the data shows:

- 87% reduction in the average length of stay from 8.39 days to 1.07 days;
- 99% reduction in critical care costs;
- 91% reduction in accommodation costs per patient from £3.4k to £0.3k;
- 62% reduction in admission costs from £8.2k to £3.1k;
- Over a 1-year period, costs were reduced from £8.8k to £3.6k (59% reduction);
- Net cash savings from just these 130 patient procedures of £687k realised for the NHS Trust.

In an already stretched NHS, savings and efficiencies at this level are desperately needed but hard to come by. Furthermore, the net cash savings referenced were calculated over a one-year period and relate only to the SSD procedure element. They do not include additional benefits and costs savings previously identified and reported by Creo utilising the lifetime horizon Markov model, which included downstream costs associated with recurrence of lesions and procedure-related complications commonly associated with surgical alternatives to SSD.

Receiving the King's Award for Enterprise in Innovation on behalf of Creo was a personal highlight of 2024. The King's Awards for Enterprise is the UK's most prestigious business awards which recognise and encourage achievements in the fields of Innovation, International Trade, Sustainable Development and Promoting Opportunity through social mobility. I am immensely grateful to have been able to receive this award on behalf of the Company, recognising the hard work and effort we have all put in to enable Speedboat and CROMA to change lives.

Current trading and outlook

Global uncertainty remains and will, no doubt, continue for some time. Together with an increased risk of unforeseen economic impact arising from the new US administration, this uncertainty is placing pressure on the MedTech industry and global markets generally. This is outside of our control. We continue to focus on that which we can control, and ensure that Creo is best positioned to respond with positive intention to any challenges that come our way.

There is a lot to be confident about for 2025. We continue to build on the momentum from the introduction of Speedboat UltraSlim and SpydrBlade Flex. With the commercial launch of Speedboat Notch, we expect to see increasing utilisation of our CROMA platform and related devices which, in turn, we expect will positively support revenue generation.

Creo has started 2025 positively, with strong performance in Q1 which has continued to be driven by Speedboat UltraSlim and Speedboat Notch. Interest from clinicians for SpydrBlade Flex is reassuring. The Company is targeting 40-60% Core Technology revenue growth in FY25, while benefiting from the full-year effects of the cost savings implemented in Q4-24 and Q1-25.

We will continue to develop our relationship with Kamaptive partners. We expect that more sites will come online for the use of MicroBlate Flex and, with that, the expectation that these will become revenue generative in due course. Having received our first paid purchase order for MicroBlate Flex in Q1-25, we know this prospect is real.

We will also continue to pursue other Kamaptive opportunities which will help utilise our IP and ensure future development continues through funded projects. This could be through the integration of SpydrBlade into robotic laparoscopic tools or from our Plasma technology.

We will look for all opportunities to collaborate with Micro-Tech, our partner in Creo Medical Europe. We are excited to see how that relationship can grow and how we can work together to continue the growth of Creo Medical Europe and, in turn, create more opportunities for the sale of our Core Technology in the markets that it serves.

Whilst not an easy task by any measure, the cost reduction exercise undertaken in 2024 will show benefit in 2025. With the completion of the sale of 51% of Creo Medical Europe and the sale of Aber in early 2025, the size of the Group is significantly reduced, providing administrative efficiencies which will also benefit the Group.

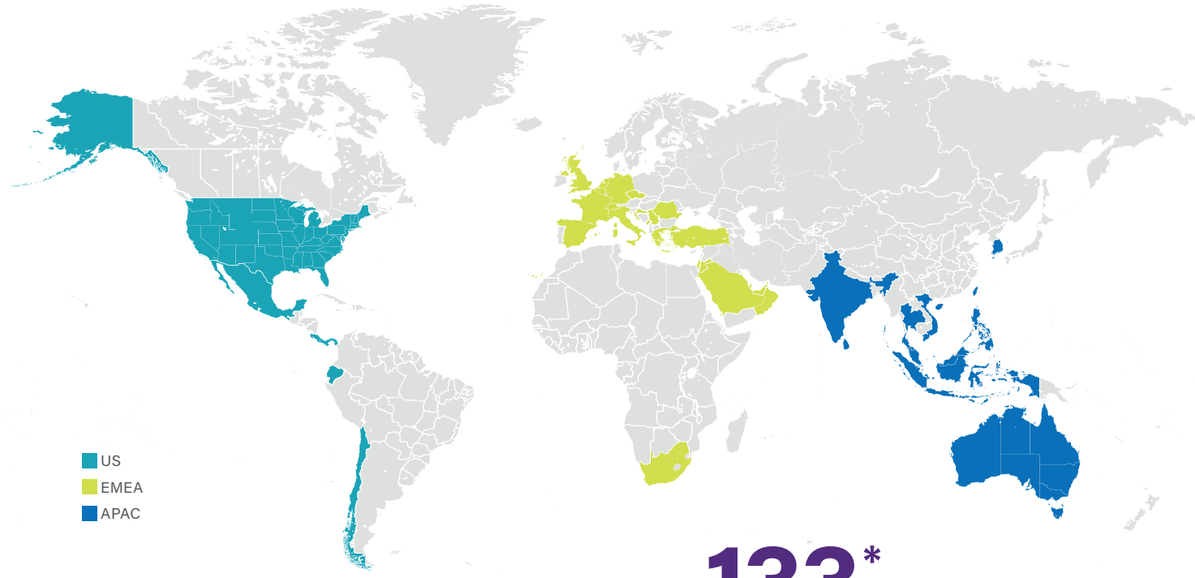
The transition from development to commercial profitability is the most challenging phase for any company. The consolidatory steps taken in 2024 and our renewed focus will only help us as we continue to drive towards our goals. We will continue to look for efficiencies and cost reductions where possible to maximise the use of the funds we have. We look forward to another year of strong growth in our Core Technology from both existing and new users, helping drive us towards our goals of self-sustaining cashflows and improving lives.

Craig Gulliford
Chief Executive Officer

Global Footprint

The Foundations for Sustained Growth

Creo Medical's global activities span Clinical and Regulatory, Manufacturing, Training and Education, Market Development and Direct and Indirect Sales.



133*
people worldwide

Technology, Research and Development

Domain expertise in advanced energy and devices

Full R&D and support engineering capabilities

Medical energy (RF, MW and more), electronics, device, materials, expertise

Clinical and Regulatory

Experienced Regulatory and Quality team

UK, EU and USA based personnel

Creo products are cleared in CE, FDA and elsewhere

Training and Mentoring

Clinical education team covering Europe, USA and APAC, with dedicated nurse endoscopist employees assisting training labs and procedures, trained trainers (doctors), for peer to peer training, with courses run globally

Manufacturing

Creo manufactures/ assembles advanced energy generators, devices and additional equipment in-house in the UK with clean room facilities

Procurement and Logistics

Full procurement and logistics function with key hubs in the UK and USA, plus our global distribution partners shipping own and third party products from and to a wide range of countries

Sales and Commercial

Experienced market development and sales team with deep industry experience and strong relationships with doctors and hospitals. Local teams in local healthcare systems, augmented by selected country distributors

Service and Support

Dedicated service and support function to support Creo equipment from installation, through maintenance and repair. Close working relationship with engineering teams

* As at 31 December 2024 for continuing operations only.

CCO Report

Continued Growth and Development

"As diagnostics and interventional endoscopy grow in gastroenterology and surgery, Creo's minimally invasive devices and advanced energy will support that growth. And as more patients and healthcare providers embrace the benefits of endoscopic treatments, the future of interventional endoscopy looks promising."

David Woods, Chief Commercial Officer

Commercial activities in 2024 continued to grow and develop:

1. Direct sales and clinical teams in the US and UK have expanded their account base, grown revenue and increased utilisation for CROMA, our advanced energy platform.
2. Indirect markets like LATAM have grown with new advanced energy users and EndoTherapy product adoption.
3. Key Accounts with large patient populations continue to grow as well as training sites in all major markets.
4. Creo's clinical team continues to train and mentor new users while also adding additional users within existing accounts.

As diagnostics and interventional endoscopy grow in gastroenterology and surgery, Creo's minimally invasive devices and advanced energy will support that growth.

Market insights

Minimally invasive surgeries are becoming the standard of care across many specialties. This is particularly so in gastrointestinal (GI) and respiratory conditions. This shift towards minimally invasive procedures, including endoscopic interventions, is driven by both patient benefits (e.g. quicker recovery times, less pain and reduced scarring) and healthcare provider benefits (e.g. lower healthcare costs and reduced inpatient days).

Technological advancements are improving the precision, control and speed of interventions. New technologies are increasing access to hard-to-reach areas within the body and can offer more precise treatment. These advancements have increased the adoption of endoscopic procedures for chronic disease management, such as in colorectal or lower GI cancer. This is leading to an increased demand for interventional endoscopic tools with greater functionality, such as Speedboat. Expanding applications in oncology are also demanding broader application in the removal of early-stage cancers. The work that Creo has been undertaking with its MicroBlate Flex product is one such example.

But it is not just cancer. Lifestyle and modern diets are contributing to an increase in obesity and metabolic diseases. These diseases are also seeing a growing demand for endoscopic interventional procedures, beyond traditional bariatric surgery. Without such interventions, more complex conditions inevitably arise. Therefore, early endoscopic intervention, which is less invasive and more cost effective, is an obvious market growth driver.

Speedboat UltraSlim is changing the endoscopic landscape:

"Finally I got the product I was waiting for, and I want the world to know!"

Dr Sergei Vosko, Director of Endoscopy Unit – Senior Gastroenterologist, Digestive Diseases Institute at Hadassah Medical Center

"Speedboat UltraSlim has been a gamechanger for the treatment of patients requiring a circumferential ESD in the oesophagus... it looks like the risk of stenosis is dramatically reduced with the application of bipolar energy, coupled with some other preventative measures - none of the patients required more than 3 dilatations."

Dr Adolfo Parra-Blanco, Consultant Gastroenterologist, NIHR Nottingham Digestive Diseases Biomedical Research Centre, Nottingham City Hospital Campus, Nottingham University Hospitals NHS Trust

With healthcare providers and hospitals being driven to focus on reducing overall costs while maintaining high-quality care they are looking for innovation and efficiency. With endoscopic interventions often resulting in reduced hospital stays, lower complication rates and fewer follow-up visits, these cost-effective alternatives to traditional surgery are encouraging wider adoption of these procedures and Creo's products.

2024 Sales and Marketing

Sales revenue for Creo's Core Technology increased 74% year on year.

During the year, the Speedboat pipeline grew significantly, feeding the growth in our Speedboat user community. With new users and broader utilisation of Speedboat UltraSlim supporting growth in the US, UK, Europe and LATAM, these focused markets supported user growth of c.20% and increased utilisation of c.35%.

The team continued to focus on key account growth during the year. Such key accounts include Cleveland Clinic in Ohio, Florida and Abu Dhabi, Mayo Clinic in Rochester, Arizona and Florida, Kaiser in Northern and Southern California Hospitals, University College London, Northwick Park Hospital, CHU De Nantes in France and Prince of Wales Hospital in Hong Kong. These accounts, along with others, train advanced fellows and regional community physicians on the use of Creo's technology and therefore play an important role in maintaining our growth trajectory.

Following the launch of Speedboat UltraSlim launch in late 2023, much effort in 2024 was focussed on capitalising on this launch and meeting the demand that the team had generated. Like most businesses, our marketing is a mix of social media interactions (e.g. via our LinkedIn channels which saw extensive year on year growth of 3,136%), email, website lead generation as well as traditional sector targeted expos, clinician events and boots on the ground exploiting our networks. Campaigns at premier Gastroenterology conferences, Digestive Disease week (DDW) in the US, Endoscopy Society of Gastroenterology (ESGE) in France and British Society of Gastroenterology in the UK influenced hundreds of leads. But of significance was the NHS Supply Chain Case Study campaign, validating better economics than surgery and endoscopic mucosal resections (see pages 34 to 35), which itself generated 400+ leads.

CCO Report continued

Business development

Emerging markets in Asia-Pacific and Latin America are witnessing rapid healthcare infrastructure development, leading to increased demand for interventional endoscopy. Creo enjoyed significant growth in LATAM in 2024. Thought leaders from Mexico, Ecuador, Chile, Venezuela and Brazil have now been trained on CROMA and our Speedboat technology. New distributor partners have supported our growth with all product categories and increased our visibility and exposure at key LATAM endoscopy events showcasing our technology.

Other leaders in Hong Kong, Thailand, India and Singapore adopted the Speedboat technology during the year and have become trainers for their markets as well as other regional markets. Distribution partners in these markets also support our growth and visibility.

The regulatory environment for interventional endoscopic devices and procedures is evolving, with stricter guidelines and quality standards being set for the approval of new products. Regulatory bodies such as the FDA and EMA are ensuring that devices meet safety and efficacy standards. Creo's success in working with these regulatory bodies allowed us to formally launch Speedboat UltraSlim and position us for new product launches in 2025 and beyond.

As the adoption of minimally invasive procedures increases, healthcare insurance coverage for endoscopic interventions is improving, making these procedures more accessible to a broader patient population. During 2024 Creo collaborated with other industry partners and leading endoscopic societies to promote broader and expanded reimbursement for resection procedures.

A new key account program was developed in 2024 to target, expand and promote Creo at major accounts in the US and EU. The program is focused on revenue attainment, education of internal and external clinicians, product development with key opinion leader insight, promotion of Creo's technology at premier endoscopy events and clinical research and publishing. Premier healthcare sites and networks are now collaborating with Creo to promote minimally invasive procedures in gastroenterology, surgery and pulmonology.

Commercial Strategies

The strategic focus in 2024 was procedure growth with current users and expansion of new users and new procedures. Increased product utilisation for lower GI resection, increased procedure volume for oesophageal resection and increased utilisation for gastric resection were seen based on the smaller footprint of the Speedboat UltraSlim and increased compatibility with all standard upper and lower endoscopes on the market. New procedures and indications like bariatric revisions (TORe), gastric peroral endoscopic myotomy (G-POEM) and Zenker's Diverticulum (Z-POEM), promoted broader indications and new specialist adoptions.

Our commitment to training additional users in existing accounts through our Pioneer Training programmes allows us to add to our user base where CROMA is already installed and in use. In addition, young physicians in fellowships at academic centres observing current user mentors will add to our base of users in 2025 and beyond.

In 2024 we were able to train 165 doctors across all global markets but 83 of these were in the US due to the growth potential in that market.

Revenue growth has been, and continues to be, a key focus for the Creo team with added users, cases and pricing strategies for new products and targeted procedures. Bundling EndoTherapy products, like injection needles, haemostatic clips, snares and forceps promote revenue growth and account SKU expansion. New markets in LATAM, APAC and indirect markets in EMEA also promote expanded revenue and Creo's community of users.

The key account initiative program is a key strategy which started in 2024 and is progressing in 2025. Premier accounts like Cleveland Clinic, Mayo Clinic, University College of London and Prince of Wales Hospitals will continue to grow their Speedboat and other product utilisation and teaching in their communities and premier endoscopy events with the support of our key account clinical, sales and education personnel. Collaboration on clinical studies illustrating better clinical and economic outcomes, like the NHS study, will continue and be leveraged for supporting broader reimbursement in key markets.

"This is a great step forward in the treatment we provide with the technique reducing the chances of recurrence following the removal of a lesion from 15 percent to 1 percent. This procedure will help us with our goal towards prevention, early detection and treatment of bowel cancer."

Dr Sal Khalid, Consultant Gastroenterologist, The Royal Oldham Hospital

"Speedboat is effective in POEMs in particular because it can speed up the tunnelling process and prevents inadvertent thermal injury."

Dr Salmaan Jawaid, Assistant professor of Medicine, Baylor College of Medicine

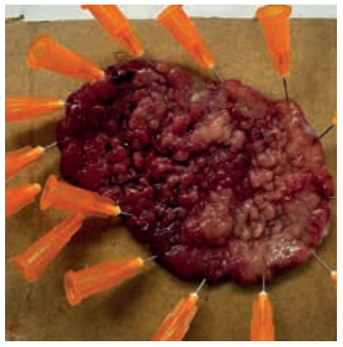
Looking forward

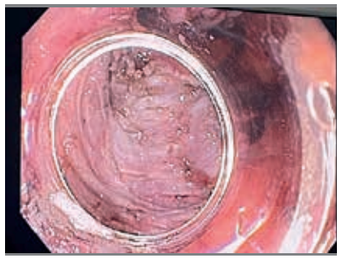
The interventional endoscopy market is growing rapidly, driven by technological innovations, a shift towards minimally invasive procedures, and increasing demand for diagnostic and therapeutic interventions in a range of medical specialties. With continued advancements in imaging, robotics, AI and Advanced Energy, the market is poised for sustained growth, particularly in emerging economies where healthcare access is expanding. As diagnostics and interventional endoscopy grow in gastroenterology and surgery, Creo's minimally invasive devices and advanced energy will support that growth. And as more patients and healthcare providers embrace the benefits of endoscopic treatments, the future of interventional endoscopy looks promising.

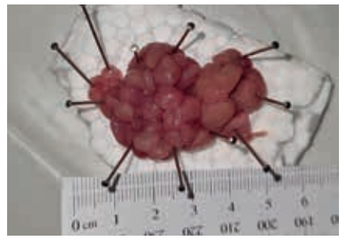
David Woods
Chief Commercial Officer

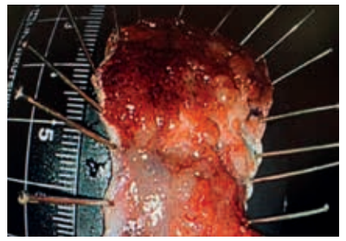
Case by Case

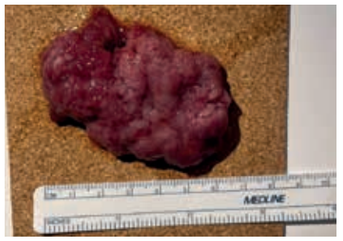
Daily use of Creo's Core Technology, improving lives worldwide











Our Business Model

Generating value for all stakeholders

Our business model commercialises our innovative technology over a number of revenue streams to generate shareholder and stakeholder value.

CORE REVENUE STREAMS: Creo Core Product | Kamaptive Licensing Agreements | Consumable Products

Core Technology Products

Our developed products are sold either directly to the customer or through distributors. Our products are single use and are powered by our CROMA platform.

- Speedboat devices
- MicroBlate Flex
- MicroBlate Fine
- SpydrBlade Flex

kamaptive technology™

Kamaptive, our proprietary advanced energy technology which we deliver through our CROMA platform, allows us to be at the forefront of the industry and drive innovation within the medical device sector.

Kamaptive Licensing Programme

By licensing our patented technology with third parties we can ensure our technology is used to treat as many patients as possible.

Stakeholder Value

Benefits to our core stakeholders which will drive revenue growth:

Clinician

- Increased flexibility
- Increased precision
- Controlled surgical solutions
- Removal of lesions en-bloc

Patient

- Reduced procedural time
- Reduced recurrence risk
- Organ preservation
- Reduced follow-up time

Healthcare Provider

- Reduced waiting lists
- Reduced procedure time & follow up
- QALY value add
- Improved patient pathways

Shareholder Value

- Every Case = Revenue
- Large Target Markets
- High Margin Products
- Royalty Revenues

Consumable Products

Our range of OBL/OEL endotherapy products allows us to provide clinicians and healthcare providers with a complete solution for their healthcare needs and allows us to maximise our revenue potential in these and other markets.

Harnessing advanced energy to treat indications endoscopically

1

Intelligent Technology

- The development of a suite of cutting-edge, miniaturised Creo manufactured devices
- Continued investment in R&D, both in house and through our Kamaptive partners, to expand and enhance the treatment options open to healthcare providers
- A broad intellectual property portfolio potential

2

Multi-tiered Revenue Stream

- Core advanced energy devices at various stages of commercialisation
- Complementary products providing opportunity to maximise revenue per procedure
- Kamaptive Licensing Partnerships continue to progress and evolve

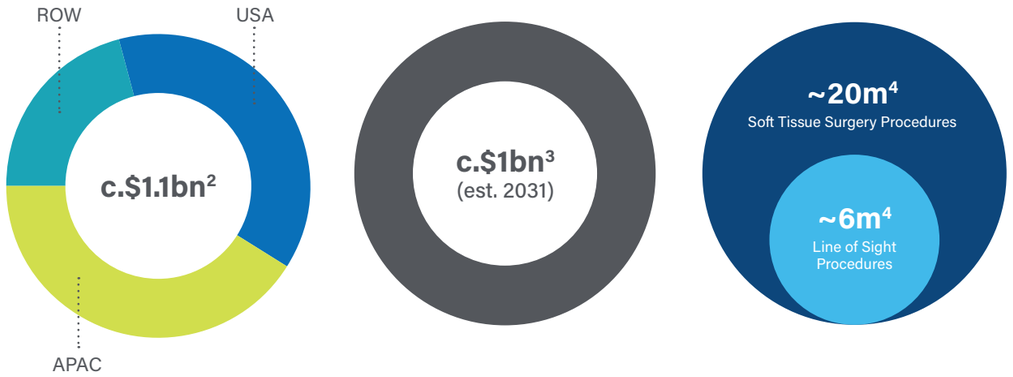
3

Addressing Global Needs

- Entering new and established markets where there are significant unmet needs in the treatment options available
- Bringing advanced energy, until now synonymous with surgery, to endoscopic procedures
- Significant potential in robotics partnerships
- Working with some of the world's leading healthcare providers and physicians to ensure clinical excellence when introducing minimally invasive alternatives to surgery for patients across the globe

Market potential

Resection	Ablation	Robotics



Lower GI Addressable Market

- Single NHS Trust experience based on c.13,800 colonoscopies
- 5.5% complex polyps, of which c.49% required therapeutic intervention[1] (c.2.6%)
- Applying to the US based on 16m colonoscopies p.a.[2] implies a c.$425m US and $1.1bn overall total addressable market ("TAM") for lower GI
- Doctor interviews place Creo target market c.$100m US and EMEA within 5 to 7 years — lower GI only
- Additional market potential for Speedboat for upper GI procedures

Lung Ablation

- c.$1bn market based on estimated procedures[3] and expected device cost for lung ablation in 2031
- Controlled market release of MicroBlate Flex commenced during 2024
- MicroBlate Flex being used in the same sitting as a robotic assisted diagnostic procedure

Soft Tissue Procedures

- 1.8 million Intuitive procedures in 2022 (Intuitive have significant majority robotics market share)[4]
- c.6 million pa Intuitive line of sight[4]
- c.20 million soft-tissue surgery procedures total market[4]
- Significant growth potential in Soft Tissue Robotic surgery market
- Surgical Robotics market growing at a 14-20%+ CAGR
- Hospitals experience a shift from <2% to >15% of general surgery procedures via robotic-assisted surgery over 6 years

1 Based on individual account experience (not published)
2 US surgical procedure volumes 2010, Millennium Research, RPUS43SV10, February 2010 / idata Research 2019
3 Internal information on evolution of lung ablation 2023-2031
4 Intuitive Surgical JPM presentation January 2023 (Line of sight: Estimated robotically addressable portion of targeted procedures in targeted geographies with existing products and clearances. Excludes Ion)

Core Technology

Creo Medical Core Technology

Creo is changing the game in minimally invasive endoscopic and robotic-assisted surgery, delivering innovative solutions specifically for pre-cancer and cancerous lesions that are designed to improve precision, reduce recovery times, and transform patient care.

			TARGET APPLICATION
Resection	Speedboat™ Ultraslim	Speedboat Ultraslim is our flagship advanced energy instrument, used in over 3,000 resection procedures in its first year on the market. Launched in Q4 2023, it's already proven in randomised clinical trials to reduce the need for secondary coagulation instruments.	► Bowel ► Oesophagus ► Stomach
	Speedboat™ Notch	Speedboat Notch is the latest addition to our Speedboat range, designed to support a wider range of reimbursed complex third-space endoscopic procedures, including E-, F-, and G-POEMs. Developed throughout 2024, it debuted at ESGE Days in April 2025.	► Bowel ► Oesophagus ► Stomach
	SpydrBlade™ Flex	SpydrBlade is the most versatile dissection tool in flexible endoscopy*, has already proven successful since its European release, 6 months ahead of schedule, in Q3 2024. Its growing list of use-cases includes Z-POEMs, pedunculated polyps, and difficult-to-treat fibrotic lesions.	► Bowel ► Oesophagus ► Stomach ► Vessel sealing ► Kamaptive partnerships
Ablation	MicroBlate™ Fine	MicroBlate Fine is the smallest known microwave ablation instrument*, designed to treat various tissue types. At under 1mm in diameter, it's compatible with endoscopic ultrasound-guided procedures, reaching hard-to-access organs like the pancreas. Creo's limited release begins in Q2, 2025.	► Anywhere accessible through the GI tract ► Same size as FNA needle and adjunct to diagnostic procedure
	MicroBlate™ Flex	MicroBlate Flex is our first-ever device to be used in a robotically assisted ablation of lesions in the lung. Now commercially available through a partnership with Intuitive Surgical, MicroBlate Flex is set to offer surgery-sparing treatment for thousands of patients with lesions in the lung.	► Lung, stomach, oesophagus and bowel ► Kamaptive partnerships

*Based on management's expert knowledge.

- Key areas for Creo are Upper and Lower Gastrointestinal (oesophageal, colorectal), Lung and Soft Tissue (Pancreas, Liver) surgeries
- Creo's products also address needs in wider (non-cancer) surgery
- All devices enabled by CROMA, powered by Kamaptive Technology

Kamaptive Partnerships

Creo's Kamaptive Licensing Programme sees the Company partner with selected industry leaders in lucrative, growing markets.

It provides Creo with a path to high margin, long term and repeat revenue, maximising the potential of its technology where it exists and where partners add significant value e.g. by partnering with robotics giants.

The Kamaptive Licensing Programme will look to partners to fund the development, optimisation or customisation of technology in relation to their needs and that of their industry. This reduces the R&D burden on Creo Medical going forward whilst allowing us to continue to innovate.

"Technological advancements are facilitating a paradigm shift in the way many surgical procedures are delivered."

Craig Gulliford, CEO Creo Medical

KAMAPTIVE COLLABORATION

Creo technology to be adapted for use with robotic-assisted surgical platforms

Intuitive

- Multi-year collaboration agreement with Intuitive – a global technology leader in minimally invasive care and the pioneer of robotic-assisted surgery.
- Optimisation of certain Creo products to be compatible with Intuitive's state of the art robotic technology.
- First in-man procedure performed in conjunction with the ION platform.

Kahlifa

- Collaboration agreement signed to enable Khalifa University to deliver two research programmes, firstly to develop greater knowledge and research in our tissue sensing capability. Secondly to deliver final validation of our Plasma IP.
- This agreement allows us to leverage our existing IP and develop this without incurring development costs and increasing headcount.

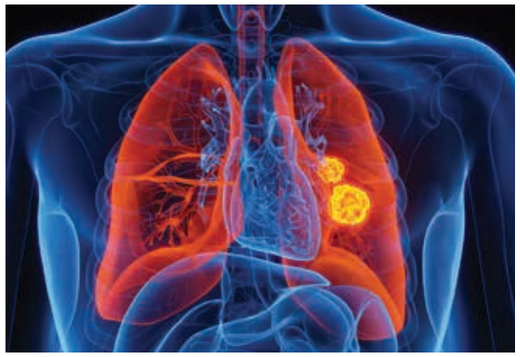
2024 Technology Highlights

"I founded Creo to harness advances in microwave semiconductor power technology and apply innovative thinking to offer a better alternative to treat cancer and other diseases."

Professor Christopher Hancock, Chief Technology Officer

Creo founder and CTO, Professor Chris Hancock, reflects on Creo's 2024 advanced energy highlights and talks about the prototyping work that has commenced on a new advanced energy prototype system capable of delivering energy at a number of microwave and RF frequencies, together with additional measurement capability, to achieve optimal tissue effects.

We continue to creatively harness the latest advances in microwave and RF semiconductor power generation, and advances in material science, to address unmet or poorly met clinical needs and produce better patient outcomes. We have clearly proven the basic principles, and my team is now focused on optimising energy delivery profiles to create best-in-class tissue effects that ultimately lead to better patient outcomes and improve lives.



Highlights of 2024

The first robotic deployment of Creo's focused microwave energy using MicroBlate Flex via the new Ion robot developed by Intuitive Surgical, is the number one personal highlight of 2024. This was the first robotic guided microwave ablation of lung tissue in the same sitting as a diagnostic procedure in the world. Having the privilege to witness two of the early cases using MicroBlate Flex really brought home to me the importance of the research and development work we have been doing in Creo Medical over the years. It is amazing that we are well on the way to realising our goal of ablating small non-cancerous and cancerous nodules in the lungs at a very early stage, before they become large cancerous tumors that metastasize as cancerous growths in other organs. I see in my mind a clear route for changing the way in which lung cancer is treated and managed through early diagnosis and microwave ablation using our MicroBlate Flex product.

The second highlight was the delivery of a new advanced energy prototype system capable of delivering energy at a number of microwave and RF frequencies, together with additional measurement capability, to achieve optimal tissue effects. This program of work also involved the development of prototype vessel sealers that could be used with a number of surgical robots. The effectiveness of cutting and sealing of a range of vessels and tissue structures was successfully demonstrated at the end of 2024 in an in-vivo lab with two world-wide respected robotic surgeons.

The successful launch and commercial roll out of Speedboat UltraSlim must not be overlooked. Speedboat Ultraslim can be used in the working channel of 2.8mm diameter endoscope (as well as 3.2mm and 3.7mm working channel scopes). This has allowed new clinical indications to be identified by users, enabling UtraSlim to be used to treat more patients all over the world for a number of diseases in the upper and lower gastroesophageal tract.

For example, the treatment of achalasia, or contraction of the food pipe at the junction between the stomach and esophagus, that causes difficulty in swallowing. UltraSlim is has been used to carry out a procedure known as Per Oral Endoscopic Myotomy (POEM), where the device is used to create a tunnel to cut the muscle at the lower esophageal sphincter without damaging the inner layer of the esophagus or the mucosa. It has also been used for the treatment of Zenker's Diverticulum (Z-POEM), where a pouch is formed in the junction of the pharynx and esophagus to impair the ability to swallow, and to treat polyps with large diameter stalks, where the delivery of microwave energy to coagulate the vessel, followed by the delivery of bipolar RF energy to cut, really comes into its own.

During 2024, patients from all over the world have benefitted from Ultraslim, which is something we should all be very proud of.

Advances in Technology as a Key Enabler

Our CROMA advanced energy platform and associated range of novel miniature flexible instruments that make use of bipolar RF energy or a combination of bipolar RF and microwave energy bring together the latest advances in material science; semiconductor microwave power generation that benefit from advances in packaging processes, high voltage fast switching RF MOSFET transistors, low loss microwave transmission lines and over 500 years of know-how from our engineering and product development teams.

It is really satisfying for the whole team and myself to see how our technology is benefiting both patients and clinicians daily across the world. We are continuing to see an increase in clinical data and published clinical evidence following the use of our devices; this underpins the value of our unique advanced energy proposition.

Intellectual Property Management

During 2024, new inventions and product enhancements were captured through the filing of 11 new patent applications. These new inventions were focused on robotic vessel sealers that combine bipolar RF and microwave energy for sealing and multi-pole RF energy switching for optimized cutting performance. New patent applications were also filed on the enhancements to the Speedboat UltraSlim, and protection for our new bipolar RF snare.

In terms of IP management, we are actively moving from an "innovation-led" IP portfolio to a "product-led" IP portfolio, where we focus IP spending on supporting products in the field and the new bipolar RF suite of products. We are also actively looking at licensing the Creo Non-Thermal Plasma and Robotic Vessel Sealer IP portfolios, where we already have significant traction.

Restructure and Right Sizing of the Research and Innovation Team

2024 has been a year of change for the Research and Innovation Team. Work on the new prototype Kamaptive Generator came to a successful conclusion in Q4 with four identical systems that can be used to investigate and optimize energy delivery from the range of existing products, the now bipolar RF suite of devices and robotic vessel sealer. The delivery of this system, together with the completion of the SpydrBlade Flex device, meant that it was necessary to reduce the number of engineers in my Research and Innovation team. These individuals made a huge contribution to the business, but this action was necessary to right size the business. I would like to personally thank these people for all of their good work and for the contributions they made to enable Creo to be where it is today.

Thanks to a combination of technology, engineering, clinical and commercial talent within the business, together with our tried and tested patenting strategy, we are treating more and more patients all over the world for multiple conditions, including cancer and other disease states.

Professor Christopher Hancock
Chief Technology Officer

Transforming Healthcare

NHS Supply Chain

NHS Supply Chain real-world data demonstrates substantial cash savings and operational benefits from Speedboat Submucosal Dissection (SSD) procedures

NHS Supply Chain data demonstrates one year net savings of £687k from 130 bowel SSD (Speedboat Submucosal Dissection) procedures at East Kent University Hospitals Foundation Trust ("EKHUFT") when compared to surgical alternatives, in addition to patient and healthcare provider benefits.

What did they say?

Working with EKHUFT, NHS Supply Chain's data shows that "*the use of SSD, when compared to surgical alternatives, results in a less invasive procedure for patients whilst maintaining an en-bloc resection with clear margins. The endoscopic nature of the procedure and Speedboat's advanced energy modalities makes this procedure both safe and effective whilst simultaneously reducing time spent in hospital and providing cost benefits in terms of the material and resourcing costs associated with each procedure.*"

It continued:

"*Using financial modelling on the data EKHUFT have been able to evidence that the adoption of this novel technology and its implementation as part of a new service has resulted in significant savings for the Trust. The detailed dataset will also enable statistical analysis and health economics evaluations to be successfully undertaken with confidence.*"

"The introduction of this service at East Kent and the pathway it facilitates have immediately had a positive impact not only in terms of patient outcomes but also from a value perspective. With over 200 Speedboat Submucosal Dissection cases now completed at East Kent, our in-depth costing work clearly shows tangible and consistent financial benefits largely stemming from a reduction in the time patients are spending in hospital as a result of our ability to re-direct patients from surgical waiting lists to our excellent endoscopy unit"

Elisa Llewellyn, Director of Commissioning, Contracting and Costing

NHS Supply Chain manages the sourcing, delivery and supply of healthcare products, services and food for NHS trusts and healthcare organisations across England and Wales. The Speedboat device is one of very few in the UK to have been selected for an NHS Supply Chain Value Based Procurement Exercise, with the organisation now keen to accelerate the use of Speedboat in NHS hospitals given the results seen at EKHUFT.

IN NUMBERS

East Kent University Hospitals

SSD Savings vs Surgery

1 YEAR PERIOD

59%
Reduction in cost
(£8.8k surgery vs £3.6k SSD)

LENGTH OF STAY

87%
Reduction in length of stay
(8.39 days surgery vs 1.07 days SSD)

THEATRE TIME

25%
Reduction in procedure time
(198 mins surgery vs 148 mins SSD)

38%
Reduction in cost
(£4.5k surgery vs £2.8k SSD)

ADMISSIONS

62%
Reduction in cost
(£8.2k surgery vs £3.1k SSD)

ACCOMMODATION

91%
Reduction in cost
(£3.4k surgery vs £0.3k SSD)

Between 2010 and 2015, Creo received a series of awards from the National Institute for Health and Care Research ("NIHR") Invention for Innovation ("i4i") Programme to support certain development projects, including the development of Speedboat Inject. This latest published data from NHS Supply Chain not only reinforces NIHR's investment decision to support Creo in the development of its Speedboat technology, but clearly illustrates how such investment benefits patients, healthcare providers and the NHS by enabling the development of solutions to address existing and/or emerging health or social care needs.

The data is the first like-for-like, real world comparative health economic data provided on the service facilitated by Creo's Speedboat technology. It has been calculated using official NHS data with the analysis conducted using NHS England 'Approved Costing Guidance', recognised by all NHS trusts in addition to industry bodies and includes a breakdown of all comparators, from theatre time to accommodation cost. The data and associated benefits have been captured as part of an official NHS Supply Chain case study promoting innovative technology and how technology can drive NHS savings.

What does it mean for Speedboat?

The full study and a breakdown of results has been published on the NHS Supply Chain website, and NHS Supply Chain will actively work to promote the value proposition of Creo's Speedboat technology by engaging directly with financial controllers and decision makers at NHS Trusts around the country. The case study is also being shared with the Department of Health and Social Care, NICE and others in order to illustrate the scope and speed of impact Creo's Speedboat technology can have, not only on patients and clinicians but on healthcare providers.

EKHUFT is not the only NHS trust generating significant data to demonstrate the value of Speedboat. At UEG Week in October 2023, held by United European Gastroenterology, the leading non-profit organisation for excellence in digestive health in Europe and beyond, Dr Roser Vega from University College London Hospitals NHS Foundation Trust presented a paper demonstrating that, aided by Creo's technology, she delivered outstanding advanced endoscopic results in fewer than half the number of cases usually required to reach that level of proficiency.

Sandra Owen, Clinical Engagement & Implementation Manager at NHS Supply Chain, said: "*NHS Supply Chain is working on a project designed to consider the potential benefits and practical application of Value Based Procurement ("VBP"). Here, there is a shift in emphasis from a reduction in product costs to working with industry to consider technologies that can influence a reduction in total costs within the patient pathway, and Speedboat is a good example of this.*"

CFO's Review

Cost reductions and revenue focus

"2024 delivered significant growth in Creo Core revenues, led by Speedboat UltraSlim."

Richard Rees, Chief Financial Officer

2024 delivered significant growth in Creo Core revenues, led by Speedboat UltraSlim (which was cleared in late 2023). The increasing utilisation of this device throughout 2024 helped Creo achieve record Core Technology revenues for Q4 2024.

In September 2024, the Group announced the agreement to sell a 51% interest in Creo Medical Europe to Micro-Tech with net proceeds of €30m payable in cash on completion (the "**Sale**"). The Sale completed on 12 February 2025, with the cash proceeds being received on 14 February 2025 increasing the Group's cash and cash equivalents to £31.2m post sale. This transaction not only enables Creo to continue to fund the ongoing strategic development of its Core Technology business, but provides a strategic partner through Micro-Tech which strengthens Creo's commercial platform in Europe and beyond. As a result of the Sale, we accounted for Creo Medical Europe as an asset held for sale as at the 31 December 2024. Prior to the end of 2024 we also reached heads of terms to sell Aber, a Creo subsidiary, as part of a Management Buy Out. This has also been held as an asset held for sale as at 31 December 2024. This transaction completed in March 2025.

The sale of Creo Medical Europe, together with our October 2024 fundraise of £11.1m (net of fees), has provided Creo with additional cash runway to deliver future revenue growth, product development plans and deliver our licensing partnership plans.

As committed, we initiated a raft of cost saving plans during the latter part of 2024. This process reduced our cost base by more than £5m going into 2025. These savings are in addition to the reduction in the cost base that has arisen from the sale of Creo Medical Europe and Aber.

These operational changes underpin our platform to drive towards our goal of achieving self-sustaining cashflows.

Revenue and other income

Total revenue was £30.7m (2023: £30.8m) with continued operations revenue being £4.0m (2023: £4.0m) as shown in Note 2 on page 113. The balance of £26.7m (2023: £26.8m) is classified as discontinued operations.

The Group achieved a 74% increase in Creo Core Technology revenues to £4.0m (2023: £2.3m), with £2.4m of sales in H2 24, representing 50% growth half-on-half. Creo Core Technology revenues include sales from all core products such as Speedboat UltraSlim and CROMA platform and significant new customer additions during the period.

Creo Medical Europe Consumable revenue was up 2.6% in constant currency with total revenue of £26.7m (2023: £26.8m) reflecting some FOREX headwinds in the period. Creo Medical Europe consumable sales are classified as discontinued operations in the Group's FY24 results.

Good progress was made towards the commercial use of the MicroBlate Flex ablation device for robotic-guided procedures for lung cancer. Two UK sites are now performing combined diagnosis and ablation procedures using MicroBlate Flex with the Intuitive Ion Endoluminal System. As part of the amended agreement with Intuitive (as announced on 2 July 2024), further sites are expected to come on stream in the near future, with the expectation that each site becomes revenue generating once the initial cases have been completed. As such, whilst the initial cases are being completed, no revenues associated with this were recorded in the period (2023: £1.7m).

(All figures £m)	Continuing	Discontinued	2024	Continuing	Discontinued	2023
Revenue	4.0	26.7	30.7	4.0	26.8	30.8
Cost of sales	(2.1)	(14.2)	(16.3)	(1.7)	(13.8)	(15.5)
Gross Profit	**1.9**	**12.5**	**14.4**	**2.3**	**13.0**	**15.3**
	46.6%	46.6%	46.6%	58.6%	48.6%	49.7%
Other operating income	(0.4)	-	(0.4)	0.4	0.0	0.4
Administrative expenses	(30.3)	(12.9)	(43.2)	(29.6)	(10.9)	(40.5)
Operating (Loss)/profit	**(28.8)**	**(0.4)**	**(29.2)**	**(26.9)**	**2.1**	**(24.8)**
SIP Charge	0.3	-	0.3	0.2	-	0.2
Goodwill Impairment	-	1.6	1.6	-	-	-
Redundancy Costs	1.1	-	1.1	-	-	-
Grant Income	0.4	-	0.4	(0.4)	-	(0.4)
PPE & Other Settlements	-	-	-	-	0.3	0.3
Earnout	-	-	-	0.5	-	0.5
Depreciation & Amortisation	1.5	1.0	2.5	1.7	1.7	3.4
R&D expenditure recovered via tax credit scheme	2.0	-	2.0	2.8	-	2.8
Underlying EBITDA*	**(23.5)**	**2.2**	**(21.3)**	**(22.1)**	**4.1**	**(18.0)**
Sharebased payments	1.2	-	1.2	1.2	0	1.2
Underlying Operating (Loss)/ profit*	**(22.3)**	**2.2**	**(20.1)**	**(20.9)**	**4.1**	**(16.8)**
Underlying Administrative expenses*	**(23.8)**	**(10.3)**	**(34.1)**	**(23.6)**	**(8.9)**	**(32.5)**

*non-statutory measure. Underlying Administrative expenses is calculated by taking Underlying Operating (Loss)/Profit and adjusting for Gross Profit and Other operating income

Other operating income of (£0.4m) in the 12-month period to 31 December 2024 (2023: £0.4m) relates to the Welsh Government grant being de-recognised in the year as it became evident that the grant conditions will no longer be fulfilled in relation to job growth, following the reduction in headcount during H2.

Gross Margin

Gross margin on a continuing basis decreased to 46.6% (2023: 58.6%) in 2024 driven by the decrease of £1.7m in high margin Kamaptive revenue from 2023. Excluding the Kamaptive revenue the margin has increased to 44.5% (2023: 40.2%). As we mature as a business it is expected that gross margins will continue to improve with increased sales of the Core Creo products along with further revenue growth from bundled EndoTherapy products as the install base of CROMA systems grow.

Operating loss

The underlying operating loss for the year on continuing operations increased to £22.3m (2023: £20.9m). This increase is down to the decrease in R&D tax credits of £0.8m to £2.0m (2023: £2.8m) as a result of the R&D Tax relief reform changes announced in early 2023. In addition to this, £0.8m of Kamaptive margin leaves an underlying reduction of £0.2m year on year. Underlying Administrative expenses remain broadly flat year on year with c.£5m of cost savings to be realised in 2025

Whilst underlying EBITDA and underlying operating loss are not statutory measures, the Board believes they are helpful to include for investors as additional metrics to help provide a meaningful understanding of the financial information as this measure provides an approximation of the ongoing cash requirements of the business as it continues to pursue its future development and pursue ongoing commercialisation focus of its approved products. The underlying EBITDA position excludes SIP charges and Earnout charges (contingent and deferred payments on previous acquisitions), individual items outside of business control, expenses which are non-cash and incorporates the recovery of research and development expenditure which the Group is able to benefit from through R&D tax credit schemes. The underlying operating loss position is the same as underlying EBITDA but also excludes share-based payment expenses which are non-cash.

Tax

The tax credits recognised in the current and previous financial year relate mainly to R&D tax credit claims. As already noted above, this was c.£0.8m less than expected due to legislative changes following the budget in March 2023 at £2.0m (2023: £2.8m). This has a direct detrimental impact on cash and P&L for a company such as Creo.

CFO's Review continued

Expenses

Underlying administrative expenses on continuing operations totalled £23.8m for the year (2023: £23.6m). This 0.9% rise (2023: 5.6% decrease) includes c.£0.8m (2023: £2.0m) less than expected R&D tax credit due to legislative changes following the budget in March 2023.

Total administrative expenses on continuing operations totalled £30.3m for the year (2023: £29.6m).

Non-cash expenses comprising of SIP charge, share based payments expense, de-recognising the Welsh Government grant (as noted above) and depreciation and amortisation were £3.3m (2023: £2.7m) on continuing operations.

Loss Per Share

Loss per share was 8 pence (2023: 8 pence) on continuing operations.

Dividend

No dividend has been proposed for the year to 31 December 2024 (2023: £nil).

Cash Flow and Balance Sheet

With the support from our shareholders, we were able to execute on a £12m fundraise in October 2024. This was secured against a backdrop of economic pressures and difficult market conditions and represents a significant achievement for the Company, providing us with the financial platform to deliver future growth until we were able to close the sale of Credo Medical Europe.

Net cash used in operating activities was £22.2m (2023: £21.6m). Net cash from investing activities was £15.3m (2023 used in: £18.3m). Cash generated from financing activities was £16.2m (2023: £29.8m) raised from the October fund raise (net of expenses) and loans provided to Creo Medical Europe.

Total assets at the end of the year decreased to £65.0m (31 December 2023: £76.6m), a 15.1% decrease, reflecting cash received from the equity raise offset by the reduction in cash due to operating activities and the accounting treatment for the asset held for sale.

Cash and cash equivalents at 31 December 2024 was £8.7m (31 December 2023: £18.5m).

Net assets were £42.4m (31 December 2023: £59.8m), a 29.0% decrease, as noted above due to the equity raise offset by the reduction in cash due to operating activities and the accounting treatment for the asset held for sale and share based payments expense. Following the completion of the sale of 51% of the issued share capital of CME at an equivalent equity value of €72m on a cash-free, debt-free basis on 12 February 2025, the net proceeds of €30.4m were received on 14 February 2025.

Sale of Creo Medical Europe

In addition to the consideration received from the Sale, the remaining 49% stake held in Creo Medical Europe will bring revenue via a share of the annual profits of Creo Medical Europe and cash inflows via annual dividends distributed from any annual profits going forwards. On completion of the Sale, a €36m investment asset was recognised and held on the balance sheet, providing future balance sheet strength to the Group.

Accounting Policies

The Group's financial statements were prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The Group's accounting policies have been applied consistently throughout the year and are described on pages 103 to 112.

Key Performance Indicators

As the Group continues to develop and commercialise its Core Technology, the Directors consider the key financial performance indicators to be the level of cash held in the business, sales and operating expenses controlled and monitored. The Board performs regular reviews of actual results against budget, and management monitors cash balances on a monthly basis to ensure that the business has sufficient resources to enact its current strategy.

Certain KPIs concern non-financial measures, such as the number of trainees for our Pioneer Clinical Education Programme, integration of acquired entities, ESG metrics such as carbon emissions, diversity ratios and employee engagement (see Directors' Remuneration Report on pages 78 to 88). All non-financial measures are monitored monthly. The Board will continue to review the KPIs used within the business and assess them as the business grows.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group are set out on pages 40 to 44.

Directors

Details of the Directors who served during the year ended 31 December 2024 are set out on pages 62 to 63. Seven Directors at the year end were male with one female.

Conflicts of Interest

To address the provisions of section 175 of the Companies Act 2006 relating to conflicts of interest, the Company's Articles of Association allow the Board to authorise situations in which a Director has, or may have, a conflict of interest. Directors are required to give notice of any potential situational or transactional conflicts that are to be considered at the Board meeting and, if considered appropriate, conflicts are authorised. Directors are not permitted to participate in such considerations or to vote regarding their own conflicts.

On behalf of the Board

Richard Rees
Chief Financial Officer

Principal Risks and Uncertainties

Risk Management Process

The ability to identify, manage and mitigate risks is integral to any business achieving its objectives and fulfilling its strategy. Creo's risk management process adopts a bottom-up approach to identifying risks and reporting them to both the Audit Committee and ultimately, the Board. The Board then reviews and assesses the risks identified and the risk appetite for the Group, which in turn, provides department heads feedback and guidance on those key risks to focus on and address as a priority.

Risk Committee

Creo's Risk Committee is a non-Board committee made up of department heads. The Risk Committee meets regularly. Each member is responsible for the identification, monitoring and mitigation of the risks within their respective departments with guidance provided by the Board. Risks are reviewed by the Risk Committee and challenged by other heads of department as to the impact and probability ratings to drive consistency of approach.

Our Risk Appetite

The Board is responsible for determining the Group's risk appetite alongside its business and sustainability strategy. This includes identifying risks and opportunities across the Group. The risk appetite helps to determine those salient risks requiring the most attention and effort to mitigate or to which additional resource is allocated. We have determined the following risk appetites for the current period:

For the reporting period, we have added a specific risk around our ongoing investment in Creo Medical Europe, the partial divestment of which was announced in September 2024. The significance of this ongoing investment by the Group, necessitates a need to ensure that its operations as a standalone entity align with our overall objectives.

We recognise that the risks are different when achieving commercial traction in Europe, the US and APAC and each bring their own challenges and risk profiles. We therefore have input from the commercial heads in each region to ensure we have appropriately identified, recognised and mitigated the key risks.

As we continue to scale operations towards profitability the risks will change and the business will continue to evaluate these to ensure new risks which have not previously been identified are captured alongside any risks, likelihood and impacts which might have become significant.

Risk Reporting Process

Risk Tolerance	Principal Risks	Appetite Rationale
MODERATE ↑ LOW	**Barriers to Market, Business Disruption Risks, Geopolitical Risks**	As a medical device company, we develop solutions that tackle unsolved problems, often by applying new technology. The technology risk we assume takes into consideration our stakeholders' interests and is commensurate with the potential returns from our product pipeline and intellectual property's assets. The Group has a measured approach to projects and acquisitions and will take an appropriate level of risk commensurate with the potential returns and availability of capital.
	Operational Risks, Executive and Personnel Risks, Financial and Going Concern, IT and Cyber Security, Environmental	The nature of our business means that we are exposed to operational and climatic risks that are beyond our influence but where possible, we take steps to mitigate the impact of these risks on the business. The Group recognises the importance of its supply chain and seeks to minimise risks within its supply chain which would compromise quality and service for our customers.
	Breach of Legal and Regulatory Requirements, Product Liability Risks	Creo operates in the healthcare sector which is highly regulated, where patient welfare is paramount. The company has a very low tolerance to risks of breaching legal, regulatory or ethical standards or towards anything that could negatively impact on our people's health, safety and wellbeing, the communities where we are present, our reputation or that of our customers.

Risk Management continued

The table below sets out those principal risks and uncertainties which, in the Directors' opinion, are most relevant to the Group. We have shown the movement of impact and probability of each risk against the risk reported in the previous year.

Whilst the business puts in place mitigations to reduce the probability of any risk arising and the impacts of any such risks, it is not possible to remove all risk. Further, additional factors could affect the likelihood or impact of risks as the business progresses on its commercialisation journey; for example an increase in revenue may increase impact; or increased product sales may result in product liability risks become inherently more probable and thus having a greater impact on the business.

Change in Risk

⟷ No Change ↓ Decrease ↑ Increase

PRINCIPAL RISK AND IMPACT	HOW WE MANAGE THE RISK	PROBABILITY MOVEMENT	IMPACT MOVEMENT
Barriers to the market Risk our products do not meet the necessary regulatory requirements for the market, are not competitively priced, do not provide value over competitor products. Risk that our technology becomes outdated or superseded by a competitor.	► Engagement with key opinion leaders ("KOLs") and clinicians through local industry and through our Clinical Education Programmes ► Benchmarking prices of products in local markets ► Strong IP portfolio to protect our Core Technology in the market ► Clear marketing strategy targeting individual markets. ► Development of our suite of devices and our Kamaptive Licensing Programme	⟷	⟷
Breach of legal and regulatory requirements Risk that the Group breaches legal or regulatory requirements in local jurisdictions which could result in fines, penalties and damage to the Creo brand.	► Our Quality Assurance and Regulatory Assurance Team is focused on the regulatory needs for product development and develops quality documentation to support all regulatory applications ► We have relevant CE marking and FDA clearances for our suite of devices and the CROMA platform ► Work with local advisors to keep abreast of the development of regulations and requirements	⟷	⟷
Operational Risks Risk that Creo is impacted by supply chain issues, manufacturing delays or lack of manufacturing capacity, product defects, supplier dependence.	► Preventative maintenance plan to ensure our products are calibrated and maintained, both before and once they enter the market ► Strategic purchasing of key components and careful monitoring of resource requirements ► Review of at risk suppliers and alternatives identified to ensure minimal disruption if supply chain issues arise ► Creo is actively pursuing an outsourced manufacturing model. We have multiple outsourcing partners who we can work alongside should demand require additional manufacturing capacity	⟷	⟷
IT and Cyber Security Risks In the event of industrial hacking, IT failure or a data breach, the Group is subject to operational disruption unless appropriate safeguards are in place. In the event of a data breach the Group may be liable to be fined for a breach of relevant data protection legislation.	► Remote servers across multiple sites reduce reliance on a single site ► VPN across the business ► Key applications being migrated to the Cloud ► Cyber security awareness training implemented across all entities	⟷	⟷
Executive and Personnel Risks Risk of over-dependence on key staff and executives. Risk that we cannot recruit the right talent necessary for the Group to achieve its objectives.	► Appraisal process set up to maximise employees' potential and aid their development ► HR function oversees implementing Group processes and policies ► Leadership and management training to empower management and enhance performance ► Benchmark benefits package across industry roles to ensure competitive ► Identify points of failure ("PoF") within the business if someone were to leave and mitigate these PoF	⟷	⟷
Product Liability Risks Criminal or civil proceedings might be filed against the Group by study subjects, patients, the regulatory authorities, other companies and any other third party using or marketing our products.	► Our suite of products have obtained approvals/ clearance from third-party regulatory bodies in the EU and US prior to commercial launch ► Our design process seeks to mitigate issues by including preclinical and clinical trials in the development of our products ► We invite input from KOLs on product development and their needs ► Our QMS system is designed to comply with ISO 13485 ► Third party and OEM/OBL products manufactured to ISO standards with audits undertaken	⟷	⟷
Business Disruption Risks Macro economic factors may cause issues with supply chain, increase export and import prices, cause delays in selling/ purchasing goods. COVID-19 or similar pandemic disruption to business stopping us manufacture, sell and operate as usual.	► The Company property is well secured and we have taken reasonable steps to protect the contents ► A disaster recovery plan has been developed ► We monitor developments on an ongoing basis to allow the business to react when necessary ► The business is continually monitoring local and global developments, including the war in Ukraine, macro and micro economic changes and assessing the potential disruption impacts this could have and mitigating these where possible	⟷	⟷
Financial and Going Concern Risks Risk that the Company does not have sufficient cashflow to meet its liabilities and is no longer a going concern. Risk that we do not have sufficient cashflow to seize opportunities and projects when they arise.	► On track with budgeted initial cash requirements. September 2024 funding round along with the receipt of funds from the sale of 51% of Creo Medical Europe post period, has provided working capital resources for the business to continue ► We seek to maximise the amount of grant funding that is available to us to assist with our technological development while minimising spend ► We have actively reduced overall costs to the business in 2024 that will reduce OPEX from 2025 onwards ► Creo Medical Europe is profitable and cash generative. Our 49% holding will continue to benefit the group via our non-controlling interest allocation ► We continue our dialogue with current and new investors about our commercial plan and opportunities and the funds those opportunities would require ► Local and Group budgets are reviewed each month with a five year forecast every six months to ensure sufficient cashflow	⟷	⟷

Risk Management continued

Change in Risk
↔ No Change ↓ Decrease ↑ Increase

PRINCIPAL RISK AND IMPACT	HOW WE MANAGE THE RISK	PROBABILITY MOVEMENT	IMPACT MOVEMENT
Safety and Efficacy of our Products is Questioned Safety concerns relating to our products may lead to recalls, seizures, interruption of supply and loss of product approvals, which could adversely affect patient access, our reputation and our revenues. Significant product liability claims could also arise, which may be costly, divert management attention, reduce demand for our products and damage our reputation.	► Incident management process allows us to react to any potential adverse event and limit any damage ► Preventative maintenance plan to ensure our products are calibrated and maintained, both before and once they enter the market ► Our QMS system is designed to comply with ISO 13485	↔	↔
Environmental Risks Climate change, or legal, regulatory or market measures to address climate change may materially adversely affect our financial condition and business operations.	► Sustainability Committee oversees environmental risks as well as other ESG risks throughout the Group ensuring we are aware of any new legal regulatory or market changes ► We report regularly to the Board on our carbon footprint as well as the actions taken to reduce our waste ► Ensuring we meet the requirements for the NHS procurement providers through disclosure of Scope 1, 2 and selected Scope 3 emissions ► We ensure our key suppliers have their own sustainability commitments and are able to demonstrate these before we engage them	↔	↔
Investments and Joint Ventures Following the sale of 51% of Creo Medical Europe post period, Creo holds a minority interest in a joint venture with a third party. The interest held is a significant investment in an asset by the Group.	► A detailed shareholders' agreement is in place between Creo and Micro-Tech to manage the ongoing governance of Creo Medical Europe and the relationship between the parties ► Creo has appointed three directors to the board of Creo Medical Europe to oversee the operation of the business including annual budgeting, monthly reporting and sales forecasting ► Monthly reporting of financial results continues to be provided to Creo ► Micro-Tech, as a JV partner, is listed on the Shanghai stock exchange and has extensive governance and financial reporting requirements which will also be filtered into the JV, increasing governance further	*NEW RISK*	*NEW RISK*

The Strategic Report was approved by the Board of Directors on 18 May 2025 and was signed on its behalf by

Richard Rees
Chief Financial Officer
18 May 2025

Sustainability Strategy

Our Mission: To Improve Patient Outcomes

Creo's sustainability strategy focuses on three key areas where we believe we can make the greatest impact, underpinned by our strong governance framework and aligned with our overall mission to 'Improve Patient Outcomes'.

Healthcare Impacts:
Ensuring what we do has a positive impact on our patients, clinicians and the healthcare industry through championing innovation and ensuring quality outcomes

Our People and Communities:
Ensuring what we do has a positive impact on our people and communities through promoting diversity, equality, inclusion and enhancing opportunities within the business and wider communities

Our Planet:
Ensuring that the actions we take as a business mitigate our environmental impact and work towards and contribute to global targets

Supporting the following United Nations Sustainable Development Goals ("UN SDGs")

Healthcare Impacts	Our People and Communities	Our Planet
KEY FOCUS		
► Advancing technology in the field of therapeutic endoscopy ► Helping to tackle waiting times and rising healthcare costs ► Enhancing clinician education and skills	► Create a safe, diverse workplace where innovation and collaboration can thrive ► Supporting our communities and local schools to further education	► Achieve net-zero across our Scope 1 & Scope 2 emissions by 2027 ► Achieve net-zero over Scope 3 emissions by 2045 ► Enhanced sustainability reporting and communication
OUR PROGRESS		
► SSD procedures reduce waiting list times and save the NHS and global healthcare providers costs ► Continued commercialisation of the suite of devices opening up new treatment pathways ► Quality training which goes above and beyond the industry standard	► Leadership training across the business ► Talent assessments and appraisals for all staff across the business ensuring we maximise employee potential ► Work with local schools and colleges to host career days and support career development	► Implementation of data capture and reporting system to ensure accurate, timely and efficient data capture ► Study being undertaken to understand environmental footprint of our product vs alternative treatments
GOVERNANCE		
► Healthcare compliance ► ISO 13485 compliance ► Patient follow up	► Anti-bribery, anti-slavery, money laundering policies and training ► Diversity metrics & monitoring	► SECR compliance ► ISO 14001 compliance ► UN Sustainable Development Goals

► Strong Governance Framework — See our Corporate Governance Report on pages 61 to 88.
► Sustainability Committee guides, monitors and reports on progress against strategy.
► Continuous stakeholder engagement — See our s.172 statement on pages 70 to 73.

Sustainability Statement Explanation

How we develop and monitor our strategy

In order to create and execute a successful Sustainability Strategy it is important to identify those issues that are most important to Creo, its business and its stakeholders. In turn, this allows us to focus on those matters where we have the greatest opportunity to make an impact and ensure an appropriate governance framework is in place to achieve the strategy.

To gather insights, we engaged with our key stakeholders to gain their insight on the issues of greatest importance for our business and society. These included::

- External stakeholders — we sought insight from our patients, clinicians, healthcare providers (including the NHS), suppliers and partners to understand their views of our biggest risks and the opportunities to drive greater value.
- Our people — we engaged internal experts from across the business to understand the issues which have the greatest impact on the delivery of our strategy and those which are the highest concern for our stakeholders.
- Our Sustainability Committee meets throughout the year to monitor progress against its goals and objectives. The Committee recognise the need to set clear KPIs based on data where appropriate and have made the capture of that data a key priority. Our progress is also monitored against the wider SDGs.

Materiality Assessment

We carried out a materiality assessment annually using the Global Reporting Initiative ("GRI") recommendations on materiality to ensure that our process was conducted according to best-practice reporting standards.

Through this process we identified 21 material issues. We also combined the results of the materiality exercise alongside the prioritised issues identified by the UN Sustainable Development Goals ("SDGs") to guide the development and focus of our materiality assessment.

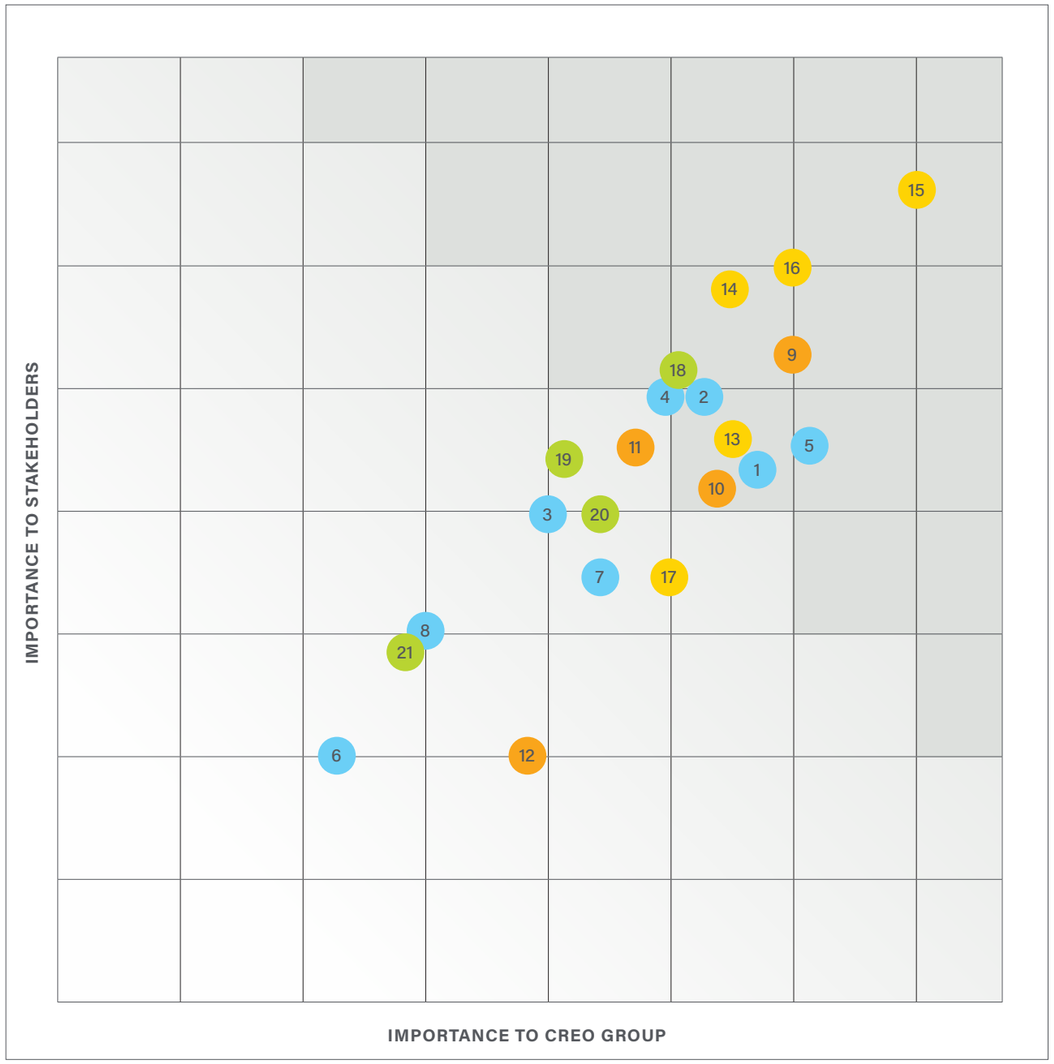
Key Material Issue Changes

Our key material issue movements were sustainable logistics and product distribution, responsible and transparent sourcing and product life cycle. Our assessment showed these increased in importance to both our stakeholders such as the NHS as well as Creo as we continue to increase volume of sales and manufacturing.

NO.	MATERIAL ISSUES
1	Supply Chain Management
2	Governance, Ethics and Compliance
3	Data Protection and Cyber Security
4	Responsible and Transparent Sourcing
5	Risk Management and Mitigation
6	Hazardous Materials
7	Sustainable Logistics and Product Distribution
8	Ethical Animal Trials
9	Diversity, Inclusion and Equal Opportunities
10	Employee Engagement, Attraction and Development
11	Occupational Health, Safety and Wellbeing
12	Community Engagement
13	Accessibility of Products
14	Clinician Experience and Development
15	Patient Outcomes
16	Innovation, Research and Development
17	Collaboration and Partnerships
18	Climate Change and Energy Use
19	Recycling and Waste
20	Product Life Cycle
21	Water Use and Efficiency

SUSTAINABILITY PILLARS

Healthcare Impacts | Our People and Communities | Our Planet | Governance



Area of focus

Healthcare Impacts

Our focus on healthcare impact aligns with the following UN Sustainable Development Goals ("SDGs")

Ensuring what we do has a positive impact on our patients, clinicians and healthcare industry through championing innovation and ensuring quality outcomes. This was recognised as an area of specific focus due to the unique opportunity Creo has to make a positive impact in the following ways:

Advancing Technology

Everything Creo does has one main aim, to improve patient outcomes. In order to achieve this, current treatment pathways will need to adapt through continued innovation, challenge and collaboration. We address this in the following ways:

Our products – at the end of 2023 we launched our smallest ever device, the Speedboat UltraSlim. This device works with almost any endoscope in the world and opens up our technology to new markets, new regions and new treatment indications. In addition, during 2024 Creo's MicroBlate Flex device has been used to perform a robotic guided microwave ablation of lung tissue in the same sitting as a diagnostic procedure for the first time, opening up the possibility of a new treatment pathway.

Collaborating with others in the industry – sharing our knowledge and technology with partners allows innovation within the industry and will help lead to new products and pathways not yet available. We believe that by collaborating with the likes of Intuitive and Micro-Tech we can continue to be at the forefront of innovation within the industry.

In May 2024, Creo received the King's Award for Enterprise in Innovation.

Tackling Waiting Lists and Rising Healthcare Costs

Whilst our mission is to improve patient outcomes, our technology has been proven to have the potential to reduce procedure times and remove the need for long hospital stays. During 2024, NHS Supply Chain released real world data confirming significant cost and operational savings arising from the use of Creo's products, in addition to the patient benefits previously noted.

We are not limiting our benefits to just the NHS or first world countries, but are actively looking to help ease healthcare pressures and improve patient outcomes globally. We want as many people to have access to our technology as possible. With a focus not just on the markets we have a direct presence in, but all across the world, we believe we can make a significant impact on the pressures faced by healthcare providers across the globe and help to tackle healthcare inequality between regions.

Training that goes beyond expectations

Quality is of paramount importance to Creo and the products and training we provide. As well as complying with ISO 13485 Medical Devices certification and relevant healthcare compliance, we strive to provide training and education long after the clinicians pass the required level of proficiency.

Our Pioneer Clinical Education Programme champions this quality and follows users through multiple cases to ensure the patients receive the best care and we prevent any avoidable adverse impacts. Follow ups with patients and clinicians allow us to obtain valuable feedback to enhance future patient experience and clinician training.

How We Govern

- Healthcare compliance
- ISO 13485 compliance
- Clinical Training Policy
- Technology Patents
- Patient and Clinician Feedback
- Monitoring of clinical data

Scan the QR code to see more on our health economics

What's next?

1. **Develop global accessibility to treatments through market penetration in developing countries**
2. **Continue to invest in new treatment pathways**
3. **Continue growth in our professional education programme**

Our People and Communities

Our focus on our people and communities aligns with the following UN SDGs

Our people are the lifeblood of our business and the driving force behind the innovative work we do within the healthcare sector. We are committed to ensuring our recruitment, talent assessment and development processes can identify the best people for the roles, irrespective of any personal characteristics.

Creating a safe and inclusive environment which fosters innovation

Having space for people to collaborate face to face is important, allowing employees to share ideas and engage with other team members in person.

Our HQ has dedicated training labs as well as expanded manufacturing capacity to ensure we can meet the growing demand for our products.

Online workshops and meetings are held with our international colleagues on a regular basis to ensure everyone feels part of the Creo family and that we are all working towards the same goals.

To ensure a safe and inclusive environment we have the following policies and workshops in place:

- Diversity & Ethical Behaviour Training
- Menopause awareness and support for employees specific within our 'Time Off' policies
- Employee team building days
- Equality, Diversity & Inclusion Policy (including respect for human rights)
- Whistleblowing Policy
- Family Friendly policies
- All hands meetings

We are committed to creating a diverse and inclusive workforce and working towards gender parity in senior positions within the business. We are committed to ensuring that all disabled persons whether newly hired or who have become disabled during employment, have appropriate support, training, career development and promotion opportunities.

Employee wellbeing

Employee wellbeing is key to any business. Whether it is physical or mental health we recognise that happy and healthy people perform at their best. To support this we have implemented a range of tools to help support our employees.

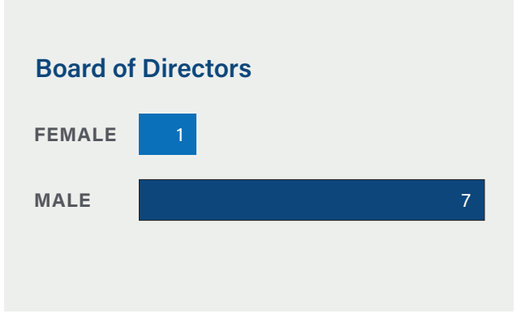
- Mental Health First Aiders – trained individuals provide a channel of confidential and non-judgemental support to employees who may require some assistance or simply need to chat.
- Employee Assistance Programme – employees have access to our free and confidential online and telephone support service (Unum Help@hand). Support topics include bereavement support, financial wellbeing, mindfulness and more.
- Beam Development and Training and Awaken Wellbeing Services – Creo has engaged with a professional wellbeing coach and therapist in order to provide one to one in person, telephone and online support to employees to help promote positive wellbeing and avoid burn out.
- Understand your Pension Sessions – Creo has run pension sessions to allow our employees to understand which pension works best for them.

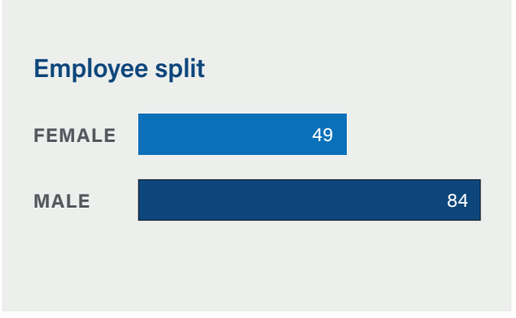
Through our Unum Help@hand service, our UK employees are provided with a voucher based discount scheme as well as the following:

- Digital GP – a private doctor service offering our employees quick access to clinical advice and guidance, through up to 3 sessions a year.
- Nutritional Consultations – our employees can have up to 6 consultations a year with a nutritional expert, including advice and guidance on delicious healthy eating plans.
- Mental Health Consultations – tailored advice from mental health professionals if there's any issue - home or work related - our employees need to talk over, including bereavement support. Employees get access to 6 Mental Health Consultations a year, with an additional 6 bereavement consultations.
- Physiotherapy – our employees and their partners can have up to 8 sessions a year between them with a physiotherapist who will give them bespoke exercises normally via video consultation.

These programmes help to keep our staff in the best condition and help to reduce sickness within the workplace.

Gender Distribution within the Workforce





Our People and Communities continued

Health & Safety

Physical health is also key to ensuring we provide our colleagues a safe place to work. In recent years we have:

- Introduced a red tagging exercise
- Provided additional sharps bins for disposals
- Undertaken DSE homeworking assessments
- Introduced a near miss reporting portal
- Received RoSPA Awards

0.14

Accidents per 100,000 hours (2023 0.24)

Challenging & Rewarding Careers

We strive to get the best out of our employees so they can reach their full potential. Through the year employees have an appraisal opportunity where their strengths and development areas are identified and goals are set to help them achieve their potential. We have run appraisal workshops to ensure employees understand how to get the most out of their appraisals and managers understand how to set SMART goals. We keep our employees aware of our success stories with patients through regular communication to help remind them of the purpose of the business and the difference they are making to people's lives.

Retaining and attracting the best talent is key to achieving our strategic goals. We offer various employee benefits and support including:

- Share Incentive Plan
- Cycle to work scheme
- Income protection
- Critical illness cover
- Time off for volunteering
- Flexible working
- Private Medical Insurance
- Digital Healthcare Support
- Holiday Purchase Scheme, in addition to a competitive holiday entitlement
- Life Insurance

Community Engagement

We actively encourage our employees to get involved in local community projects, volunteering and raising money for good causes. Some of the projects we have been involved in this year include:

- Sponsored the Bowel Cancer Dinner in Cardiff – the dinner helped to raise awareness of bowel cancer issues as well as raising funds for bowel cancer research.
- Our colleagues took place in our 'Get Active this April' to raise funds for Bowel Cancer UK as part of Bowel Cancer Awareness Month.
- Creo Medical Europe Charity Dinner—Our European colleagues joined a Charity Dinner to raise funds for a local cancer centre based in Spain.
- Our HR team attended a number of schools to offer students mock interviews.
- Our HR & Sales colleagues supported a Careers Fayre at a local comprehensive, to showcase career opportunities at Creo for the future and practical tips for first time employment.
- Work experience opportunities are regularly supported at our HQ, particularly aligned with STEM subject areas.
- Sponsored our local junior cricket club, to provide support and encourage sports in our local community.

Regular charity events held to raise money for good causes

How we Govern

- Policies and training:
  - Anti-Bribery Policy
  - Whistle Blowing Policy
  - Money Laundering & Anti-Bribery
  - Equality & Diversity Policy
- Benchmarking pay and benefits
- Diversity & behaviour in workplace training
- Appraisal process
- Exit interviews
- Analysis of key workforce data including sickness, leavers, hires, promotions, survey feedback and pay parity

What's next?

1. **Examining ways to improve employee value proposition**
2. **Undertake employee surveys to track scores and measure progress**
3. **Continued community engagement & increased volunteering participation**

Our Planet

Our focus on the environment aligns with the following UN SDGs

It is key that we all minimise our impact on the environment, including Creo and its employees. As a business we want to ensure that the actions we take minimise our environmental impact and work towards and contribute to global targets. We recognise that as our business grows so will our impact on the planet, however we also recognise that we have an opportunity to reduce or mitigate the negative impacts and an opportunity to create positive impacts along the way.

Using Data to set meaningful targets

As an evolving business we recognise the challenge in setting internal targets and want to ensure that any targets we set we can reliably measure, report on and actually have a positive impact. During this year we have started the process to implement a new data capture system which will allow us to track all of our Scope 1, Scope 2 and Scope 3 emissions from all entities across the Group. Accurate and timely data will provide us with the insight to take significant actions to further reduce our footprint and help us achieve a net-zero emissions strategy.

Our Net Zero Targets

We have realigned our targets to our external stakeholders both short-term and long-term. Our targets are as follows:

2024 Scope 1, 2 & 3 monthly emissions data

2025 Set specific targets for 'hot spot' areas, departments, and sites

2039 Achieve an 80% reduction in baseline figures

2045 Achieve net-zero

Scope 1, 2 & 3 Emissions

In 2023 we successfully reported Scope 1 & 2 worldwide and Scope 3 emissions in the UK enabling us to create a UK Carbon Reduction Plan ("CRP"). We implemented a plan to complete Scope 1, 2 & 3 emission reporting in 2024.

Although we are not required to disclose Scope 3 data under current regulations, in line with best practice and TCFD and SECR guidance we have chosen to disclose the 2024 Scope 3 emissions for our Business Air and Land Travel from our UK sites. In 2023 we invested in an external carbon accounting software platform to calculate our emissions. The data and algorithms used enabled more detailed results of our emissions compared to the previous manual calculations.

Emissions[1]	Metric	UK 2024	UK 2023	Global 2024	Global 2023
SCOPE 1					
Emissions from facilities[2]	Tonnes / CO_2e	0	0	0	0
Emissions from vehicles[3]	Tonnes / CO_2e	18.4	43.7	354.2	207.4
SCOPE 2					
Purchased Electricity and Heating (Gas)[4]	Tonnes / CO_2e	63.9	17.8	85.2	67.3
Intensity Metric[5]	Tonnes CO_2e / Revenue £m	9.2	6.5	20.0	12.9
SCOPE 3					
Emissions from business air travel[6]	Tonnes / CO_2e	320.5	508.6	234.6	120.9
Emissions from business land travel[7]	Tonnes / CO_2e	238.2	37.4	366.2	142.8
Intensity Metric[5]	Tonnes CO_2e / Revenue £m	62.8	57.5	27.6	12.4
Kwh Consumption					
Purchased electricity[8]	Kwh	257,861.0	302,968.0	104,391.0	99,545.0
Purchased gas[9]	Kwh	43,520.0	86,601.0	240,489.0	295,932.0
Total	Kwh	301,381.0	389,569.0	344,880.0	395,477.0
Intensity Metric[5]	Kwh / Revenue £m	33,863.0	41,007.3	15,820.2	18,576.0

1 CO_2 per units for 2023/4 were calculated using the metrics provide by the suppliers directly where applicable. Updated 2023 figures have been provided following the introduction of calculation software. Data base - AIB (2022), Defra (2023 & 2024), Ecoinvent (3.9.1), Exiobase (3.8.2) and IEA-Emissions-Factors (2023). All figures include continuing and discontinued operations during the reporting periods.
2 Facilities in 2023 and 2024 include all UK facilities from continuing and discontinued operations.
3 The 2023 and 2024 emissions include vehicles owned by all UK entities.
4 Purchased gas & electricity for 2023 and 2024 includes all UK sites from continuing and discontinued operations.
5 Intensity metric is based on revenues from continuing and discontinued operations. We believe this to be an appropriate metric as it will help us monitor our progress as the Company continues to grow. The revenues for the UK relate to all UK sites, the Global metric is revenues for the Group excluding the UK.
6 Scope 3 emissions data for all UK sites.
7 CO_2/Mile was calculated using direct data from travel provider and the third party accounting software.
8 Purchased electricity for 2023 and 2024 includes all UK sites from continuing and discontinued operations.
9 Purchased gas for 2023 and 2024 includes all UK sites from continuing and discontinued operations.

2025 Targets

Alongside our targets we commit to disclosing our progress annually. We will keep abreast of all emerging technological improvements to accelerate our pathway to net-zero emissions. As part of this we have set ourselves a target to reduce our emissions by 7% in 2025. If we can achieve a 4.5% year on year reduction, we will have reduced our emissions by 80% by 2039.

2025 Proposed CO2 Emissions Reductions (CO2e T)

Electrical Usage by 5%	**12000 Kwh**	**Commuting**	**60t**
Gas Usage	**3.8t**	**Travel**	**24t**
Mobile Combustion	**2t**	**Downstream Distribution**	**58t**
Upstream Distribution	**1.5t**	**Purchased Goods**	**14t**

Our Planet continued

Action to Reduce Our Impact

Despite our strategy and wider industry progress being in its infancy, we have already made great strides in reducing our impact on the planet through the following:

- Maintained ISO: 14001 in Chepstow and Bath offices
- Installed electric vehicle charging points for electric vehicles at our Creo HQ site
- Installed a bike shed with electric charging point for electric bikes at our Creo HQ site in Chepstow
- Smart travel campaign to raise awareness of types of business travel and the CO_2 each produces
- Supply chain analysis of supplier impacts
- Identified platform for data capture and implementation of this platform started in 2024
- Bike to work scheme
- Introduction of employee salary electric vehicle scheme
- 0% Waste sent to landfill, 100% waste is recycled or used within energy recovery systems

Water & Waste

Although we do not use a significant amount of water, we still track the amount of water usage across the Group and look for ways to reduce our water usage. We have undertaken an analysis to ensure that we do not operate in any water deprived areas and monitor the amount of water used throughout the business.

ISO 14001 is an internationally recognised standard for Environmental Management Systems and demonstrates Creo's commitment to Environmental Management.

All waste is segregated at all our offices, this includes mixed recyclables, batteries, WEEE, hazardous materials, sharps, and clinical waste etc. We have now implemented flexible working practices and we asked staff to return any waste electrical items, batteries, etc. to the workplace so they can be recycled as part of our business waste.

Waste Electrical and Electronic Equipment ("WEEE")

As a producer we place electrical items onto the UK market which will eventually become waste. We understand our obligations to manage this, both morally and legally. We have joined a producer compliance scheme ("PCS") to support and assist our efforts. Under the relevant laws, we are considered a small producer as we place less than five tonnes of electrical product onto the market annually. This allows us to register with the European Agency direct. However, we have chosen a PCS to handle our registration so that we receive timely and effective guidance as our business develops and additional obligations come into force.

Regulatory Requirements and Frameworks

We keep abreast of the rapidly evolving regulatory environment, particularly around climate change and disclosures. Although we are not required to report on Task Force on Climate-Related Financial Disclosures ("TCFD") we have made significant progress on our disclosures of Scope 1 & 2 emissions and have a clear plan to understand and disclose more detail about our Scope 3 emissions in the next few years.

Our Sustainability Committee alongside our Risk Committee allows us to set a clear climate impact strategy along with appropriate scenario testing, identification of opportunities and threats and resilience testing.

We are aware that the IFRS Sustainability Standards Board are planning on issuing the IFRS Sustainability Standards Disclosures which are likely to come into force in 2024. The current plans and strategy mean we are on the front foot in this ever-changing environment to be able to meet future and current regulatory requirements as they arise.

How we Govern

- SECR compliance
- ISO: 14001
- Data capture
- Sustainability Committee
- Producer compliance scheme

Environmental Impact of Surgery Vs. Endoscopy Study

As well as saving money and time for patients we believe using our product generates less emissions than alternative treatment pathways.

To investigate this and to generate insightful data we have commissioned a study to assess the carbon environmental impact of two key facets of gastroenterological care: traditional surgical interventions and endoscopic procedures.

The study will focus on the life-cycle of each therapeutic option to calculate approximate carbon footprints, considering:

1. Manufacturing processes
2. Energy consumption
3. Waste generation
4. Post-procedural patient care

We aim to complete this study by mid 2025 and will use the findings to help further improve the environmental impact of our products

What's next?

1. **Data capture of all upstream and downstream emissions**
2. **Using sea freight as an alternative to air freight to help reduce emissions**
3. **Benchmarking of KPIs to industry and competitors**
4. **Continue to save energy in our current business practices**

CLINICAL CASE STUDIES

Learn how Speedboat is improving lives

SCAN THE QR CODE
TO READ OUR
CASE STUDIES

02
Corporate Governance

Board of Directors

Kevin T. Crofton

Chairman

Kevin joined Creo Medical's board in July 2024 and is an accomplished business leader with over three decades of extensive international experience in the technology industry.

He has a successful track record of driving innovation and generating profitable growth. Most recently, Kevin was CEO of Comet Holdings AG, a Swiss listed technology company, where he delivered significant shareholder value by driving greater customer engagement. Prior to this, he was CEO of SPTS Technologies where he led the PE backed management buyout and exit of the company to Orbotech, Inc., joining the team who subsequently sold the group to KLA-Tencor Corporation for $3.4bn. Kevin previously acted as Chairman of SEMI International and the UK Compound Semiconductor Applications Catapult.

Kevin holds an MBA in International Business from the American University, Washington DC, and a BS in Engineering (Aerospace) from Virginia Tech.

Kevin is a member of the Company's Audit Committee.

John Bradshaw

Senior Independent Non-Executive Director

John is a chartered accountant with more than 25 years' experience as a Chief Financial Officer with venture capital backed and listed companies. Prior to his retirement in July 2021, he was Chief Financial Officer of Syncona Investment Management Limited, the Investment Manager of Syncona Limited, a FTSE 250 listed life sciences investment company.

John chairs Creo's Audit Committee and is a member of the Remuneration Committee.

Ivonne Cantu

Independent Non-Executive Director

Ivonne has extensive experience in corporate finance, having acted as a corporate finance adviser to UK and international companies for more than 20 years at Cenkos Securities plc (now Cavendish) and previously at Merrill Lynch. Ivonne is Director of Investor Relations and Sustainability at Benchmark Holdings plc, an AIM listed aquaculture biotechnology company and a non-executive director and chair of the Remuneration Committee at Primary Health Properties plc.

Ivonne is also a trustee of La Vida, a UK registered charity which supports grassroots projects in the fields of education, environment and health throughout Latin America.

Ivonne holds a BSc in Engineering from Universidad Panamericana in Mexico and an MBA from the Wharton School of Business.

Ivonne chairs Creo's Remuneration Committee and is a member of the Audit Committee.

Brent J. Boucher

Independent Non-Executive Director

Brent Boucher joined Creo Medical's board in July 2024 and brings extensive experience in the commercialisation of novel medical devices.

Brent has a record of success in growing and transforming businesses across a range of medical device specialities, including technologies, oncology interventions, surgical solutions and respiratory care.

Brent is recognised as a business leader of multiple innovative growth businesses focused on commercial optimisation, new product, technology and procedural introductions, global market entry and strategic M&A. Throughout his career in the USA, Brent has held a number of executive positions in large multinational Medtech companies, including Covidien (acquired by Medtronic), AngioDynamics and Nuvasive, working to successfully deliver revenue growth and shareholder value. Brent is currently SVP for the Americas for Solventum, a major US health care company which span out of 3M in early 2024.

Brent holds a Bachelor of Business Administration from North Dakota State University.

Brent is a member of the Company's Renumeration Committee.

Non-Executive Directors

Executive Directors

Craig Gulliford

Chief Executive Officer

Craig was a founding angel investor in Creo Medical and became CEO in 2012.

Craig qualified with an MSc in Electronic Engineering from the University College of North Wales. Craig's early career developed in the Middle East, working with large corporates delivering complex commercial projects. Craig has over 25 years' experience in building international businesses from early stage through to significant scale. In January 1999, Craig joined a start-up software and hardware business where, as COO, he was part of a small team that grew the Company both organically and through acquisition, from a loss-making start-up to a profitable business delivering significant shareholder returns and an exit in 2007.

Craig is a Non-Executive Director of I.Q. Endoscopes Limited.

Professor Christopher Hancock

Chief Technology Officer

Chris is the founder of Creo Medical and has over 25 years' experience in medical device innovation, design and development.

Chris holds a personal chair in the Medical Microwave Systems Research Group at Bangor University. Chris is a Fellow of the Royal Academy of Engineering, a Fellow of the Learned Society of Wales, a Fellow of the Institute of Physics, and a Fellow of the Institute of Engineering and Technology. He is also a Chartered Engineer, a Chartered Physicist and a Senior Member of the Institute of Electrical and Electronics Engineers. Chris is a Royal Academy of Engineering Visiting Professor at UCL, and an Honorary Professor in the School of Medicine at Cardiff University.

Chris was awarded the Institute of Physics Katherine Burr Blodgett Gold Medal and Prize in 2019 for work on Creo's CROMA Advanced Energy Platform technology and the Inaugural Junkosha Technology Innovator of the Year prize and award in 2022. He was recognised by the European Patent Office in 2023 as one of the 50 Leading Tech Voices to mark 50 years of the European Patent Convention.

Chris is a named inventor and lead author on over 1,500 worldwide granted patents, pending patents and international journal publications in the use of electromagnetic energy for medical applications.

Richard Rees

Chief Financial Officer

Richard joined Creo Medical as CFO in July 2016. Prior to joining Creo, Richard was CFO of SPTS Technologies, a UK-based, global manufacturer of semiconductor capital equipment. In 2011, Richard was part of the SPTS Technologies' management team that, together with Bridgepoint Capital, acquired SPTS Technologies for $200m from Sumitomo Precision Products. In 2014, SPTS Technologies was acquired by Orbotech Ltd for more than $350m.

Prior to joining SPTS Technologies, Richard spent seven years at KPMG in audit.

David Woods

Chief Commercial Officer

David joined Creo as CCO in August 2020, having previously sat on Creo's Board as a Non-Executive Director. David provides leadership and strategic direction for Creo's commercial divisions, overseeing all strategic global commercial activities.

David is an industry veteran within the MedTech sector, and his experience encompasses Gastroenterology, General and Orthopaedic Surgery, Pulmonology and Ear, Nose and Throat.

Prior to joining Creo, David was the President and CEO of PENTAX Americas and M&A Director of Hoya Corporation, Pentax Life Care Division. He brings significant operating and commercial experience, market understanding and a proven track record of achievement to Creo. He has also previously sat on multiple MedTech boards over the years. He was awarded the American Society for Gastrointestinal Endoscopy President's Award in 2010, recognising exceptional contributions to the society and its mission.

2024 Compliance Statement

Introduction

As required under the AIM Rules, Creo's Board resolved to adopt the Quoted Companies Alliance (QCA) Corporate Governance Code (Code). The Code prescribes a 'comply or explain' methodology in respect of the application of the Code's guidance.

This statement provides a summary of how Creo has endeavoured to comply with the 10 principles of the Code during 2024, taking into account Creo's stage of development and its available resources. Where appropriate, reference is made to the updated 2023 Corporate Governance Code which applies to Creo from 1 January 2025.

Creo's vision is to improve lives through the development and commercialisation of a suite of electrosurgical medical devices powered by Creo's advance energy technology, bringing advanced energy to endoscopy. We aim to deliver value to all stakeholders, including:

- **patients**, by improving patient outcomes by bringing advanced energy to flexible medical devices;
- **customers**, by developing products with the aim of reducing procedure times and costs;
- **business partners**, by interacting in an ethical and equitable manner;
- **employees**, by offering rewarding careers with support and encouragement to allow everyone to fulfil their potential; and
- **shareholders**, by deploying capital against a well thought through and measured business plan to achieve long-term, sustainable growth.

The Board is tasked to manage Creo for the long-term benefit of all shareholders. Our corporate governance processes are designed to ensure control and reduce risk, generate long-term value and deliver against Creo's long-term objectives.

Each principle of the 2018 edition of the Code is set out below along with a commentary of Creo's compliance. To the extent an explanation of Creo's compliance for one principle is relevant against another principle, the explanation is deemed to apply to all relevant principles.

Deliver Growth

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

Creo is a medical device company focused on the development and commercialisation of minimally invasive advanced energy medical devices. Our vision is to improve lives through the development and commercialisation of a suite of electrosurgical medical devices powered by Creo's advance energy technology, bringing advanced energy to endoscopy.

Pages 24 to 25 set out Creo's business model, including how we aim to promote long-term shareholder value. This includes an explanation of our technology and products under development and the steps being taken to commercialise our technology.

For the 2023 edition of the Code, our purpose and vision align: to improve lives. Our technology has been demonstrated to not only benefit the patient being treated, but by reducing costs and saving time, others who rely on the availability of services from healthcare providers also indirectly benefit. We believe that by enabling more patients to benefit from Creo's technology this will, in turn, build long term shareholder value.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to regular and open communication with all shareholders to ensure that its strategy, business model and performance are clearly understood. The Board believes that understanding shareholders' views while helping shareholders understand our business best places the Board to drive Creo's business forward. The Board engages with shareholders and prospective investors through a number of channels. This is primarily via the RNS, institutional and retail investor presentations and roadshows, but also via the Annual Report and interim reporting process. These events provide shareholders with the opportunity to engage directly with senior management and the Board.

The directors engage with our institutional shareholders regularly. Our CEO and the CFO are the main points of contact, supported by the Chairman. The directors meet with institutional and other significant shareholders at least twice annually through the results roadshow processes.

In addition, the Chairman meets with institutional shareholders separately from the executive directors. Our Senior Independent Director and committee Chairs are also available to meet with shareholders on request to discuss specific areas of concern.

Creo's NOMAD and Broker prepares market reports which are shared with the Board for consideration and discussion to ensure that all directors have an understanding on shareholder views.

Creo's AGM is the principal in-person forum for dialogue between private shareholders and the Board. All shareholders are invited to attend Creo's annual general meeting where they can meet with the directors and understand and exchange opinions on the direction of the Company. The Executive Directors, Chairman of the Board and all other Directors routinely attend the AGM and are available to answer questions raised by shareholders. Copies of our Annual Report and the notice of AGM are sent to all shareholders at least 21 days before the AGM. Copies of these documents, along with other information for shareholders, are also provided on our website.

The results of the AGM are released via the RNS as soon as practicable after the conclusion of the meeting. This announcement also provides, for information, details of the total number of votes in favour of each resolution. At our 2024 AGM all resolutions put to shareholders were duly passed.

Along with broker analysis, Creo retains the services of Proactive Investors and Edison Research to provide research and commentary on the business

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

Creo's key stakeholders are our patients, customers, business partners, employees and workers, suppliers, shareholders and the wider communities in which we operate. The Board takes into account wider stakeholder and social responsibilities when making its decisions. On pages 70 to 73 we have included examples of how the business takes into account the needs of our wider stakeholders when taking key decisions.

Creo is a socially responsible company with ESG at its core. Pages 46 to 59 include details of our continuing sustainability efforts and the work we have performed to meet our social responsibilities. This includes environmental responsibilities and actions we take as required under the 2023 edition of the Code.

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

The Board is responsible for maintaining a sound system of internal financial and operational control and the ongoing review of its effectiveness.

The Board is also responsible for identifying major business risks faced by the group, setting the framework and risk appetite of the group.

The Board's measures are designed to manage, not eliminate, risk and, as such, provide reasonable, but not absolute, assurance against material misstatement or loss. Some key features of the internal control system are:

- Management accounts information, budgets, forecasts and business risk information which are regularly reviewed by the Board;
- A rigorous quality management system which is compliant with the ISO:13485 standard and which is externally audited;
- Operational, accounting and employment policies which are regularly reviewed and updated as appropriate;
- Clearly defined organisational and reporting structures within the Company; and
- Established financial reporting and control systems within the Company which are reviewed and challenged by the Company's Audit Committee.

Creo reviews its internal controls regularly to ensure that they give the necessary flexibility to enable growth and the delivery of long-term shareholder value while having the correct checks and balances in place.

The Company maintains a risk register which is reviewed regularly through a working committee within the business and ultimately by the Board who appraise external and internal threats and determine the necessary steps required to be taken to mitigate those risks. Principal risks and uncertainties that may affect the business are set out in more detail on pages 40 to 44.

The Audit Committee is responsible for ensuring auditor independence. No non-audit services were provided to the group by the Company's auditor in 2024. During 2024 the Audit Committee undertook a tender for audit services and recommended that RSM UK Audit LLP be appointed as auditor for the Company. Pages 74 to 75 set out more detail on the work undertaken by the Audit Committee.

Corporate Governance Report continued

Maintain a Dynamic Management Framework

5. Maintain the Board as a well-functioning, balanced team led by the Chair

The Code requires boards to have an appropriate balance between executive and non-executive directors and each board should have at least two independent directors. Creo's Board is currently made up of an Independent Non-Executive Chairman (Kevin Crofton), four Executive Directors (Craig Gulliford, CEO; Richard Rees CFO; Professor Christopher Hancock CTO; and David Woods CCO), and three further independent Non-Executive Directors (John Bradshaw, Ivonne Cantu and Brent Boucher). John Bradshaw acts as Creo's senior independent Non-Executive Director. Brief biographies for each Board member can be found on pages 62 to 63.

The roles of the Chairman and the Chief Executive Officer are separate, with their roles and responsibilities clearly defined.

The Executive Directors are full time employees of the Company. Non-Executive Directors are required to devote sufficient time to prepare for and attend regular Board meetings, any ad hoc Board sessions, their committee duties and other stakeholder engagements. Set out below are details the attendance at Board and committee meetings during the financial year.

The Board delegates certain duties to its Audit Committee and Remuneration Committee, which operate within clearly defined terms of reference and, where applicable, in accordance with the Code. The Board Committees are constituted solely of independent non-executive directors. Executive directors may attend committee meetings when appropriate, to provide information to the members to assist in their deliberations. Details of our Board committees can be found on our website. The Board does not currently have a Nomination Committee or Disclosure Committee as matters which would be considered by these committees are undertaken by the Board as a whole.

The Company's articles of association require one third of its directors to stand for re-election at each AGM, with each director to be re-elected at least every three years. Regardless, from 2025 onwards all directors will stand for election / re-election at each AGM.

No non-executive director has any interest in the Company's share option plans. Kevin Crofton, John Bradshaw and Ivonne Cantu hold limited shareholdings in the Company. The Board does not consider this participation to be significant and therefore consider each to be independent non-executive directors. All Directors are encouraged to debate and use independent judgement based on their respective knowledge and experience on all matters affecting the business. The Board feels that it has an appropriate balance between independence, knowledge of the Company's technology, sector experience and professional standing to allow it to discharge its duties and responsibilities well and to effectively operate and control the business.

The Board continues to monitor its performance and structure to ensure that it is appropriate for the business.

To address the provisions of Section 175 of the Companies Act 2006 relating to conflicts of interest, the Company's Articles of Association allow the Board to authorise situations in which a Director has, or may have, a conflict of interest. Directors are required to give notice of any potential situation or transactional conflict that are to be considered at the next Board meeting and, if considered appropriate, conflicts are authorised or Directors do not attend or participate in such discussions. Directors are not permitted to participate in such considerations or to vote regarding their own conflicts.

Director	Scheduled Board Meetings	Ad hoc meetings*	Audit Committee	Remuneration Committee
Charles Spicer (until 30 June)	2/5	4/14	2/6	–
Kevin Crofton (from 1 July)	4/5	10/14	3/6	1/4 (as an attendee)
John Bradshaw	5/5	13/14	6/6	4/4
Ivonne Cantu	5/5	12/14	6/6	4/4
Brent Boucher (from 1 July)	4/5	8/14	–	1/4
Craig Gulliford	5/5	14/14	–	3/4 (as an attendee)
Richard Rees	5/5	14/14	6/6 (as an attendee)	3/4 (as an attendee)
Christopher Hancock	5/5	12/14	–	–
David Woods	5/5	12/14	–	–

* i.e. other sub-committee meetings or Board meetings where only a quorum is required

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

The Board considers that it contains an appropriate range of skills, experience and knowledge, but is mindful of the need to continuously review the needs of the business to ensure that this remains true. Brief biographies for each Board member can be found on pages 62 to 63.

Creo's Board members are of sufficient calibre to bring independent judgment to issues of strategy, performance, resources and standards of conduct, which are vital to the future growth and success. The Board believes that it operates in an open and constructive manner, working effectively as a team.

Each Director is aware of the importance of keeping their skills and capabilities up to date. The Board are kept up to date on changes to the AIM rules briefings from the Company's NOMAD, as well as other regulatory and market matters on an ad hoc basis. The Board has access to senior employees within the business and is supported by a number of professionals (both internal and external), including the Company's General Counsel, the CFO (who is a chartered accountant), the Senior Independent Non-Executive Director (who is a chartered accountant) and external advisors (details of which are available on our website).

During 2024, Richard Craven assumed the role of Company Secretary and is responsible to assisting the Board with governance matters and ensuring that decisions regarding governance are implemented.

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

During 2024, Kevin Crofton replaced Charles Spicer as Chairman of the Board and Brent Boucher joined as an additional independent non-executive director. Their respective experiences bring a refreshed perspective to the Board and its performance.

The Board continually seeks to improve the ways in which it interacts and the manner in which information is presented to it. Creo's reporting processes allow a consistent reporting approach, thus aiding analysis by the Board of all matters at hand.

While the Company does not currently have any formal appraisal processes or evaluation criteria for the Board, the Chairman and Non-Executive Directors regularly discuss performance with members of the executive team which, in the Board's opinion, is sufficient for the Company's purposes currently. This will be kept under review and the Board will consider whether formal evaluations are appropriate in the future.

The Audit Committee has undertaken a self appraisal during 2024, taking time to analyse and reflect on areas of improvement that can be made. A similar self appraisal will be undertaken for the Board as a whole in 2025, along with an assessment for future succession planning needs of the Board.

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

The Board promotes ethical values and behaviours throughout the conduct of all of Creo's activities. Our values are set out in our policies, our working practices and our systems.

The Board seeks to treat all persons fairly and equitably, through clearly defined parameters of operation. This includes full compliance with safe working practices but also maintaining and protecting a positive and supportive working environment.

As part of the induction process, all employees are provided with details of Creo's policies and procedures that promote and support ethical values and behaviours. Creo's HR team continually monitor and support employees on their working practices and provide timely reminders and updates on policies and procedures, including formal online training. Breaches of Creo's policies and procedures are reported to relevant line managers and ultimately to the Board to ensure that matters are dealt with in a timely and fair manner. Creo has a whistleblowing policy to allow and encourage all employees to bring matters which cause them concern to the attention of designated persons within the Company and, ultimately, to the attention of the Chairman of the Board.

The nature of our products requires a robust quality management system which is third party audited to the ISO:13485 standard. Underpinning this quality management system are processes to ensure that necessary safeguards are in place to ensure the integrity of this system and accordingly the quality of the products under development.

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

The Board seeks to meet regularly, but in any event holds Board meetings on a quarterly basis, together with meeting for an annual strategy event. In addition to the scheduled meetings, members of the Board regularly hold informal discussions with both executive directors and senior operational managers of the Company to discuss strategic business developments and other topics important to the Company's progress. Further, Board calls are held when needed to allow the executives to update the Board on specific matters and/or to approve specific actions for which Board approval is required.

The Board delegates certain duties to Board Committees, all of which operate within clearly defined terms of reference and, where applicable, in accordance with the Code. Further information on our Board committees can be found on our website.

The Board and its committees are provided with

information ahead of meetings to give time for review and analysis. For each Board meeting an agenda is prepared and approved by the Chairman and followed. The Board maintains an ongoing list of matters arising from the Board meetings which are then followed up at subsequent meetings to ensure that matters and decisions are being implemented.

The Board has adopted a schedule of specific matters reserved for the Board to consider and, if thought appropriate, decide upon. These reserved matters relate to:

- Strategy and oversight, including the approval of annual budgets;
- Changes to the capital structure of the Company and the corporate structure of the group;
- Approval of financial statements and reports and any capital spend above agreed limits;
- Approval of contracts outside of the ordinary course of the business;
- Changes to Board and committee membership;
- Remuneration of executive directors and issues relating to share options;
- Any delegation of authorities;
- Governance; and
- Approval of policies.

As Chairman, Kevin Crofton provides leadership to the Board and is responsible for agreeing the agenda for Board meetings, ensuring (with the Company Secretary) that the Directors receive the information that they need to participate in Board meetings in a timely fashion, and that the Board has sufficient time to discuss issues on the agenda, especially those relating to strategy and governance.

Craig Gulliford, Creo's Chief Executive Officer, is responsible for the day-to-day leadership of Creo, the management team and its employees. The Chief Executive Officer is responsible, in conjunction with senior management, for the execution of the Company's strategy, as approved by the Board, and the implementation of Board decisions.

The Board is collectively responsible for the long-term success of the Company. Its principal role is to provide leadership within a framework of prudent and effective controls, which enables risk to be assessed and managed. The Board considers the management team's strategic proposals and determines strategy and ensures that the necessary resources are in place for the management team to execute against that strategy.

The Board is satisfied that the governance arrangements for the business remain appropriate and that the delegations in place are effective and with strong oversight and controls. This is, of course, subject to regular Board and managerial oversight and review.

From 1 January 2025 the Board will follow the 2023 edition of the Code. The Board believes that it is well placed to meet the requirements of the updated Code.

Build Trust

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

Principle 2 above sets out how we communicate with our shareholders and other relevant stakeholders.

Our Annual Report, full year and half year announcements are the primary sources of information for shareholders. This information is supplemented by regular and appropriate RNS and RNS Reach announcements. Other, non-regulatory, updates on the Company's activities can be found on our social media channels.

This information, together with other relevant and historical regulatory information on the Company, can be obtained from our website.

Information on shareholding voting at the 2024 Annual General Meeting of the Company is also available on our website.

Walbrook PR advises the Company on its communications strategy and assists in the drafting and distribution of regular news and regulatory announcements. Shareholders or interested parties can contact Walbrook regarding any communications at creo@walbrookpr.com.

Statement of Directors' Responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 the company and of the profit or loss of the group for that period.

In preparing each of the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- for the company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the company financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors, whose names and functions are listed on pages 62 to 63 confirm that, to the best of each person's knowledge:

a. the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit/(loss) of the company and the undertakings included in the consolidation taken as a whole; and

b. the directors report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Creo Medical Group plc website.

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

Engaging with Stakeholders

Section 172(1) Statement

The Board of Directors' statement regarding section 172(1) of the Companies Act 2006 and our commitment to transparent and constructive dialogue with all our stakeholders.

The impact on each stakeholder group is carefully considered by the Board of Directors (the "Board")

The Board considers, in good faith, that it acts and has acted at all times, both individually and collectively, in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole having regard to the matters set out in s172(1)(a-f) of the Companies Act 2006:

(a) The likely consequences of any decision in the long term:

The long-term success of the Company and the group as a whole is key when making strategic decisions.

The Company is developing and commercialising technology and products to address long-term clinical needs for which sizeable addressable markets have been identified. Page 27 sets out further details of these markets.

(b) The interests of the Company's employees:

Creo's employees are core to our success and employee engagement and wellbeing has continued as a priority during 2024. Our People and Communities section on page 52 provides further details on the investment that we continue to make in our employees.

(c) Fostering business relationships with suppliers, customers and others:

The adoption of Creo's Core Technology requires strong customer relationships which allow Creo to provide support through ongoing clinical education on the safe use of our products. By developing these relationships along with continuing engagement with key opinion leaders ("KOLs"), we seek to ensure that we release products to the market in a measured and controlled manner, reducing the risk of misuse and ensuring our products are customer sponsored for the long term (i.e. through clinical education and peer support by KOLs).

Outside of our Core Technology, the Group is both a customer and supplier of third party, Original Equipment Manufacturer ("OEM") and Own Brand Labelling ("OBL") products. It is essential that strong, collaborative, and fair relationships with third party partners is built on trust and mutual respect as their success is our success.

Our business partners are carefully selected to ensure long-term goals are aligned and that relationships can be built for the mutual benefit of both parties.

(d) The impact of the Company's operations on the community and the environment:

We place a high value on our relationships with our communities around the globe. We are cognisant of the impact our operations and products have on the environmental and the steps we can take to mitigate such impact. Our Sustainability Report on page 46 sets out the steps that we are taking to minimise our footprint and to align our objectives with wider global initiatives.

(e) Maintaining a reputation for high standards of business conduct:

Ethical values and high standards of business conduct are at the heart of what we do. We expect all employees and representatives of the Company to maintain the high standards that we set ourselves. These values and business conduct requirements are enshrined in our corporate governance, our policies, our working practices and our systems (including our third party audited ISO:13485 quality management system).

(f) The need to act fairly between members of the Company:

The Board recognises that members have different views and objectives. The Board always seeks to ensure that its decisions are equitable and fair as between the members of the Company whilst balancing the interests of all stakeholders.

Stakeholder Engagement

The Board takes into account the concerns of its stakeholder groups in its discussions and decision making. In discharging the duty set out in Section 172(1) of the Companies Act 2006, the Board ensures that the impact on each stakeholder group is carefully considered by management when formulating all proposals requiring Board approval.

We have set out below what the Board considers as Creo's key stakeholder groups, the key concerns of those groups and how the Board seeks to engage with them.

Shareholders

Key concerns

- Deployment of capital against a clear strategy
- The development of our product portfolio and its commercialisation
- Growth
- Corporate governance
- Sustainability

How we engage

- Regular communication with institutional and major shareholders, not least to ensure that they understand our strategy and business model
- Our Annual General Meeting ("AGM") and any General Meetings allow shareholders to meet and directly raise concerns and have discussion with the Board
- Investor roadshows following the release of half and full-year results
- Attendance by Directors and employees at a number of investor and sector-specific conferences allow interested parties to have direct dialogue
- Timely and appropriate releases of business information via the RNS and RNS Reach
- Social Media updates allowing an insight into the day-to-day activities of the business and its operations

Employees

Key concerns

- Career development and remuneration
- Health & Safety and wellbeing
- Diversity
- Leadership

How we engage

- Our executive team, supported by a number of senior managers, engage directly with all employees
- Team structures and organisation planning to facilitate effective delegation and reporting
- Investment in IT solutions to allow a number of communication channels, in particular to assist with home working and cross office communications
- Employees are encouraged to take control of their career development, in line with the longer-term growth of Creo
- We continue to support the health and safety and wellbeing of all employees
- Our performance management processes and the promotion a culture of continuous improvement throughout the business
- All employees have the ability to raise grievances and to escalate concerns through our whistleblowing procedures

Engaging with Stakeholders continued

Customers/end users

Key concerns

- Quality products that meet clinical needs
- Competitive pricing
- Clinical education and support

How we engage

- Creo engages with KOLs worldwide. Engagement starts before prototype devices are made to ensure we develop products that meet customers' identified needs and which they will ultimately use
- KOLs and clinicians provide feedback on our devices through design processes, usability studies and pre-clinical testing and analysis. This input assists strategic decision making to ensure capital is deployed on concepts and products that offer the greatest impact for our customers, their patients and ultimately, Creo's business
- Creo's Clinical Education Programme provides guidance and training on the safe use of products and also real-time feedback from the initial use of devices
- Creo's expanded direct sales team offers support to all customers and users, as well as support to distribution partners

Business partners/suppliers

Key concerns

- Strong relationships
- Clear and ongoing dialogue to allow effective business planning
- Financial strength
- Regulatory compliance

How we engage

- We interact in an ethical and equitable manner with all business partners and suppliers
- We strive to have open, constructive and effective long-term relationships through open engagement, regular meetings and dialogue, and recognise that this is beneficial for the whole supply and product ecosystem
- Have dedicated internal resource to ensure we are able to directly engage with regulators in a timely and professional manner

Community and the environment

Key concerns

- Safety
- Sustainability
- Community contribution

How we engage

- We actively seek to engage with local government networks, with the intention of making a positive economic impact on the region
- Where possible, we try to source locally to support our community
- Our Clinical Education Programme provides our clinical community the opportunity to further their practice which, in turn, benefits their patient community and thus society as a whole

Key decisions

Two example decisions taken during the year together with a summary of how the Board has taken into account the factors set out in Section 172 of the Companies Act 2006, are set out below:

Sale of 51% of Creo Medical Europe

Actions

- Entered into discussions with a number of potential partners in respect of the proposed sale of 51% of Creo Medical SLU. Following a review of possible offers, agreed heads of terms with a single partner.
- Utilised internal and external resource to undertake the transaction and negotiate the agreements to implement the transaction.
- Agreed to ongoing engagement via a shareholders' agreement and board representation within Creo Medical Europe, with deployment of resource to meet obligations under the agreement.

Key stakeholder group considerations

- **Shareholders** – considered the need to realise value within an asset of the business which would generate additional non-dilutive funding, whilst preserving the sales channel for Creo's Core Technology.
- **Employees** – considered the impact on career development for Creo Medical Europe employees and remaining employees.
- **Customers/End users** – considered how customers would view the transaction and any disruption which may be experienced by customers from the 51% owner. Considered possible impact for Core Technology customers in markets served by Creo Medical Europe.
- **Partners, Customers and Suppliers** – considered whether the transaction could disrupt the relationship with third party partners and how this could be mitigated.

2024 Fundraising

Actions

- Undertook a funding round via a conditional placing and subscription of new Ordinary Shares to certain institutional and other investors, together with an open offer to qualifying shareholders, each at a price of 24 pence per share.
- Issued new Ordinary Shares in the capital of the Company.
- Utilised internal and external resource to negotiate and undertake the transaction.

Key stakeholder group considerations

- **Shareholders** – sought to mitigate against the risk of not completing the sale of 51% of Creo Medical Europe by raising additional working capital. Balanced the Company's needs and the timing to raise funding against the dilutive impact any such funding.
- **Employees** – considered the impact on continuing to provide employment opportunities and rewarding careers for employees.
- **Customers/End users** - consider the overall objective of Creo to bring advanced energy to endoscopy and the need to ensure that products can be provided to users to improve lives.
- **Partners, Customers and Suppliers** – considered the need to ensure that overall relationships are maintained and that Creo can meet its obligations thereunder.

On behalf of the Board

Richard Rees
Director
18 May 2025

2024 Audit Committee Report

Introduction

Creo Medical Group plc 's Audit Committee (the "Audit Committee") is responsible for monitoring the effectiveness of Creo's financial reporting, internal controls and risk management systems and processes, as well as the effectiveness and independence of Creo's external auditors. This report summarises the Audit Committee's activities undertaken during the financial year ended 31 December 2024.

Members of the Audit Committee

John Bradshaw chairs the Audit Committee. John is a chartered accountant with more than 25 years' experience as a chief financial officer with venture capital backed and listed companies. The Board is satisfied that John has recent and relevant financial experience to enable him to perform the role of Chair of the Audit Committee.

The Audit Committee's other members during 2024 were:

- Ivonne Cantu
- Charles Spicer (until 30 June 2024)
- Kevin T. Crofton (from 1 July 2024)

The Board considers that the Audit Committee members have sufficient experience and competence to understand, analyse and, when necessary, challenge the management accounts and public financial statements of the Company. Further, the Board is also satisfied that the Audit Committee as a whole, including invited attendees as necessary, has a relevant mix of experience and competencies to assess any sector related issues which the Group may face.

In June 2024 John gave notice of his intention to step down as a director of the Company before the 2025 AGM. Whilst the Company identifies a suitable candidate to succeed John, Ivonne Cantu will act as an Interim Chair of the Audit Committee. John will be available on an ad hoc basis to provide guidance and support to Ivonne in this role whilst a suitable candidate is recruited, as well as being available to provide an appropriate handover to any incoming Audit Committee Chair.

Role and responsibilities

The Audit Committee has the primary responsibility of:

- Reviewing and monitoring the integrity of the financial statements of the Company (including annual and interim accounts and results announcements) and the underlying accounting principles and practice;
- Reviewing internal controls and risk management systems;
- Reviewing changes (if any) to accounting policies;
- Reviewing and monitoring the extent of the non-audit services undertaken by external auditors; and
- Advising on the appointment of and liaising with the Company's auditors.

The role and responsibilities of the Audit Committee are clearly defined in terms of reference ("ToR"). The ToR comply with the AIM market admission rules and are reviewed annually by the Audit Committee and external advisors to ensure they are reflective of current market practice and guidance and remain relevant for the Company. The ToR were last updated on 5 May 2021. A copy of the ToR will be made available on request from the Company Secretary and are available on Creo's website.

The Audit Committee maintains an agenda to ensure that all matters for which the Audit Committee is responsible are considered during the year.

The Audit Committee met 6 times during 2024. The Group's auditors were present at 4 meetings. Page 66 sets out the Board and committee meeting attendance record.

The main Audit Committee activities during 2024 include:

- Reviewing the financial statements and annual report
- Reviewing the 2023 external audit report and management representation letter. The external auditors to receive a formal presentation on all audit findings and providing appropriate challenge to the executive finance team
- Along with the auditors, assessing the going concern status of the Group
- Reviewing auditor tender submissions and receiving formal tender presentations from those auditors responding to the tender
- Reviewing and agreeing the 2024 audit plan
- Regular reviews of risk management and internal control systems (including fraud detection controls). If any non-conformities or irregularities are identified in any period, corrective actions are agreed and, prior to the following meeting of the Audit Committee such actions are undertaken and their outcomes presented to the members of the Audit Committee
- Auditor engagement and meetings (with and without executive representation present) to discuss the above
- An annual review of the Audit Committee ToR
- An ongoing review of banking authorities to ensure that adequate approval safeguards are in place
- Review of working capital analysis
- Review of Sunshine reporting procedures

All activities of the Audit Committee are reported at subsequent Board meetings, with the minutes of each meeting being provided to all Board members.

Auditors

The Audit Committee monitors the relationship with the Group's auditors to ensure that independence and objectivity are maintained. The Audit Committee is not aware of any contractual restriction which limits the Group's choice of auditor.

The Audit Committee has oversight of the provision of non-audit services by the external auditors which is underpinned by a policy requiring Audit Committee approval for any such services. No non-audit services were provided to the Group by the Group's auditor in 2024.

The Group does not have a formal auditor tenure policy but seeks to follow best practice in respect of auditor rotation and audit partner rotation.

After a formal tender, the Company appointed RSM UK Audit LLP as group auditors to replace PricewaterhouseCoopers LLP ("PwC") in August 2024. In accordance with section 519 of the Companies Act 2006, PwC confirmed there were no circumstances that should be brought to the attention of the shareholders of the Company or its creditors surrounding their resignation as auditors. PwC's resignation arose due to a potential conflict of interests.

The Group's auditors prepare an audit plan for the full-year financial statements. The plan sets out the scope of the audit, areas of special focus, materiality and audit timetable. The plan is presented to the Audit Committee for review and agreement before audit work commences. After the audit of the annual financial statements, the audit findings are presented to the Audit Committee for consideration. This includes details of all fees paid by the group to the auditors during the reporting period and confirmation of the auditor's independence. Time is provided during the meeting without executives present so the auditors may raise any concerns directly with the Audit Committee. No concerns were raised in the 2024 presentation.

The Group does not have an internal audit function. The Audit Committee periodically reviews the need for a function and is satisfied one is not currently required. The Group's finance team includes a number of ACA qualified accountants who have worked in the professional audit environment. The team continually reviews the Group's internal procedures and policies, and perform regular testing. These individuals report to the Audit Committee on findings, corrective actions taken and provide information to the external auditors.

2024 Annual Report

The key issues considered by the Audit Committee for the 2024 Annual Report are the accounting and disclosure of the planned sale of 51% of Creo Medical Europe and the planned sale of Aber Electronics.

The Audit Committee reviewed the accounting treatment for the planned transactions and concluded that they met the held for sale and disposal criteria and therefore should be accounted for as Assets/Liabilities Held for Sale at year end. The classification as Held for Sale was supported by the completion of both transactions after year end. Based on the proposed sale prices, we agreed no impairment of the related goodwill was required in respect of Creo Medical Europe but full impairment of the related goodwill was required in respect of Aber Electronics.

The Audit Committee also reviewed and agreed with the split of trade between continuing and discontinuing operations and the associated income statement and cashflow statement disclosure.

On completion of the sale of 51% of Creo Medical Europe in 2025, control will be lost and the 49% shareholding remaining will be held as an Investment in Associate. On completion a gain will be recognised which will include recognition of the Investment in Associate at fair value. The Investment in Associate will be subject to impairment assessment in future financial periods.

Risk management and internal controls

The Group has a framework of risk management and internal control systems, policies and procedures. The Audit Committee reviews the Group's risk processes and internal control framework. The work undertaken by the Group is reported to, reviewed and, where appropriate, challenged at each meeting. The Audit Committee is satisfied that risk and internal controls frameworks are operating effectively.

The Audit Committee is not responsible for the identification of key risks or the review of the adequacy of arrangements to mitigate risks, which remains the Board's responsibility.

John Bradshaw
Chair of the Audit Committee

18 May 2025

Directors' Report

The Directors present their report together with the audited consolidated financial statements for the 12 months to 31 December 2024, which will be laid before the shareholders of the Company at the next Annual General Meeting ("AGM").

Creo Medical Group plc (admitted to the AIM market of the London Stock Exchange (LSE:CREO)) is incorporated in England and Wales with registration number 10371794. The Company's registered office is at Creo House, Unit 2 Beaufort Park, Beaufort Park Way, Chepstow, Wales, United Kingdom NP16 5UH.

Principal activity

The principal activity of the Group is the research, development, manufacture and sale and distribution of medical devices and instruments. The principal activity of the Company is that of a holding company for the Group.

Results and dividends

The Group's results for the 12 months to 31 December 2024 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 99 of this report.

The Group as a whole remains loss making and therefore the Directors do not recommend the payment of a dividend.

Review of the period

The Group's progress and development over the reporting period is set out in the following statements/reviews, each of which form part of the Strategic Report:

The Chairman's Statement on page 8;

The Chief Executive's Statement on page 12;

The Chief Commercial Officer's Statement on page 18;

The Chief Technology Officer's Statement on page 32; and

The Financial Review on page 36.

This analysis includes a commentary on the position of the Group at the end of the reporting period. It also includes an indication of likely future developments in the business of the Group, steps being taken in respect of the Group's overall strategy, details of the commercial activity undertaken during the reporting period, details of the Group's activities in the field of research and development and the steps being taken to commercialise the Group's technology.

Directors

The Directors who held office during 2024 and up to the date of approval of the financial statements are set out below. Brief biographies for each director are set out on pages 62 to 63.

Executive Directors

Craig Jonathan Gulliford

Professor Christopher Paul Hancock

Richard John Rees

David Gerard Woods

Non-Executive Directors

Charles Alexander Evan Spicer (until 30 June 2024)

John Bradshaw

Ivonne Maria Gloria Cantu

Kevin Timothy Crofton (from 1 July 2024)

Brent Jay Boucher (from 1 July 2024)

As announced in the AGM statement on 26 June 2024, John Bradshaw has informed the Company of his intention to retire and step down from his role as Senior Independent Non-Executive Director. The Company is seeking to recruit an experienced non-executive director to succeed John who can act as Chair of the Audit Committee.

As part of the review to ensure Creo's Board is appropriately structured to match generally accepted practice, David Woods and Christopher Hancock have agreed to not stand for re-election at the 2025 AGM and to step down from their roles as plc Board directors. This will result in a non-executive majority on Creo's board. David and Chris will continue in their day-to-day executive functions and will remain as advisors to the Board. In addition, both Chris and David will be senior contributors to Creo's operational board tasked with putting into effect the decisions and guidance of the main board.

Directors' interests and indemnity arrangements

The Directors' interests in the shares of the Company are disclosed in the Directors' Remuneration Report on pages 78 to 88.

In accordance with Section 234 of the Companies Act 2006 and as permitted by the Articles of Association of the Company, the Company maintained insurance throughout the year for its Directors and officers against the consequences of actions brought against them in relation to the execution of their duties for the Company.

No Director had, during or at the end of the year, a material interest in any contract which was significant in relation to the Group's business except in respect of service agreements and share option awards and as disclosed in the Directors' Remuneration Report on pages 78 to 88.

The Company has not granted any indemnities to any Director against liability in respect of proceedings brought by third parties.

Share capital

Please see Note 21 to the consolidated financial statements on page 128 for details of the Company's issued share capital. As at 31 December 2024, 412,148,979 fully paid ordinary shares were in issue.

The Company's share capital comprises a single class of ordinary shares which are admitted on the AIM market of the London Stock Exchange. All shares are freely transferable and rank pari passu for voting and dividend rights.

Substantial holdings

As at 31 December 2024, shareholders holding more than 3% of the share capital of Creo Medical Group plc were as follows:

Name of shareholder	Number of shares	Voting rights (%)
M&G Investments	41,083,836	9.97
Canaccord Genuity	36,167,753	8.77
Baillie Gifford	27,795,238	6.74
Hargreaves Lansdown, stockbrokers (EO)	22,846,245	5.54
River Global Investors	20,507,371	4.98
AXA Framlington Investment Managers	17,066,645	4.14
Amati Global Investors	15,959,536	3.87
Finance Wales Investments	14,376,727	3.49

Save as referred to above, the Directors are not aware of any persons as at 31 December 2024 who were interested in 3% or more of the voting rights of the Company or could directly or indirectly, jointly or severally, exercise control over the Company.

The percentage of Creo's shares not in public hands as at 31 December 2024 was 10.53%.

Financial risk management objectives and policies

The Company's financial risk management objectives and policies are shown in Note 18 to the consolidated financial statements on page 123. The main risks arising from the Company's financial instruments are interest rate risk, exchange rate risk, credit risk, and liquidity risk, all of which are monitored by the Board.

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business can be found in the Strategic Report. Significant events which have occurred since the end of the financial year have been included in Note 27 of the consolidated financial statements on page 132. Streamlined Energy & Carbon Reporting ("SECR") has been disclosed in the Sustainability Report on page 57.

Auditor

In accordance with Section 489 of the Companies Act 2006, PricewaterhouseCoopers LLP ("PwC") was reappointed as auditor at the 2024 annual general meeting of the shareholders. In July 2024 the Company undertook a competitive review and tender process for the auditing of its 2024 Annual Report. Following the conclusion of that process, and in accordance with its terms of reference, the Audit Committee of the Company recommended to the Board of Directors that RSM UK Audit LLP ("RSM") be appointed as auditors of the Group. RSM replaced PwC as auditors in August 2024.

On behalf of the Board

Richard Rees
Director

Creo House
Unit 2, Beaufort Park
Beaufort Park Way
Chepstow,
Wales
NP16 5UH

18 May 2025

1 Information obtained from an analysis of Creo Medical's share register (dated 31 December 2024) undertaken on behalf of Creo Medical by Equiniti - RD:ID.

2 Canaccord Genuity Wealth Management (Inst) – 32,450,000- 7.87%; Canaccord Genuity Wealth Management (ND) - 3,717,753 - 0.90%.

Statement from the Chair of the Remuneration Committee

Dear Shareholders

On behalf of the Remuneration Committee (the "Committee"), I am pleased to provide an overview of our work for the year ended 31 December 2024, including the key decisions we have taken. This report covers the activities of the Committee during the year, remuneration decisions and determination of reward outcomes for 2024, as well as plans for the application of our remuneration policy in 2025.

Introduction

The Committee's principal objective is to implement a remuneration policy which promotes the long-term success of the Company and is aligned to the interests of the Company's shareholders and other stakeholders including customers, healthcare providers/doctors, patients and employees.

During financial year 2024 Creo Medical continued to make progress towards its main strategic objectives of increasing commercial adoption of its Core Technology advanced energy products and of developing its Kamaptive partnerships. In addition, the Company significantly strengthened its balance sheet to support its future development through a £12m equity fundraise with existing and new investors and the announcement of the sale of 51% of the issued share capital of Creo Medical S.L.U. ("Creo Medical Europe" or "CME") at an equivalent equity value of €72m on a cash-free, debt-free basis on 12 February 2025. The sale completed post period and, after the settling of debt of €6.3m, net proceeds of €30.4m were received by the Company on 14 February 2025.

Following the appointment of Kevin Crofton as Chairman and Brent Boucher as an additional non-executive director (and member of the Committee) on 1 July 2024, the Company conducted a significant review business and strategic review. In his Chairman's statement on pages 8 to 10, Kevin talks more about this process. Initial outcomes from this top down/bottom up review, led to a restructuring with the aim to rightsize the business. The restructuring, together with a cost savings programme implemented throughout 2024, placed the Company in a stronger position for its next stage of growth.

Despite this strategic progress, the stretching financial and commercial targets underpinning the 2024 bonus plan were not met. While product development and ESG objectives were achieved, the Committee in consultation with the Company's Chairman and the Executive Directors, and taking into consideration feedback received from shareholders, decided not make bonus payments in relation to the performance in 2024. This decision reflects the Company's commitment to align incentive pay to the delivery of stretching targets and to shareholders returns.

Activities of the Committee during the year

Aside from the Committee's regular annual programme of work, in 2024 the Committee reviewed the Company's overall remuneration framework as part of the broader business review referred to above. While there were no material changes to the Company's remuneration framework or policy as a result of this review, Kevin and Brent's contribution led to refinements in the approach to bonus targets and in the development of individual objectives for the Executive Directors as well as closer alignment of targets and incentives between the Executive Directors and the broader management team. These refinements have been implemented in the 2025 remuneration cycle.

Areas of focus for the Committee in 2024 were:

- discussion and approval of the Executive Directors' remuneration outcomes for 2023;
- agreeing annual bonus measures and targets for 2024 for the Executive Directors;
- agreeing LTIP targets for the proposed 2024 LTIP grant which were eventually not granted; and
- reviewing the remuneration arrangements across the workforce.

The Committee is grateful for the input we received from shareholders during the year which has been reflected in the decisions taken in 2024.

Overview of the remuneration policy

The Committee determines pay for the Company's four Executive Directors. The Committee applies a remuneration policy including four components: salary, benefits and pension, an annual bonus subject to annual performance targets and an annual share-based long-term incentive award subject to three-year performance targets. In implementing the policy, the Committee seeks to ensure a close link between pay outcomes, Group and individual performance, and shareholder value creation. In determining pay the Committee seeks input from its external remuneration adviser as needed, and takes into consideration remuneration for the broader Group and feedback received from shareholders.

The annual bonus scheme for Executive Directors allows for up to 100% of salary to be paid based on the successful delivery against financial, commercial, strategic and ESG objectives. In 2024 financial objectives included revenue, EBITDA and cash; commercial objectives included market adoption of Core Technology products measured by the number of regular users; and strategic objectives included new product registration and progress in the Company's Kamaptive partnership programme. Further detail on the 2024 measures and targets is presented below.

Creo seeks to promote an entrepreneurial culture. Aligned to this culture, the Company encourages share ownership including through share-based incentive arrangements for senior management delivered through a Long-Term Incentive Plan ("LTIP"), and through other share-based plans across the Group (including an all-employee HMRC approved SIP). Under the remuneration policy Executive Directors can be awarded annual share-based incentives of up to 150% of salary via the LTIP. The remuneration policy encourages the Executive Directors to build and maintain a shareholding equivalent to at least 100% of salary. Executive Directors' shareholdings in the Company outside of their share options, are set out on page 86 below.

The Company's LTIP is operated through both non-tax and tax advantaged schemes. The tax advantaged scheme includes the use of a joint share ownership plan ("JSOP") structure implemented in 2020, whereby the participant and a trustee jointly own the beneficial interest in the LTIP shares under award. Under the JSOP, the participant is entitled to any value above a share price hurdle set relative to and higher than the share price on the date of award. The trustee is entitled to the value below the hurdle. The participant also has a nominal cost option over the trustee interest. Both elements vest after three years and three months subject to continuing employment and performance conditions. Further information on the operation of the JSOP is included in the table below on page 83.

Remuneration decisions and reward outcomes for 2024

Salary and pension

There were no salary increases or changes to pension or benefits for Executive Directors in 2024.

Annual bonus for 2024

The Committee assessed the performance against the objectives set at the start of the year. On the whole, the financial and commercial objectives were not met, and partial delivery of the strategic and ESG objectives resulted in a formulaic bonus calculation of 15% of the maximum bonus opportunity. Nevertheless, the Committee, in consultation with the Chairman and Executive Directors, applied discretion and decided not to make bonus payments in relation to the 2024 performance. This decision was driven by a number of factors including: the change in the Company's forecasts which led to the need for a fundraising in the year, the cash constraints facing the business during the year, and alignment with the rest of the organisation. This is a strong reflection of the Company's commitment to align Executive Directors' pay to shareholder outcomes and to the pay outcomes of the wider workforce.

Directors' Remuneration Report continued

Annual Bonus – Metrics Used and Weighting

METRICS	WEIGHTING	FORMULAIC OUTPUT
Financial ► Total revenue and revenue from Creo core products ► Expenditure control ► Cash	65%	Not met
Commercial adoption of Creo core products ► Number of regular users	10%	Not met
Strategic ► Additional Kamaptive deal ► SpydrBlade FDA Clearance	20%	Partially met
ESG ► Delivery against ESG programme goals	5%	Met in full
Total	100%	

LTIP

No LTIP grants were made to the Executive Directors in 2024. The Committee, in consultation with the Chairman and the Executive Directors, decided not to make the LTIP grants due to the significant financial, structural and operational changes in the Company's which meant that the performance targets agreed for the 2024 LTIP targets would not be achieved.

The LTIP continues to be an important part of the Company's remuneration framework aligning long term incentives with the Company's long-term performance and shareholder returns. Post period end, in March 2025 the Company made a 2025 LTIP non-tax advantaged award for each Executive Director equivalent to 150% of salary. The grants have a three year vesting period and are subject to performance criteria. In alignment with the placing and open offer conducted in October 2024, the LTIP grants were made using 24p as the price to calculate the number of shares under option, being the price for the fundraise conducted in 2024, with an exercise price at the mid-market price on the date of grant.

Alignment of the Executive Directors' remuneration with wider workforce pay

Creo recognises that it is critical for our employees to be paid fairly and feel incentivised and valued. The Committee reviewed and discussed the approach to reward for all employees across the business, and this informed the Committee's approach when reviewing the Executive Director remuneration policy and how it will be implemented. The Committee seeks to ensure that measures, targets and remuneration structures are cascaded through the business as appropriate and that the culture of pay for performance is reflected across the organisation.

Due to cash constraints in the business, the Company did not implement a Company-wide salary increase in 2024. Only targeted increases made to address increased responsibilities or a change in role. Reflecting the overall performance of the Company, bonuses were paid in limited circumstances when directly linked to specific revenue targets or delivery milestones.

Widespread share ownership is an objective of the Company as it rewards our team for the successful execution of our strategy across several years and aligns their interests more closely with our shareholders.

Planned activities for 2025

We set out below the activities which the Committee expects to undertake during the remainder of 2025:

- our normal oversight of the annual remuneration cycle including approving any salary increases, approving the annual bonus and LTIP targets for 2025 and monitoring performance against the incentive plan targets;
- review of Executive Directors' remuneration;
- review of remuneration for the senior management team;
- review of wider workforce pay policies and practices and feedback from workforce engagement;
- review of the Directors' Remuneration Policy; and
- engagement with investors as appropriate

Due to planned legislative changes with regards to employers' national insurance contributions in 2025 and the Company's cash constraints, Creo will reduce the UK employer's pension contribution from 1st June 2025 from the current level of 6% matched contribution to 4% matched contribution. This, in part, will help to fund the additional cost of this change in legislation and will be applied across all employees including the Executive Directors.

Directors' remuneration policy

The principal objective of the Directors' remuneration policy is to promote the long-term success of the Company. It is guided by the following key principles:

- Competitive and fair – remuneration packages should be competitive but not excessive when compared with a relevant peer group and should be sufficiently attractive to recruit, retain and motivate individuals of the requisite calibre to deliver long-term success.
- Simple – remuneration packages should be clear and communicated transparently.
- Aligned to performance and stakeholder interests – a significant proportion of remuneration should be based on performance-related components with potential rewards subject to the achievement of challenging performance targets linked to the Group's KPIs and to the best interests of shareholders and other stakeholders.
- Strategic alignment – the Company's remuneration arrangements are designed to support Creo Medical's business objectives and strategy, to align with the Company's values and entrepreneurial culture, and to ensure a close link between pay outcomes and Group and individual performance.

In designing and implementing the remuneration policy, the Committee adheres to principles of corporate governance appropriate for an AIM company of Creo's size and maturity as set out in the QCA Code. The Committee also considers the views of shareholders on pay and the feedback received informs its decision-making. The current Directors' remuneration policy is shown below.

Directors' Remuneration Report continued

Key elements of policy for Executive Directors

COMPONENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	LINK TO PERFORMANCE
Base salary	To provide a competitive base salary to attract and retain high calibre executives	Reviewed annually or on a significant change of responsibilities and typically takes effect from 1 January. Salaries are determined by reference to the skills, role and personal performance of the individual. The Committee takes into account external market data and pay and employment conditions elsewhere in the Group when considering increases to base salary levels.	Increases will normally be broadly in line with the range awarded (in percentage of salary terms) to the wider workforce. Increases above this level may apply to take into account individual circumstances, e.g. a change in scope or responsibilities of the role, a change in market practice, a change in the size/ complexity of the business, or to reflect development and performance in role. Internal and external reference points including market salaries for comparable organisations may also be taken into account.	Although there are no formal performance conditions, any increase in base salary is only implemented after careful consideration of individual contribution and performance.
Benefits	To provide broadly market competitive benefits as part of the total remuneration package	Other benefits may include car allowance, health-related life = cover and death in service insurance. For external and internal appointments or relocations, the Company may pay relocation costs	Not applicable	None
Pension	To aid recruitment and retention by providing long-term savings to support retirement planning		Up to 7.5% of salary	None
Annual bonus	To incentivise the delivery of annual objectives	Awards are based on performance measured over one year. Pay-out levels are determined by the Committee after the year end based on performance against pre-set targets.	Capped at 100% of salary.	Pay-outs are based on an assessment of performance against defined financial, commercial, strategic and ESG objectives.
Long-term incentive	To drive superior performance of the Company and delivery of medium- to long-term objectives, aid retention and align directors' interests with those of the Company's shareholders.	The Creo Medical LTIP is made up both tax and non-tax advantaged schemes. The tax advantaged scheme is predominately via a JSOP which consists of two elements: (i) a JSOP award subject to a share price hurdle and (ii) a nominal cost option over the trustee interest in the JSOP shares. Both elements vest after three years and three months subject to continued employment. The nominal cost option gives the participant the opportunity to receive the value of the underlying shares, e.g. even if the share price hurdle is not reached. Following vesting: ► JSOP award may be split and resulting shares sold ► Employee may exercise nominal cost option over remaining trustee shares Key features of the JSOP element: ► Intended to deliver value to the participant (on a tax-efficient basis) if the share price exceeds a specified hurdle, e.g. 90p for the 2023 awards. ► Employee, together with a third party (the "co-owner" e.g. an employee trust) jointly acquires the entire beneficial interest in shares. ► The co-owner and the employee each sign a "joint ownership agreement" setting out how the proceeds of sale will be split between them when the shares are eventually sold. ► The value below the hurdle is not tax advantaged and any amount below this will incur full NI and PAYE. Any value above the hurdle will be tax advantaged. ► The Company may settle any upfront PAYE and NIC liabilities associated with participation in the JSOP on behalf of the directors with the cost to the Company recovered from any future LTIP option exercises.	Capped at 150% of salary.	Awards are generally made annually. Vesting of awards is conditional on delivery against forward-looking performance conditions measured over a three-year period. A two-year post-vesting holding period operates.

Directors' Remuneration Report continued

Consideration of employment conditions elsewhere in the Group

In setting remuneration for the Executive Directors, the Committee takes note of the overall approach to reward the employees in the Group.

The main principles of remuneration are cascaded through the Company, taking into account seniority and market practice. Key features include:

- the Company aims to provide market competitive levels of remuneration across the workforce in order to recruit and retain high calibre employees at all levels;
- the Company aims to sustain and promote a culture of share ownership. Share-based long-term incentive awards are made to a significant proportion of employees. In addition, UK employees have the opportunity to participate in HMRC-approved employee share scheme arrangements (with similar plans subject to local tax and regulatory environments offered to all employees worldwide); and
- senior managers participate in annual bonus arrangements based on Group and personal performance. At senior levels, the proportion of remuneration which is long-term is higher than it is for other colleagues and more 'at risk,' with an increased emphasis on performance-related pay and share-based remuneration. Around one-third of employees participate in an annual discretionary bonus plan with bonus potential determined based on delivery against Company and personal objectives.

The Committee regards the widespread use of share-based arrangements as a key component of the remuneration policy. This ensures all employees are offered the opportunity to participate in the long-term success of the business while aligning their interests to those of our shareholders. Since before the Company's admission to AIM in 2016 we have had an LTIP for staff. The Creo Medical LTIP implemented in FY2020 is currently intended to be the primary vehicle for making long-term incentive awards using both non-tax and tax advantaged schemes as appropriate.

Service contracts

Executive Directors are employed under contracts which may be terminated by either party on no more than 12 months' notice.

Remuneration policy for the Chairman and the Non-Executive Directors

The Chairman and the Non-Executive Directors are employed on letters of appointment which have an initial term of one year, after which they may be terminated at any time by either party with three months' notice.

The remuneration of the Chairman is set by the Committee and the remuneration of the Non-Executive Directors is set by the Executive Directors of the Board. No individual is involved in the determination of their own pay. Neither the Chairman nor the Non-Executive Directors receive awards under Creo Medical's incentive schemes.

Annual Report on Remuneration

Remuneration Committee membership and responsibilities

During the year ended 31 December 2024 the Committee comprised Ivonne Cantu (Chair) John Bradshaw and, since 1 July 2024, Brent Boucher. By invitation of the Committee, meetings are also attended by the CEO, CFO, the Company Chairman, the Company Secretary and the Global HR Director, who are consulted on matters discussed by the Committee, unless those matters relate to their own remuneration.

The key responsibilities of the Committee are to set a remuneration policy for the Executive Directors and the Chairman and to review and determine on behalf of the Board the Chairman's fee and specific remuneration and incentive packages for each of the Company's Executive Directors to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance. The Committee assesses the performance of the Executive Directors in the context of recommending their annual remuneration to the Board for final determination, including annual bonus awards and long-term incentive grants.

The remuneration of the Non-Executive Directors (other than the Chairman) is recommended by the Executive Directors and takes account of the time spent on Board and Committee matters. The Board will make the final determination although no Director will participate in any discussion about their own remuneration.

Directors' remuneration for 2024 (audited)

The remuneration of the Board of Directors of Creo Medical Group plc during the 12-month period ending 31 December 2024 was:

(ALL FIGURES £) EXECUTIVE:	SALARY	TAXABLE BENEFITS	PENSION	ANNUAL BONUS[1]	SHARE BASED PAYMENTS LTIP[2]	12 MONTHS TO 31 DECEMBER 2024	12 MONTHS TO 31 DECEMBER 2023
Prof. Christopher Hancock	221,450	22,352	16,609	–	–	260,410	647,215
Craig Gulliford	330,000	22,424	24,750	–	–	377,174	881,656
Richard Rees	225,750	21,952	16,931	–	–	264,633	650,609
David Woods	261,893	38,793	12,230	–	–	312,917	664,756
Total executive	**1,039,093**	**105,520**	**70,520**	**–**	**–**	**1,215,133**	**2,844,236**
NON-EXECUTIVE:							
Kevin T. Crofton	64,750	–	–	–	–	64,750	–
Charles Spicer	43,000	–	–	–	–	43,000	86,000
Brent Boucher	27,634	–	–	–	–	27,634	–
John Bradshaw	56,000	–	–	–	–	56,000	56,000
Ivonne Cantu	56,000	–	–	–	–	56,000	56,000
Total non-executive	**247,384**	**–**	**–**	**–**	**–**	**247,384**	**198,000**
Total directors' remuneration	**1,286,477**	**105,520**	**70,520**	**–**	**–**	**1,462,517**	**3,042,236**

1 No annual bonus for performance for the year ending 31 December 2024 was paid.

2 The charge relates mainly to backwards-looking options which have been issued based on past performance (with vesting subject to continued employment only) as well as a small charge for options issued where performance conditions have been satisfied during the year.

There is £nil charge for 2024 as no share options were issued in the period and no performance conditions were met in year that have resulted in a charge in the period.

The LTIP awards include both tax advantaged and non-tax advantaged share options. As part of previous tranches issued joint share ownership plan's (JSOP) have been utilised, whereby the Participant and the Trustee jointly own the beneficial interest of the LTIP Shares. The Participant is entitled to any value above the hurdle price, set at £0.90 per share for tranche 20 issued in 2023 with all prior tranches set at £2.50 (tranches 14-19 issued 2020-2022) with the Trustee entitled to all value below the hurdle price. The Participant has also been granted an option to acquire the Trustee's beneficial interest in the LTIP Shares, at nominal cost, which are exercisable three years and three months after the acquisition date (subject to remaining in eligible employment) and followed by a three-month holding period.

Directors' Remuneration Report continued

Directors' shareholdings

The interests of the Directors at 31 December 2024 in the shares of the Company, including family interests, were:

(ALL FIGURES £)	31 DECEMBER 2024 NUMBER	31 DECEMBER 2024 %
Executive:		
Prof. Christopher Hancock	4,824,657	1.17%
Richard Rees	3,036,540	0.74%
Craig Gulliford	1,652,771	0.40%
David Woods	440,255	0.12%
Total executive	**9,954,223**	**2.43%**
Non-Executive:		
Kevin T. Crofton	4,745,666	1.15%
John Bradshaw	1,371,082	0.33%
Ivonne Cantu	125,000	0.03%
Total non-executive	**6,241,748**	**1.51%**
Total Directors' shareholdings	**16,195,971**	**3.94%**

Directors' interests in LTIP awards and share options

Directors' interests in share options, granted under either the Creo Medical Group plc Enterprise Management Incentive Share Option Scheme or the Creo Medical Group PLC Unapproved Share Option Scheme, and interests in awards granted under the Creo Medical Group plc LTIP, at 31 December 2024 were:

(ALL FIGURES £) EXECUTIVE:	31 DECEMBER 2023 NUMBER	GRANTED DURING YEAR[1]	FORFEITED DURING YEAR	EXERCISED DURING YEAR	31 DECEMBER 2024 NUMBER	EXERCISE PRICE
Prof. Christopher Hancock	417,240	–	–	–	417,240	16.67p
Prof. Christopher Hancock	72,000	–	–	–	72,000	16.67p
Prof. Christopher Hancock	1,184,210	–	–	–	1,184,210	76.00p
Prof. Christopher Hancock	107,914	–	–	–	107,914	113.00p
Prof. Christopher Hancock	268,293	–	–	–	268,293	153.75p
Prof. Christopher Hancock	114,035	–	–	–	114,035	171.00p
Prof. Christopher Hancock	115,000	–	–	–	115,000	0.01p
Prof. Christopher Hancock	210,000	–	–	–	210,000	0.01p
Prof. Christopher Hancock	2,348,288	–	–	–	2,348,288	0.01p
Prof. Christopher Hancock	184,645	–	–	–	184,645	0.01p
Prof. Christopher Hancock	676,271	–	–	–	676,271	0.01p
Prof. Christopher Hancock	750,678	–	–	–	750,678	0.01p
	6,448,574	**–**	**–**	**–**	**6,448,574**	
Craig Gulliford	540,000	–	–	–	540,000	16.67p
Craig Gulliford	936,000	–	–	–	936,000	16.67p
Craig Gulliford	1,578,948	–	–	–	1,578,948	76.00p
Craig Gulliford	143,885	–	–	–	143,885	113.00p
Craig Gulliford	325,203	–	–	–	325,203	153.75p
Craig Gulliford	143,275	–	–	–	143,275	171.00p
Craig Gulliford	140,000	–	–	–	140,000	0.01p
Craig Gulliford	280,000	–	–	–	280,000	0.01p
Craig Gulliford	1,553,658	–	–	–	1,553,658	0.01p
Craig Gulliford	246,194	–	–	–	246,194	0.01p
Craig Gulliford	901,695	–	–	–	901,695	0.01p
Craig Gulliford	1,118,644	–	–	–	1,118,644	0.01p
	7,907,502	**–**	**–**	**–**	**7,907,502**	
Richard Rees	288,000	–	–	–	288,000	16.67p
Richard Rees	1,184,210	–	–	–	1,184,210	76.00p
Richard Rees	118,705	–	–	–	118,705	113.00p
Richard Rees	268,293	–	–	–	268,293	153.75p
Richard Rees	114,035	–	–	–	114,035	171.00p
Richard Rees	115,000	–	–	–	115,000	0.01p
Richard Rees	210,000	–	–	–	210,000	0.01p
Richard Rees	731,519	–	–	–	731,519	0.01p
Richard Rees	184,645	–	–	–	184,645	0.01p
Richard Rees	676,271	–	–	–	676,271	0.01p
Richard Rees	765,254	–	–	–	765,254	0.01p
	4,655,932	**–**	**–**	**–**	**4,655,932**	
David Woods	130,208	–	–	–	130,208	1.92p
David Woods	219,816	–	–	–	219,816	0.76p
David Woods	837,288	–	–	–	837,288	0.01p
David Woods	907,797	–	–	–	907,797	0.01p
	2,095,109	**–**	**–**	**–**	**2,095,109**	
Total executive	**21,107,117**	**–**	**–**	**–**	**21,107,117**	

Directors' Remuneration Report continued

NON-EXECUTIVE:							
Kevin T. Crofton	–	–	–	–	–		
Brent Boucher	–	–	–	–	–		
John Bradshaw	–	–	–	–	–		
Ivonne Cantu	–	–	–	–	–		
Total non-executive	**–**	**–**	**–**	**–**	**–**		
Total directors' shareholdings	**21,107,117**	**–**	**–**	**–**	**21,107,117**		

1 No LTIP awards were issued during the year.

Share dilution

The total number of ordinary shares issued and issuable in respect of options granted in any ten-year period under the Company's discretionary share option is restricted to 15% of the issued ordinary shares in any ten-year rolling period. In the financial year ended 31 December 2024, there were no share options issued.

Ivonne Cantu
Chair of the Remuneration Committee
18 May 2025

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03
Financial Statements

Independent auditors' report
to the members of Creo Medical Group plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Creo Medical Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated statement of profit or loss and other comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cashflows, the Parent Company statement of financial position, the Parent Company statement of changes in equity, 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 the 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.

Summary of our audit approach

Key audit matters	**Group** ▪ Accounting and disclosure of the disposal groups **Parent Company** ▪ Impairment of intercompany receivables
Materiality	**Group** ▪ Overall materiality: £1,220,000 (2023: £1,225,000) ▪ Performance materiality: £857,000 (2023: £918,750) **Parent Company** ▪ Overall materiality: £655,000 (2023: £1,102,000) ▪ Performance materiality: £455,000 (2023: £826,875)
Scope	Our audit procedures covered 98% of revenue, 98% of total assets and 94% of loss before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group and parent company financial statements of the current period 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 group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting and disclosure of the disposal groups

Key audit matter description	As at 31 December 2024, the Group has a Net Asset Held for Sale of £26.7m (2023: £nil) as detailed in Note 28 and in Group's statement of financial position. Terms were agreed on 8 July 2024 for the sale of 51% of the issued share capital of Creo Medical SLU. The Board assessed that the sale was in an advanced state and deemed highly probable, and therefore the circumstances at the year-end were such that the conditions outlined within IFRS 5 Non-current *Assets Held for Sale and Discontinued Operations* for treatment as 'held for sale' and 'discontinued operations' were met, and this has been reflected in the financial statements. In addition, the same circumstances were met with regard to proposed disposal of Aber Electronics Limited in December 2024. The Group has therefore also restated its Consolidated Income Statement to show only continuing operations on a line by line basis, with the split between discontinued and continuing operations disclosed in Note 28. The accounting for this transaction has had a significant impact on the financial statements given the amount of assets and liabilities held for sale at 31 December 2024, and the amount of discontinued operations.

Independent auditors' report

to the members of Creo Medical Group plc continued

How the matter was addressed in the audit	We have: ▪ Held discussions with management to understand the circumstances of each transaction. ▪ Reviewed legal documentation and correspondence in relation to the sale transactions. ▪ Corroborated the completion receipt of cash for the transactions post year-end. ▪ Reviewed management's assessment & application of the relevant accounting standard, IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. ▪ Reviewed whether assets and liabilities were appropriately included/excluded from being held for sale, and whether valued appropriately in accordance with accounting standards. ▪ Considered whether any impairment of assets was required, or whether there were any reductions in fair value between the held for sale date and 31 December 2024. ▪ Reviewed the disclosures made in respect of the transaction. ▪ Reviewed the split of trade between continuing and discontinued operations.

Impairment of intercompany receivables (parent)

Key audit matter description	As at 31st December 2024, the Parent Company's statement of financial position includes intercompany receivables of £125m (2023: £144.1m) as detailed in note 33. Management are required to calculate the expected credit loss against the intercompany receivables in line with IFRS 9 *Financial Instruments*. Management prepared a probability-weighted estimate of credit losses and have determined that an expected credit loss (ECL) of £50.0m should be recognised, resulting in the carrying value of £125m. Refer to Note 30 for the assessment undertaken and the resulting provision recorded.
How the matter was addressed in the audit	In respect of the valuation of the ECL of the intercompany receivable balance, relating to the groups' continuing operations, for which management forecast significant levels of revenue growth in the future, we have: ▪ Held discussions with management to understand the scenarios modelled. ▪ Challenged the data in the underlying calculations of the £50.0m expected credit loss and management's key assumptions, including performing sensitivity analysis. ▪ Reviewed the terms of the loan and assessed the reasonableness of the methodology in line with IFRS 9. ▪ Tested the mathematical accuracy and consistency of the model. ▪ Considered the implications of the loan balance being in excess of the market capitalisation of the group. ▪ Consulted with valuations specialists.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£1,220,000 (2023: £1,225,000)	£655,000 (2023: £1,102,000)
Basis for determining overall materiality	4% of loss before tax	0.4% of total assets
Rationale for benchmark applied	Overall materiality is based on loss before tax. This is a primary measure used by shareholders and is a generally accepted appropriate auditing benchmark.	We determined materiality based on a % of total assets (capped at as part of group scoping). This is considered more applicable than a performance-related measure as the parent company is primarily a holding company and therefore does not have any revenue.
Performance materiality	£857,000 (2023: £918,750)	£ 455,000 (2023: £826,875)
Basis for determining performance materiality	70% of overall materiality (2023: 75%)	70% of overall materiality (2023: 75%)
Reporting of misstatements to the Audit Committee	Misstatements in excess of £61,200 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £32,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 13 components, located in the following countries: UK, USA, Singapore, Spain, France, Germany, and Belgium.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Loss before tax
Full scope audit	5	83%	47%	79%
Specific audit procedures	4	14%	51%	15%
Total	**9**	**97%**	**98%**	**94%**

Of the above, full scope audits for 3 components were undertaken by component auditors.

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 group's and parent company's ability to continue to adopt the going concern basis of accounting included:

▪ Testing the arithmetic integrity of the cash flow forecasts;

Independent auditors' report

to the members of Creo Medical Group plc continued

- Assessing the cash flow forecasts, which covers management's period of assessment, together with expected headroom over the facilities in place and challenged the assumptions used by management;
- Considering management's sensitivities against recent trading performance and the resulting potential impact on headroom within agreed facilities;
- Comparing the actual cash flows since the year-end to the forecasts to determine whether they were consistent; and
- Reviewing the group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with reporting standards.

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 or the parent company'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 contained within 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 by the parent company, 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 69, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our audit approach.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team and component auditors included:
IFRS/FRS101, Companies Act 2006 and AIM Rule 19	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance
Tax compliance regulations	Inspection of computations and R&D claim workings prepared by external tax advisors Input from a tax expert was obtained regarding whether the R&D claim was being made on a reasonable basis in line with relevant legislation.

Independent auditors' report
to the members of Creo Medical Group plc continued

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	Transactions posted to nominal ledger codes outside of the normal revenue cycle were identified using a data analytic tool and investigated. Testing the recognition of a sample of revenue items both pre and post year-end with reference to relevant contractual and supporting documentation.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Graham Bond FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants
14th Floor
20 Chapel Street
Liverpool
L3 9AG

18 May 2025

Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2024

(All figures £m)	Note	2024	2023 Restated*
Revenue	2	**4.0**	4.0
Cost of sales		**(2.1)**	(1.7)
Gross Profit		**1.9**	2.3
Other operating income/(expense)	2	**(0.4)**	0.4
Administrative expenses		**(30.3)**	(29.6)
Operating loss		**(28.8)**	(26.9)
Finance expenses	9	**(0.4)**	(0.2)
Finance income	9	**0.2**	0.7
Loss before tax	3	**(29.0)**	(26.4)
Taxation	10	**1.2**	2.7
Loss for the year		**(27.8)**	(23.7)
Discontinued Operations	28	**(0.9)**	2.0
Loss for the period/year		**(28.7)**	(21.7)
Exchange gain/(loss) on foreign subsidiary	21	**(1.3)**	(0.6)
Changes to the fair value of equity investments at fair value through other comprehensive income	18	**–**	–
Total other comprehensive income		**(1.3)**	(0.6)
Total comprehensive loss for the year		**(30.0)**	(22.3)
Loss per Share Continuing Operations			
Basic and diluted (£)	11	**(0.08)**	(0.08)
Loss per Share			
Basic and diluted (£)	11	**(0.08)**	(0.07)

*Restated following the completion of the sale of 51% of the issued share capital of Creo Medical S.L.U. ("Creo Medical Europe"), a wholly owned subsidiary of Creo, to Micro-Tech (NL) International B.V., a wholly owned subsidiary of Micro-Tech (Nanjing) Co. Ltd (SHA: 688029) on February 12th 2025.

The notes on pages 103 to 134 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

Consolidated statement of financial position

for the year ended 31 December 2024

(All figures £m)	Note	2024	2023
Assets			
Non-current assets			
Intangible assets	12	**0.5**	7.1
Goodwill	12	**–**	19.1
Investments	18	**2.1**	2.1
Property, plant and equipment	13	**5.9**	9.1
Deferred tax	16	**–**	1.1
Other assets	15	**0.1**	0.2
		8.6	38.7
Current assets			
Asset Held for Sale	28	**40.9**	–
Inventories	14	**2.7**	8.1
Trade and other receivables	15	**2.0**	8.6
Tax receivable	16	**2.1**	2.7
Fixed term deposits		**–**	15.5
Cash and cash equivalents		**8.7**	3.0
		56.4	37.9
Total assets		**65.0**	76.6
Shareholder equity			
Called up share capital	21	**0.4**	0.4
Share premium	21	**192.0**	180.9
Merger reserve	21	**13.6**	13.6
Share option reserve	21	**12.0**	10.5
Foreign exchange reserve	21	**(3.1)**	(1.8)
Financial Assets at fair value through other comprehensive income	18	**0.6**	0.6
Accumulated losses	21	**(173.1)**	(144.4)
Total equity		**42.4**	59.8
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	19	**2.0**	5.2
Deferred tax liability	16	**–**	1.4
Provisions	20	**0.1**	0.3
		2.1	6.9
Current liabilities			
Liabilities held for sale	28	**14.2**	–
Interest-bearing liabilities	19	**2.4**	3.1
Trade and other payables	17	**3.9**	5.7
Other liabilities	17	**–**	0.9
Provisions	20	**–**	0.2
		20.5	9.9
Total liabilities		**22.6**	16.8
Total equity and liabilities		**65.0**	76.6

These financial statements on pages 99 to 141 were approved by the Board of Directors on 18 May 2025 and were signed on its behalf by:

Richard Rees

Director

Company registered number: 10371794

Consolidated statement of changes in equity

for the year ended 31 December 2024

(All figures £m)	Note	Called up share capital	Accumulated losses	Share premium	Merger reserve	Share option reserve	Changes to the fair value of equity instruments at fair value through other comprehensive (expense)/ income	Foreign Exchange Reserve	Total equity
Balance at 31 December 2022		0.2	(122.7)	149.5	13.6	9.3	0.6	(1.2)	49.3
Total comprehensive loss for the year									
Loss for the financial year		–	(21.7)	–	–	–	–	–	(21.7)
Other comprehensive loss/ income		–	–	–	–	–	–	(0.6)	(0.6)
Total comprehensive loss		–	(21.7)	–	–	–	–	(0.6)	(22.3)
Transactions with owners, recorded directly in equity									
Issue of share capital	21	0.2	–	31.4	–	–	–	–	31.6
Equity settled share-based payment transactions	8	–	–	–	–	1.2	–	–	1.2
Balance at 31 December 2023		0.4	(144.4)	180.9	13.6	10.5	0.6	(1.8)	59.8
Total comprehensive loss for the year									
Loss for the financial year		–	(28.7)	–	–	–	–	–	(28.7)
Other comprehensive loss/ income		–	–	–	–	–	–	(1.3)	(1.3)
Total comprehensive loss		–	(28.7)	–	–	–	–	(1.3)	(30.0)
Transactions with owners, recorded directly in equity									
Issue of share capital	21	0.0	–	11.1	–	–	–	–	11.1
Equity settled share-based payment transactions	8	–	–	–	–	1.5	–	–	1.5
Balance at 31 December 2024		**0.4**	**(173.1)**	**192.0**	**13.6**	**12.0**	**0.6**	**(3.1)**	**42.4**

The notes on pages 103 to 134 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

Consolidated statement of cashflows

for the year ended 31 December 2024

(All figures £m)	Note	12 months to 31 December 2024	12 months to 31 December 2023
Cash flows from operating activities			
Loss for the year		**(27.8)**	(23.7)
Profit/(Loss) from discontinued operations		**(0.9)**	2.0
Depreciation/amortisation charges	28	**2.5**	3.4
Equity settled share-based payment expenses	8	**1.5**	1.2
Finance expenses	28	**0.7**	0.4
Finance income	28	**(0.2)**	(0.7)
Impairment loss of goodwill		**1.4**	**-**
Taxation	28	**(1.0)**	(2.8)
Decrease in inventories		**0.7**	(0.4)
Increase in trade and other receivables		**(1.0)**	(1.4)
Decrease in trade and other payables		**0.2**	(3.7)
Interest paid		**(0.7)**	(0.4)
Tax paid		**(0.2)**	**-**
Tax received		**2.6**	4.5
Net cash used in operating activities		**(22.2)**	**(21.6)**
Cash flows from investing activities			
Purchase of intangible fixed assets		**(0.1)**	(0.4)
Purchase of tangible fixed assets		**(0.3)**	(1.2)
Acquisition of subsidiary net of cash acquired		**-**	(2.4)
Fixed Term Deposits		**15.5**	(15.0)
Interest received	9	**0.2**	0.7
Net cash used in investing activities		**15.3**	(18.3)
Cash flows from financing activities			
Capital repaid in respect of loans		**(0.6)**	(1.4)
Proceeds of new loan		**6.4**	0.2
Principal elements of lease repayments		**(0.7)**	(0.7)
Share issue	22	**11.1**	31.7
Net cash generated from continuing financing activities		**16.2**	29.8
Increase/(Decrease) in cash and cash equivalents		**9.3**	(10.1)
Cash and cash equivalents at beginning of the year		**3.0**	13.1
Cash and cash equivalents at end of the year		**12.3**	**3.0**
Cashflow statements from discontinued operations:			
Cash and cash equivalents at beginning of the year		**1.0**	**-**
Net cashflows from operating activities		**2.8**	**-**
Net cashflows from investing activities		**(0.2)**	**-**
Net cashflows from financing activities		**(0.0)**	**-**
		3.6	**-**

The cash and cash equivalents per the statement of financial position of £8.7m represents the £12.3m consolidated cash position less cash held for sale of £3.6m. Proceeds of new loans were drawn down in discontinued operation and subsequently loaned to the continued operation and therefore are eliminated within the consolidated accounts. Given in the prior year the criteria under IFRS-5 for a discontinued operation was not met no comparator has been provided as all cashflows were from a continued operation.

The notes on pages 103 to 134 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

Notes to the financial statements

1. Accounting policies

General information

Creo Medical Group plc is a public company, limited by shares, registered and domiciled in England and Wales in the UK. The Company's registered number is 10371794 and the registered office is Creo House, Unit 2, Beaufort Park, Beaufort Park Way, Chepstow, Wales NP16 5UH.

The Group financial statements consolidate those of the Parent Company and its subsidiaries (together referred to as the "Group"). The Parent Company financial statements present information about Creo Medical Group plc as a separate entity and not about its Group. The composition of the Group is shown on page 139.

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The Company has elected to prepare its Parent Company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Basis of preparation

This is the eighth annual financial report of the Company since the incorporation of Creo Medical Group plc on 12 September 2016 and the subsequent acquisition of Creo Medical Limited via a share for share exchange on 9 November 2016. The financial statements are presented in Sterling and rounded to the nearest hundred thousandth pound. All accounting policies, other than new policies have been applied consistently throughout the year.

This financial report for the year ended 31 December 2024 (including comparatives for the year ended 31 December 2023) was approved by the Board of Directors on 18 May 2025.

Changes in accounting policy and disclosures

New standards, amendments and interpretations

In the current year, the Group applied a number of new and amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 1 Presentation of Financial Statements.
- Amendments to IFRS 16 Leases — Lease Liability in a Sale and Leaseback.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures — Supplier Finance Arrangements.

Further narrow scope amendments have been issued which are mandatory for periods commencing on or after 1 January 2025. The application of these amendments will not have any material impact on the disclosures, net assets or results of the Group.

Measurement convention

The financial statements are prepared on the historical cost basis except that derivative financial instruments and equity investments are stated at their fair value.

Basis of consolidation

The Consolidated Financial Statements incorporate the assets and liabilities of all subsidiaries of Creo Medical Group Plc as at 31 December 2024 and the results of all its subsidiaries for the year then ended. Creo Medical Group Plc and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'the Group'.

Subsidiaries

Subsidiaries are entities controlled by the Group. 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. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

Notes to the financial statements continued

1. Accounting policies continued

Change in subsidiary ownership and loss of control

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where the Group loses control of a subsidiary, the assets and liabilities are derecognised along with any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Going concern

For the year ended 31 December 2024 the Group made a total comprehensive loss of £28.7m for continuing operations and an underlying EBITDA loss of £23.5m. As at 31 December 2024, the Group had cash and cash equivalents of £8.7m. An amount of £11.2m (after expenses) was raised in October 2024 through a Share Placement and Open Offer. In addition, following the completion of the sale of 51% of the issued share capital of Creo Medical Europe at an equivalent equity value of €72m on a cash-free, debt-free basis on 12 February 2025, the net proceeds of €30.4m were received on 14 February 2025. Cash as at 31 March 2025 was £26.5m.

Underlying administrative expenses for 2024 were £23.8m. We initiated a raft of cost saving plans during the latter part of 2024. This process reduced our underlying administrative expense by more than £5m going into 2025. These savings are in addition to the reduction in the cost base that has arisen from the sale of Creo Medical Europe and Aber Electronics. These operational changes underpin our platform to drive towards our goals of increasing revenue and achieving self-sustaining cashflows which supports the going concern assumptions.

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate for the following reasons:

The Directors have considered the applicability of the going concern basis in the preparation of the financial statements. This included the review of financial results, internal budgets, cash flow forecasts and covenant compliance for the period of at least 12-months following the date of approval of the financial statements ("the going concern period").

The Directors have prepared a base case scenario which is based on the Board approved forecast and assumes an increase in revenues, particularly from its Core revenue streams and a decrease in underlying administrative expenses following a strategic review of the underlying cost base. This is for the year to 31 December 2025 compared to the year ending 31 December 2024. In addition, the Directors have modelled severe but plausible downside scenarios on the going concern period. These scenarios include sensitivity analysis to delay future revenue growth. In such a case the Group would take mitigating actions and the Directors concluded that the Group would be able to reduce expenditure on its research and development programmes and other areas in order to meet its liabilities as they fall due for the going concern period, without needing to obtain waivers on any applicable debt covenants.

Based on the above, the Directors are satisfied that the Group and Company will have sufficient funds to meet their liabilities as they fall due for the going concern period and therefore have prepared the financial statements on a going concern basis.

Intangible assets

Intangible assets include the capitalisation of development costs and software for the year ended 31 December 2024.

Software which is not an integral part of hardware assets is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated amortisation and impairment losses.

Expenditure on research activities is recognised as an expense in the year in which it is incurred. Costs are classified as research expenditure rather than development unless all of the below criteria are met, in which case these costs are capitalised on the balance sheet.

Development criteria:

a. completion of the intangible asset is technically feasible so that it will be available for use or sale;

b. the Company intends to complete the intangible asset and use or sell it;

c. the Company has the ability to use or sell the intangible asset and the intangible asset will generate probable future economic benefits over and above cost;

d. there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

1. Accounting policies continued

e. the expenditure attributable to the intangible asset during its development can be measured reliably. Amortisation commences when the project is available for sale or use within the business.

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Amortisation is charged so as to write off the costs of intangible assets over their estimated useful lives, on the following basis:

Software	– 3 years straight line
Development costs	– 5 years straight line
Trade Name	– 10 years straight line
Supplier Relationships	– 10 years straight line
Customer Relationships	– 10 years straight line
Goodwill	– No amortisation

Property, plant and equipment ("PPE")

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use, until the asset is completed they are classified as assets under construction.

Leases are recognised if they meet the criteria in IFRS 16 as a lease. Where low value or short term lease exemptions are taken the amounts are expensed to the profit and loss, otherwise it is classified as a right of use asset. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged so as to write off the costs of assets over their estimated useful lives, on the following basis:

Assets under construction	– not depreciated
Freehold Land	– not depreciated
Buildings	– 40 years straight line
Leasehold improvements	– 3 or 5 years straight line
Office equipment	– 2, 3 or 4 years straight line
Fixtures and fittings	– 3 or 4 years straight line
Motor vehicles	– 4 years straight line
Plant and machinery	– 3 years straight line or 4 years reducing balance
Demo equipment	– 3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in income on the transfer of the risks and rewards of ownership.

Inventories

Inventories are stated at the lower of cost and net realisable value. Raw materials cost is based on the First In, First Out ("FIFO") principle using standard costing techniques and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Finished goods cost is based on standard cost with variances between actual and standard going through the cost of sales line.

Leases

At inception of a contract, the Group assesses whether a 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 for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Notes to the financial statements continued

1. Accounting policies continued

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease, country lease entered into and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Financial instruments

The Group predominantly enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from other third parties, loans to related parties and investments in non-puttable financial instruments. The Group is also able to enter into a variety of derivative financial instruments to manage its exposure to foreign exchange risk, including foreign exchange forward contracts and cross-currency swaps.

Impairment

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

1. Accounting policies continued

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, when demanded.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter if the expected life of the instrument is less than 12 months).

The maximum considered when estimating ECLs is the maximum contractual over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Provisions under IFRS 9 may still be made to account for the probability of such default events, however such a provision being made is not indicative that an actual default event will occur.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Investments with maturity of three months or more from acquisition are classified as Fixed Term Deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. The Group has not applied hedge accounting in the current or comparative year.

Foreign currencies

The functional currency of the Group is Pounds Sterling. Transactions entered into by Group entities in a currency other than the reporting currency are recorded at the rates ruling when the transaction occurred. Foreign currency monetary assets and liabilities are translated into Sterling at the rates ruling at the statement of financial position date. Exchange differences arising on the retranslation of the unsettled monetary assets and liabilities are similarly recognised in the income statement.

Notes to the financial statements continued

1. Accounting policies continued

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the translation reserve, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests.

When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to profit or loss.

Current and deferred tax

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The Company incurs research and development expenditure which qualifies for Research and Development ("R&D") tax relief and as such, prepares and submits an R&D claim to HMRC in relation to each accounting year. The claims are made on the basis that the Company and its activities meet the necessary conditions.

As the Company is currently loss making, there is no corporation tax liability arising, therefore it has chosen to convert the tax relief into payable tax credits instead of carrying forward a loss. This results in the credit being paid in cash directly to the Company following the submission of a valid claim.

The Company is claiming R&D tax relief predominately under the small or medium-sized enterprises ("SME") scheme therefore the credit is accounted for as tax in accordance with IAS 12 Income Taxes. However, where the R&D expenditure is related to monies received from research grants, the Company is claiming an R&D expenditure credit ("RDEC") under the Large Company Scheme and as such the related credit is accounted for 'above the line' in accordance with IAS 20 Accounting for Government Grants, specifically as a reduction from the related expenditure in the statement of comprehensive income.

Employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the year during which services are rendered by employees.

1. Accounting policies continued

Share-based payments

Equity-settled share options are granted to certain Directors, employees and certain contractors which have been granted options to subscribe for Ordinary Shares. Each tranche in an award is considered a separate award with its own vesting and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model or where they are based on market-based performance conditions, the Monte Carlo model. Compensation expense is recognised over the tranche's vesting based on the number of awards expected to vest, through an increase to equity. The number of awards expected to vest is reviewed over the vesting, with any forfeitures recognised immediately.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service, market and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service, market and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity. Amounts recharged to the subsidiary are recognised as a reduction in the cost of investment in subsidiary. Where costs recharged match those incurred there is no net impact on the investment in subsidiary.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Financing income comprises interest receivable on funds invested, dividend income, and net foreign exchange gains.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefit will be required to settle the obligation, the provision is reversed. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Revenue from contracts with customers

Revenue is recognised when substantially all of the risk and reward of ownership of the goods are transferred to the customer on despatch, and thus has the ability to direct the use and obtain the benefits from the goods. Revenue is recognised net of any sales tax.

Notes to the financial statements continued

1. Accounting policies continued

Performance obligations and revenue recognition policies

Revenue is recognised in accordance with IFRS 15 at the point at which the Group's performance obligation has been satisfied. Below is a summary of the recognition policies for each type of sale:

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payments terms	Revenue recognition policies
Direct Sales of Devices/ Products	Customers obtain control of medical devices or products when the goods either leave the warehouse or when they physically arrive at the customer premises based on the shipment terms. Invoices are generated at this point with payment required within 30–60 days depending on customer terms.	Revenue is recognised when the goods leave the warehouse or are delivered to the customers' premises (depending on shipment terms).
Sales to Distributors	Distributors obtain control of medical devices or products when the goods either leave the warehouse or when they physically arrive at the distributor premises based on the shipment terms. There is no right of return for the goods. Invoices are generated at this point with payment required within 30–60 days depending on distributor terms. Equipment may be provided free of charge to the customer provided they purchase ancillary products, or it may transfer to them if they purchase a set volume. No contract is deemed to exist under IFRS 15 in relation to the placement of the equipment, due to Creo retaining the significant element of risks and rewards including future cashflows, a lack of commercial substance in relation to the equipment and recoverability of the asset without ability to enforce compensation for the of use of the equipment. Where the Group retains control of the equipment it is classified as a fixed asset.	Revenue is recognised when the goods leave the warehouse or are delivered to the customers' premises (depending on shipment terms). Where the rights to an asset are retained by the Group the asset is depreciated over its useful life.
Service/ Maintenance Contracts	Service & maintenance contracts are for a period of time as specified with the customer. Our performance obligations are satisfied over the length of the contract. Customers are invoiced monthly based on the annual value of the contract agreed.	Revenue is recognised over the life of the contract on a straight line basis. We consider this matches the satisfaction of our performance obligations of the contract.
Warranty	Products manufactured by the Group have a warranty. Customers have the right to return the product if it is faulty within this period.	Revenue is only recognised when the performance obligation had been fulfilled and a corresponding warranty provision recognised at the date of sale. Management have assessed the provision within continuing operation and deemed this to be immaterial. We calculate a warranty provision based on historical warranty data of comparable products. The warranty provision is accounted of under IAS 37 as a provision and an expense.

1. Accounting policies continued

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payments terms	Revenue recognition policies
Licensing/ Development Income	Licensing agreements may contain a number of elements and provide for varying consideration terms, such as initial fees, sales, development and regulatory milestones together with sales-based royalties and similar payments. Such arrangements are within the scope of IFRS 15 and are assessed under its five-step model to determine revenue recognition. The distinct performance obligations within the contract and the arrangement transaction price are identified. The fair value of the arrangement transaction price is allocated to the different performance obligations based upon the relative stand-alone selling price of those obligations together with the performance obligation activities to which the terms of the payments specifically relate. The allocated transaction price is recognised over the respective performance period of each performance obligation. Creo carries out development for or with a third party. Performance obligations are recognised at a point in time if considered a milestone or over time as the development project is completed.	Income which is related to ongoing development or licensing activity is recognised as the activity is undertaken, in accordance with the contract to match the costs incurred. Matching revenues against costs is deemed appropriate as we consider the costs to be representative of the completion stage of the contract. Development and regulatory approval milestone payments are recognised as revenue when the respective milestones are achieved.

Critical accounting judgements and significant estimates in applying the Group's accounting policies

The application of the Group's accounting policies requires judgements in certain areas and to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following are those areas that are deemed to involve judgements and/or estimation about matters that have the most significant effect on the amounts recognised in the financial statements.

Judgements

Capitalisation of development costs

Capitalisation of development costs requires analysis of the technical feasibility and commercial viability of the project concerned. Capitalisation of the costs will only be made where there is clear demonstration that future economic benefit will flow to the Company.

£0.1m was capitalised in relation to development of a Bipolar snare for our endotherapeutics offering. The product is still in its development stage and we expect further costs in relation to the project to be capitalised in 2025.

No further development of the Speedboat and CROMA products has been undertaken with an emphasis on developing the later versions of these devices. No further development costs have been capitalised in the year.

The Group's internal budgets demonstrate that the products will generate probable future economic benefits relating to Speedboat and CROMA and therefore there is no impairment to capitalised development costs.

Operating segments

An entity is required to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. In previous years, management have exercised significant judgement in determining whether presenting segment information on an alternative basis would better adhere to this core principle.

Whilst the operations in different geographical locations form a fundamental part of the Group's long-term strategy, they are in the early stages of development and the Group continues to focus on the development and commercialisation of its key range of unique endoscopic surgical devices and CROMA Advanced Energy Platform. In making their judgement, the Directors considered the Group's activities and the internal reporting structures and information regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated and assessing performance.

As a result of the sale of the European business as disclosed in Note 28, the above determination is deemed to remain consistent and under continuing operations there is in fact less judgement in reaching this decision.

Notes to the financial statements continued

1. Accounting policies continued

As such following the assessment, the Directors concluded that financial information at a consolidated Group level appropriately reflects the business activities in which the Group is currently engaged, and the economic environment in which it operates. As explained in Note 2 of the financial statements, as the Group continues to evolve this will be reassessed and the need for further disclosure considered.

Estimates

Recognition of deferred tax asset

Management judgement is required on whether the Group should recognise any deferred tax assets for losses. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Given the nature and stage of development of Creo Medical Limited there are significant losses accumulated to date. To determine whether a deferred tax asset should be recognised in relation to the future tax deduction that these losses represent, the Directors have considered the estimated profits over a medium to long-term forecast and the events required to achieve such forecasts.

Forecasts for Creo Medical Limited continue to show tax losses for at least the medium term (to four years) as the Group continues to develop and commercialise its products. Given the extent of uncertainty with forecasting over a longer-term horizon, it is determined that there is not the level of convincing evidence that sufficient taxable profit will be available against which further tax losses or tax credits can be utilised. Thus, there is considered to be insufficient certainty over the timing and amount of loss recoverability for any further deferred tax asset to be recognised. The sensitivity of this estimate is not deemed to be material.

A deferred tax asset in relation to losses will be recognise within Assets held for sale, given this has been effectively purchase subsequent to the date of these financial statements the estimate is not deemed to be significant.

Carrying value of goodwill

Our annual impairment assessment for Goodwill is deemed to be a significant estimate as it involves future cashflow projections and assumptions which can have a significant impact on the carrying value of the goodwill. At the balance sheet date all value in relation to Goodwill in the group is within the asset held for sale, given the sale has completed before the signing of these accounts there is deemed to be no risk of impairment to the values on the balance sheet and therefore the carrying value is supported by the profit on the sale. The Asset held for sale of £27.1m has been sold for €72m, evidence clear headroom in the carrying value.

Aber Electronics Goodwill of £0.0m (2023:£1.5m) has been fully impaired in the year, this charge is shown within discontinued operations.

Assets and liabilities held for sale

Any non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which: - represents a separate major line of business or geographic area of operations; - is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or - is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative Consolidated Income Statement and the comparative Consolidated Statement of Comprehensive Income are represented as if the operation had been discontinued from the start of the comparative year.

The notes on pages 103 to 134 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

2. Revenue and other operating income

The revenue split between the Group for 2024 was as follows:

	12 months to 31 December 2024			12 months to 31 December 2023		
(All figures £m)	**Continuing**	**Discontinued**	**Total**	Continuing	Discontinued	Total
Kamaptive	**–**	**–**	**–**	1.7	–	1.7
Creo Core Products	**4.0**	**–**	**4.0**	2.3	–	2.3
Creo Consumables	**–**	**26.7**	**26.7**	–	26.8	26.8
Total	**4.0**	**26.7**	**30.7**	4.0	26.8	30.8

	12 months to 31 December 2024			12 months to 31 December 2023		
(All figures £m)	**Continuing**	**Discontinued**	**Total**	Continuing	Discontinued	Total
UK	**1.7**	**7.2**	**8.9**	2.9	6.6	9.5
Europe	**1.2**	**19.5**	**20.7**	0.5	20.2	20.7
RoW	**1.1**	**–**	**1.1**	0.6	–	0.6
Total	**4.0**	**26.7**	**30.7**	4.0	26.8	30.8

Kamaptive Revenues £0.0m (2023: £1.7m), represent revenues arising because of contract milestones achieved and recognised over the life of the Intuitive collaboration agreement. There remains £0.4m (2023: £1.4m) within trade receivables Note 15 due from contract assets. All core revenues are recognised under IFRS-15 at the point obligation is met on the transfer of goods.

At 31 December 2024 the Group had a number of unsatisfied performance obligations under IFRS 15 in relation to the Intuitive collaboration in line with the contract agreement. The value of this unsatisfied performance obligation is in excess of £0.4m. (2023: £0.4m). We expect this to be received during 2026.

Creo Consumables within discontinued operations were up 2.6% in constant currency. Reported revenues are £26.7m (2023: £26.8m) reflecting forex headwinds in the period.

Segmental reporting

Operating segments are identified on the basis of internal reporting and decision making. Creo currently has one operating segment which is the research, development and distribution of electrosurgical medical devices relating to the field of surgical endoscopy.

As the Group continues to grow we expect the internal reporting structure to change to meet the changing goals and objectives of the business and additional operating segments may be identified in future years.

As there is only one reportable operating segment whole profit, expenses, assets, liabilities and cashflows are measured and reported on a basis consistent with the financial statements, with no additional disclosures necessary.

Other operating income

Other operating income relates to government grants. Income is recognised necessary to match it with the related costs in the profit or loss on a systematic basis over the year in which the entity recognises expenses for the related costs for which the grants are intended to compensate. Grant income de-recognised in the year was £0.4m (Grant income received 2023: £0.4m) as it became evident that the grant conditions will no longer be fulfilled in relation to job growth, following the reduction in headcount during H2.

The notes on pages 103 to 134 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

Notes to the financial statements continued

3. Loss before tax

The loss before income tax is stated after charging:

(All figures £m)	12 months to 31 December 2024	12 months to 31 December 2023
Depreciation – owned assets	**1.0**	1.1
Depreciation – right of use assets	**0.3**	0.2
Amortisation	**0.2**	0.2
Staff costs	**16.8**	16.4
Foreign Currency Loss/(Gain)	**(0.1)**	0.1
Research and development expenditure	**11.1**	11.8

4. Audit and non-audit fees

An analysis of auditors' remuneration is as follows:

(All figures £m)	12 months to 31 December 2024	12 months to 31 December 2023
Audit of Parent Company and Consolidation	**0.1**	0.1
Audit of Group subsidiaries	**0.1**	0.2
Audit fees	**0.2**	0.3

5. Staff numbers and costs

The cost of employees (including Directors) during the year was made up as follows:

	12 months to 31 December 2024			12 months to 31 December 2023		
(All figures £m)	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Wages and salaries	**12.9**	**5.7**	**18.6**	12.8	5.2	18.0
Social security costs	**1.3**	**1.5**	**2.8**	1.3	1.4	2.7
Other pension costs	**1.1**	**0.0**	**1.1**	0.9	0.1	1.0
Share-based payments	**1.2**	**–**	**1.2**	1.0	–	1.0
Total	**16.5**	**7.2**	**23.7**	16.0	6.7	22.7

The average monthly number of employees during the year was as follows:

	12 months to 31 December 2024			12 months to 31 December 2023		
(All figures £m)	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Research and development	**43**	**21**	**64**	48	21	69
Administration & Operations	**78**	**39**	**117**	89	39	128
Sales & Marketing	**46**	**47**	**93**	43	47	90
Total	**167**	**107**	**274**	180	107	287

At 31 December 2024 the headcount in continuing operations has reduced to 129, with the cost reduction expected in full for 2025.

6. Directors' remuneration

(All figures £m)	12 months to 31 December 2024	12 months to 31 December 2023
Directors' remuneration	**1.4**	1.9
Pension	**0.1**	0.1
Total Directors' remuneration	**1.5**	2.0

Directors' emoluments disclosed above paid to the highest paid Director in the year was £0.3m (2023: £0.6m) including Pension contribution of £0.02m (31 December 2023: £0.03m). The share options exercised in the year by the highest paid Director was £nil (31 December 2023: £nil). Total directors remuneration excludes Share based payment charge of £nil 2024 (2023: £0.9m).

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6. Directors' remuneration continued

There were Company pension contributions of £0.1m made to defined contribution schemes during the current year (31 December 2023: £0.1m). Four Directors are in the defined contribution scheme (2023: Four).

No shares were received or receivable for any Director in respect of long-term incentive schemes. No share options were exercised during the year.

7. Research and development expenditure

During the current and comparative years, research and development was a significant activity of the entity. Expenditure on research activities is recognised in the statement of profit or loss as incurred.

8. Share-based payments

At 31 December 2024 the Group has an established Enterprise Management Incentive ("EMI") and non-EMI schemes (the "Schemes") under which share options have been granted to certain officers, employees and certain suppliers. The Schemes are equity-settled share-based payment arrangements whereby holders of vested options are entitled to purchase shares in the Company at the market price of the shares at the grant date.

The Schemes include both market and non-market based vesting conditions. The share options may be exercised from the date that they vest until the 10th anniversary of the date of the grant. In addition to the performance-based vesting conditions the only vesting requirement is that the recipient remains in employment with the Company with the exception of tranches 11 and 12 where employment is not a criteria. All options are to be settled by the physical delivering of shares. Details of the grants under these schemes are as follows:

Award	Grant date	Number of options	Vesting conditions	Exercise price (£)	Fair value (£)	Contractual life of options
3	14 July 2015	1,121,400	Continual service of employment over 3 years	0.17	0.11	10 years
4	14 July 2015	670,680	Continual service of employment over 3 years	0.17	0.11	10 years
5	03 August 2015	1,242,000	Continual service of employment over 3 years	0.17	0.12	10 years
6	04 August 2015	216,000	Continual service of employment over 3 years	0.17	0.12	10 years
7	29 September 2016	1,944,000	Continual service of employment over 3 years	0.17	0.11	10 years
8	09 December 2016	5,907,896	Continual service of employment over 3 years	0.76	0.48	10 years
9	04 April 2018	875,902	Continual service of employment and market based performance conditions	1.13	0.58	10 years
10	29 August 2018	1,746,718	Continual service of employment over 3 years and non market based performance conditions	1.54	0.84	10 years
11	18 October 2018	749,209	Non market based performance conditions	0.76	1.60	10 years
12	02 July 2018	1,000,000	Non market based performance conditions	1.26	0.67	10 years
13	17 October 2019 & 7 November 2019	3,348,475	Non market and market based performance conditions	0.001 to 1.90	0.86 to 1.69	10 years
14	18 February 2020	490,000	Non market and market based performance conditions	0.01	0.51	10 years
15	23 July 2020	725,369	Continual service of employment over 3 years	2.01	1.18	10 years
16	04 & 27 January 2021	1,117,837	Continual service of employment over 3 years and non market based performance conditions	0.001 to 1.92	0.97 to 2.17	10 years
17	14 June 2021	928,164	Continual service of employment over 3 years and non market based performance conditions	0.001 to 2.06	0.81–1.84	10 years
18	23 November 2021	4,633,465	Non market based performance conditions	0.001	1.41	10 years
19	04 August 2022	1,537,212	Continual service of employment over 3 years	0.001 to 1.92	0.26 to 0.76	10 years
20	7 June 2023 & 2 August 2023	12,558,401	Non market and market based performance conditions	0.001 to 0.23	0.2352 to 0.3225	10 years
	Total*	**40,812,728**				

* There were forfeits in the year of 144,664 and no exercises. Total forfeits and exercises brought forward from prior periods for tranches 3 to 20 totals 8,568,776

Notes to the financial statements continued

8. Share-based payments continued

Share option activity for the year ended 31 December 2024 and 31 December 2023 is presented below:

	31 December 2024 Number of options	31 December 2024 Weighted average exercise price	31 December 2023 Number of options	31 December 2023 Weighted average exercise price
Outstanding at start of year as previously stated	**32,243,952**	**£0.39**	19,983,867	£0.62
Granted during the prior year	**–**	**£0.00**	–	£0.00
Granted during the year	**–**	**£0.00**	12,558,401	£0.08
Forfeited during the year	**(144,664)**	**£0.76**	(298,316)	£0.98
Cancelled during the year	**–**	**£0.00**	–	£0.00
Exercised during the year	**–**	**£0.00**	–	£0.00
Outstanding at end of year	**32,099,288**	**£0.35**	32,243,952	£0.39
Exercisable at end of year	**13,518,597**	**£0.78**	11,995,324	£0.84

The estimated fair value of the share options was calculated by applying a Black-Scholes model for shares with no market- based performance conditions and a Monte Carlo model for those with a market-based performance condition. The model inputs for the current year option grants were as follows:

	31 December 2024	31 December 2023
Exercise price	**£0.001**	£0.001
Share price at date of grant	**0.2325–0.3225**	0.2325–0.3225
Risk-free interest rate	**4.5%–5%**	4.5%–5%
Expected volatility	**54%–55%**	54%–55%
Dividend yield	**0%**	0%
Contractual life of option (years)	**10**	10

Expected volatility was based on historical share price volatility for the 12 months to the grant date, which may not necessarily be the actual outcome. No share options were exercised during the year. Unless specified the vesting period of the options is 3 years.

(All figures £m)	12 months to 31 December 2024	12 months to 31 December 2023
Expense arising from share-based payment transactions	**1.2**	1.0
Expense arising from SIP scheme	**0.3**	0.2
	1.5	1.2

The following amounts for share-based payments are reflected in the above Consolidated Statement of Profit or Loss and Other Comprehensive Income in relation to Directors:

(All figures £m)	12 months to 31 December 2024	12 months to 31 December 2023
Professor Christopher Hancock	**0.2**	0.2
Craig Gulliford	**0.2**	0.2
Richard Rees	**0.2**	0.1
David Woods	**0.1**	0.1
	0.7	0.6

8. Share-based payments continued

During the prior year the Group implemented a SIP scheme for all UK employees. Employees are able to purchase up to £1,800 in Partnership Shares each year. The Company will then provide two matching shares for each Partnership Share purchased. Employees must remain with the Company for three years to keep the matching shares and five years to receive the shares tax free. The shares purchased/issued during the year under the scheme are as follows:

(All figures exact numbers)	2024	2023
Total Shares at 01 January	**2,357,743**	573,801
Partnership Shares purchased in year	**398,134**	627,318
Matching shares issued in year	**528,452**	1,156,624
Total Shares in SIP scheme at 31 December	**3,284,329**	2,357,743

The total value of the Partnership Shares which was charged to administrative expenses in the year was £0.3m. Matching shares for the partnership shares purchased under the SIP scheme in December 2024 were not issued until after the yearend.

9. Finance expenses and finance income

	12 months to 31 December 2024			12 months to 31 December 2023		
(All figures £m)	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Finance income:						
Bank interest	**0.2**	**–**	**0.2**	0.7	–	0.7
Total finance income	**0.2**	**–**	**0.2**	0.7	–	0.7
Finance costs:						
Bank interest	**0.4**	**0.4**	**0.8**	0.2	0.2	0.4
Interest expense on lease liabilities	**0.0**	**0.0**	**0.0**	0.0	0.0	0.0
Total finance costs	**0.4**	**0.4**	**0.8**	0.2	0.2	0.4

Information on leases is shown in Note 25.

Notes to the financial statements continued

10. Taxation

Recognised in the statement of profit or loss and other comprehensive income:

(All figures £m)	Note	31 December 2024	31 December 2023
Current tax:			
Current year		**(2.0)**	(4.0)
Adjustments for prior years		**-**	0.0
Foreign tax:		**0.0**	0.1
Adjustments for prior years		**-**	-
Current tax credit		**(2.0)**	(3.9)
Deferred tax:			
Origination and reversal of temporary timing differences	16	**0.8**	1.2
Total tax credit from Continued Operations		**(1.2)**	(2.7)
Tax on discontinued operations		**0.2**	(0.1)
Total tax credit from Operations		**(1.0)**	(2.8)

Reconciliation of effective tax rate:

(All figures £m)	31 December 2024	31 December 2023
Loss for the period	**(27.8)**	(23.7)
Total credit	**(1.2)**	(2.7)
Loss excluding taxation	**(29.0)**	(26.4)
Tax using the UK corporation tax rate of 25% (2023: 23.5%)	**(7.3)**	(5.8)
Research and development	**-**	0.1
Movement in deferred tax not provided	**3.5**	2.0
Non-deductible expenses	**3.4**	0.3
Different tax rates applied in overseas tax jurisdictions	**-**	0.0
Losses Utilised	**(0.8)**	(0.3)
Fixed Asset differences	**-**	0.2
Deferred tax assets recognised	**-**	0.8
Prior year adjustment	**-**	(0.0)
Total tax credit from Continued Operations	**(1.2)**	(2.7)
Tax on discontinued operations	**0.2**	(0.1)
Total tax credit from Operations	**(1.0)**	(2.8)

The Group has submitted R&D tax relief claims under the small or medium-sized enterprises ("SME") scheme and £2m (2023: £2.7m) has therefore been accounted as a tax credit in accordance with IAS 12 Income Taxes.

11. Loss per share

Loss per share has been calculated in accordance with IAS 33 – Earnings Per Share using the loss for the year after tax, divided by the weighted average number of shares in issue.

(All figures £)	31 Decembe 2024	31 December 2023
Loss		
Loss attributable to equity holders of Company (basic)	**(27,776,661)**	(23,736,069)
Shares (number)		
Weighted average number of Ordinary Shares in issue during the year	**369,978,970**	313,004,399
Loss per share Continuing Operations		
Basic and diluted	**(0.08)**	(0.08)
Total Loss		
Loss attributable to equity holders of Company (basic)	**(28,722,457)**	(21,720,909)
Shares (number)		
Weighted average number of Ordinary Shares in issue during the year	**369,978,970**	313,004,399
Loss per share		
Basic and diluted	**(0.08)**	(0.07)
Ordinary Shares start of year	**361,251,418**	181,545,885
Issued in year		
Issue 1 – Ordinary	**225,024**	796,478
Issued with months remaining	**11**	11
Issue 2 – Ordinary	**303,428**	168,548,909
Issued with months remaining	**5**	9
Issue 3 – Ordinary	**50,369,109**	10,000,000
Issued with months remaining	**2**	5
Issue 4 – Ordinary	**-**	360,146
Issued with months remaining	**-**	5
Issue 5 – Ordinary	**-**	–
Issued with months remaining	**-**	–
Closing Ordinary Shares	**412,148,979**	361,251,418
Average Ordinary Shares	**369,978,970**	313,004,399
Basic EPS	**(0.08)**	(0.07)

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Notes to the financial statements continued

12. Intangible assets and goodwill

(All figures £m)	Goodwill	Trade Name	Customer Relationships	Supplier Relationships	Development costs capitalisation	Computer software	Assets under construction	Total
Cost:								
At 1 January 2023	19.6	1.2	1.2	7.6	0.6	0.6	0.0	30.8
Additions	–	–	–	–	0.2	0.1	0.1	0.4
Transferred	–	–	–	–	–	0.0	(0.0)	–
Effect of movements in exchange rate	(0.5)	(0.0)	(0.1)	(0.0)	–	–	–	(0.6)
At 31 December 2023	19.1	1.2	1.1	7.6	0.8	0.7	0.1	30.6
Amortisation:								
At 1 January 2023	–	0.3	0.3	1.8	0.4	0.4	–	3.2
Charge for period	–	0.2	0.1	0.7	0.1	0.1	–	1.2
Transferred	–	–	–	–	–	–	–	–
Effect of movements in exchange rate	–	(0.0)	(0.0)	(0.0)	–	(0.0)	–	–
At 31 December 2023	–	0.5	0.4	2.5	0.5	0.5	–	4.4
Net book value at 31 December 2023	**19.1**	**0.7**	**0.7**	**5.1**	**0.3**	**0.2**	**0.1**	**26.2**

(All figures £m)	Goodwill	Trade Name	Customer Relationships	Supplier Relationships	Development costs capitalisation	Computer software	Assets under construction	Total
Cost:								
At 1 January 2024	19.1	1.2	1.1	7.6	0.8	0.7	0.1	30.6
Additions	–	–	–	–	0.1	–	0.0	0.1
Disposal	–	–	–	–	–	(0.0)	–	(0.0)
Transferred	–	–	–	–	–	–	–	–
Transfer of asset held for sale	(19.1)	(1.2)	(1.1)	(7.6)	–	–	–	(29.0)
Effect of movements in exchange rate	–	–	–	–	–	–	–	–
At 31 December 2024	–	–	–	–	0.9	0.7	0.1	1.7
Amortisation:								
At 1 January 2024	–	0.5	0.4	2.5	0.5	0.5	–	4.4
Charge for period	–	–	–	–	0.2	0.0	–	0.2
Disposal	–	–	–	–	–	(0.0)		
Transfer of asset held for sale	–	(0.5)	(0.4)	(2.5)	–	(0.0)	–	(3.4)
Effect of movements in exchange rate	–	–	–	–	–	–	–	–
At 31 December 2024	–	–	–	–	0.7	0.5	–	1.2
Net book value at 31 December 2024	**–**	**–**	**–**	**–**	**0.2**	**0.2**	**0.1**	**0.5**

The amortisation of intangibles has been charged to administrative expenses in the Consolidated Statement of profit or loss and other Comprehensive Income. The amounts shown as asset held for sale in relation to Goodwill totals £16.9m, see note 28. The above transfer of goodwill £19.1m is before charge in relation to the impairment of Aber Electronics Ltd £1.5m and foreign exchange movement of £0.7m. Intangibles NBV of £6.5m were transferred before a amortisation charge of (£0.4m) and a foreign exchange movement of (£0.2m).

Capitalised development costs

Development costs in relation to the Bipolar snare of £0.1m were capitalised during the year (31 December 2023: £0.3m).

Assets under construction

There was £0.0m assets under construction at the 31 December 2024 in relation to software purchased during the year (31 December 2023: £0.1m).

Goodwill

At the balance sheet date all value in relation to Goodwill in the group is within the assets held for sale, given the sale has completed before the signing of these accounts there is deemed to be no risk of impairment to the values on the balance sheet and therefore the carrying value is supported by the profit on the sale. The Asset held for sale of £27.1m has been sold for €72m, evidence clear headroom in the carrying value.

Aber Electronics Goodwill of £0.0m (2023: £1.5m) has been fully impaired in the year, this charge is shown within discontinued operations.

13. Property, plant and equipment

(All figures £m)	Land & Buildings	Leasehold Improvements	Office equipment	Fixtures & fittings	Motor vehicles	Plant and machinery	Assets under construction	Demo Equipment	Right of Use Asset Leases	Total
Cost:										
At 1 January 2023	4.6	0.9	1.8	0.3	0.5	2.6	1.4	1.3	3.5	16.9
Additions	–	0.4	0.1	0.0	0.1	0.1	0.1	0.1	0.4	1.3
Transferred	–	1.4	0.0	–	–	0.0	(1.4)	–	–	–
Disposals	–	–	–	(0.0)	(0.0)	(0.0)	–	(0.0)	(0.6)	(0.6)
Exchange rate movements	–	(0.1)	0.0	0.0	0.0	(0.0)	0.0	(0.1)	(0.1)	(0.3)
At 31 December 2023	4.6	2.6	1.9	0.3	0.6	2.7	0.1	1.3	3.2	17.3
Accumulated Depreciation:										
At 1 January 2023	0.2	0.7	1.3	0.2	0.2	1.8	–	0.6	1.7	6.7
Charge for the year	0.1	0.3	0.3	0.1	0.1	0.4	–	0.3	0.6	2.2
Disposals	–	–	–	(0.0)	0.0	0.0	–	(0.0)	(0.6)	(0.6)
Exchange rate movements	–	(0.0)	0.0	(0.1)	(0.0)	0.0	–	(0.0)	0.0	(0.1)
At 31 December 2023	0.3	1.0	1.6	0.2	0.3	2.2	–	0.9	1.7	8.2
Net book value at 31 December 2023	4.3	1.6	0.3	0.1	0.3	0.5	0.1	0.4	1.5	9.1

(All figures £m)	Land & Buildings	Leasehold Improvements	Office equipment	Fixtures & fittings	Motor vehicles	Plant and machinery	Assets under construction	Demo Equipment	Right of Use Asset Leases	Total
Cost:										
At 1 January 2024	4.6	2.6	1.9	0.3	0.6	2.7	0.1	1.3	3.2	17.3
Assets Held for sale	–	(0.3)	(0.3)	(0.2)	(0.5)	(0.3)	–	(1.3)	(1.9)	(4.8)
Additions	–	–	0.0	–	–	0.0	0.1	–	–	0.1
Transferred	–	–	–	–	–	0.1	(0.1)	–	–	–
Disposals	–	(0.1)	(0.0)	–	–	–	–	–	–	(0.1)
Exchange rate movements	–	0.1	0.0	–	–	0.0	–	–	0.0	0.1
At 31 December 2024	4.6	2.3	1.6	0.1	0.1	2.5	0.1	(0.0)	1.3	12.6
Accumulated Depreciation:										
At 1 January 2024	0.3	1.0	1.6	0.2	0.3	2.2	–	0.9	1.7	8.2
Assets Held for Sale	–	(0.0)	(0.2)	(0.2)	(0.3)	(0.2)	–	(0.9)	(1.0)	(2.8)
Charge for the year	0.3	0.2	0.1	–	–	0.4	–	0.0	0.3	1.3
Disposals	–	(0.0)	(0.0)	–	–	–	–	–	–	(0.0)
Exchange rate movements	–	(0.0)	0.0	–	–	0.0	–	–	(0.0)	0.0
At 31 December 2024	0.6	1.2	1.5	0.0	0.0	2.4	–	(0.0)	1.0	6.7
Net book value at 31 December 2024	4.0	1.1	0.1	0.1	0.1	0.1	0.1	0.0	0.3	5.9

The amounts shown as asset held for sale in relation to PPE totals £1.9m, see note 28. The above transfer of NBV PPE of £2.0m is before net additions of £0.5m and depreciation of (£0.5m) and a foreign exchange movement (£0.1m).

The notes on pages 103 to 134 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

Notes to the financial statements continued

14. Inventories

(All figures £m)	31 December 2024	31 December 2023
Raw materials & consumables	**2.0**	3.1
Finished goods	**0.7**	5.0
Total inventories	**2.7**	8.1

These carrying values are stated net of impairment provisions of £1.3m (2023: £2.2m). Inventories of £0.8m (2023: £2.2m) were written down during the year and the expense recognised in the income statement. £1.9m of inventories was recognised in the income statement in cost of sales. The Directors are of the opinion that the replacement values of inventories are not materially different to the carrying values stated above.

15. Trade and other receivables

(All figures £m)	31 December 2024	31 December 2023
Current:		
Trade Receivables	**0.9**	6.4
Contract Asset	**0.4**	1.4
VAT Receivable	**0.3**	–
Other debtors	**–**	0.1
Prepayments	**0.4**	0.7
Total current	**2.0**	8.6
Non-current:		
Other debtors	**0.1**	0.2
Total trade and other receivables	**2.1**	8.8

An expected credit loss provision of £0.1m (2023: £0.3m) in relation to trade debtors has been booked during the year. Contract assets of have reduced by £1.0m, £0.4m in relation to Grant funding written off in the period to other operating income, see note 2. The remaining £0.6m has been billed in the period and £0.4m remains outstanding.

16. Deferred tax

The accelerated capital allowances deferred tax liability set out below is expected to reverse over the life of the related fixed assets. No Deferred tax has been recognised in the continuing operation (2023: 25%).

The movement on the deferred tax account is as shown below:

(All figures £m)	31 December 2024	31 December 2023
Movement:		
At 1 January	**0.3**	0.5
Deferred Tax Asset recognised	**–**	(0.8)
Adjustment for prior years	**0.1**	(0.1)
Tax Liability held for Sale	**(1.2)**	–
Tax charge recognised in profit and loss	**0.0**	(0.5)
	(0.8)	(0.9)
Losses utilised	**0.8**	1.0
Change in tax rate	**–**	0.1
Exchange rate movements	**–**	0.1
At 31 December	**0.0**	0.3

(All figures £'000)	31 December 2024	31 December 2023
Balances:		
Intangible assets	**–**	1.7
Pension accruals and other temporary timing differences	**–**	(0.3)
Tax losses offset (see below)	**–**	(1.1)
	–	0.3

The notes on pages 103 to 134 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

16. Deferred tax continued

(All figures £'000s)	31 December 2024	31 December 2023
Balances:		
Deferred tax asset	**–**	(1.1)
Deferred tax liability	**–**	1.4
Net Deferred Tax liability	**–**	**0.3**

There are estimated unused trading losses at 31 December 2024 of approximately £79.8m (31 December 2023: estimated £69.4m). A deferred tax asset of £0.0m (2023: £0.8m) has been recognised in relation to these losses as unlike in previous years due to the sale of Creo Medical (UK) Ltd the Group will not be able to offset future profits from c.£0.4m was utlised in the year against the profits of Creo Medical (UK) Ltd, with the remaining deferred tax asset written off. A remaining deferred tax asset of approximately £19.95m (31 December 2023: £16.6m) has not been recognised in respect of these tax losses due to uncertainty in respect of its recoverability. A deferred tax asset of approximately £0.4m arises in respect of the share options that haven't yet been exercised. This has not been recognised due to uncertainty in respect of its recoverability.

Tax receivables at 31 December 2024 of £2.1m (31 December 2023: £2.7m) relate solely to R&D tax credits. The Company has submitted R&D tax credit claims for the years presented in relation to its qualifying research and development expenditure and has taken the option of surrendering the resulting losses and claiming an R&D tax credit in the form of immediate cash payments from HMRC

17. Trade and other payables

(All figures £m)	31 December 2024	31 December 2023
Current:		
Trade payables	**0.9**	2.7
Social security and other taxes	**0.3**	0.4
VAT payable	**–**	0.1
Deferred other income	**0.1**	–
Other payables	**0.0**	0.7
Accrued expenses	**2.6**	2.0
Derivative Liability	**–**	0.0
Deferred and Contingent Consideration	**–**	0.7
Total trade and other payables	**3.9**	6.6

As at 31 December 2024 the Group has contingent consideration in relation to the acquisition of Aber Electronics Limited in 2021 of £nil (2023: £0.7m).

18. Financial instruments

Carrying amount of financial instruments

The amounts for all financial assets carried at fair value are as follows:

(All figures £m)	31 December 2024	31 December 2023
Investments:		
I.Q. Endoscopes	**2.1**	2.1

Interest Bearing Liability:	Gross Loan	Lease Liabilities
01 January 2023	8.3	1.7
Additions	0.2	0.4
Cashflow Principals	(1.4)	(0.7)
Cashflow Interest	(0.2)	(0.0)
Non-cash Changes Interest*	0.0	0.0
Non-cash Changes FX	0.1	0.0
31 December 2023	7.0	1.4

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Notes to the financial statements continued

18. Financial instruments continued

	Gross Loan	Lease Liabilities
01 January 2024	7.0	1.4
Asset held for Sale	(2.7)	(0.8)
Additions	–	–
Cashflow Principals	(0.1)	(0.3)
Cashflow Interest	(0.3)	(0.0)
Non-cash Changes Interest*	0.2	–
Non-cash Changes FX	–	–
31 December 2024	**4.1**	**0.3**

* Non-cashflow changes relate to effective interest rate charge on the Cardiff Capital Region loan and lease interest incurred on IFRS 16 leases Lease information is shown in Note 25. The discontinued operation shows gross loan and lease liability of £9.6m as shown in Note 28. As a result of a net loan drawn down in the year of £6.2m as part of a refinancing exercise performed in early 2024.

Financial instruments measured at fair value

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate. There were no forwards at the year end (2023: £nil).

Financial risk management

The main purpose of the Company's financial instruments is to finance the Company's operations. The financial instruments comprise of leases, foreign currency forward contracts, bank loans and facilities, cash and liquid resources and various items arising directly from its operations, such as trade receivables and trade payables. The main risks arising from the Company's finance instruments are exchange rate risk, interest rate risk, and liquidity risk. The Company's policies on the management of liquidity interest rates and foreign currency risks are set out below.

Fair values of financial instruments

All financial assets and liabilities are held at amortised cost apart from forward exchange contracts, and the investment which are held at fair value. Foreign exchange contracts changes go through the statement of profit or loss. The investment was fair valued at 31 December 2024.

(All figures £m)	2024	2023
Carrying Value as at 1 January	**2.1**	2.1
Additional Investment	**–**	–
Share Warrant Exercise	**–**	–
Fair Value Gain through OCI	**–**	–
Balance at 31 December	**2.1**	2.1

The Company measured the fair value of instruments which are categorised as level 2 in the fair value hierarchy, being the investment in I.Q. Endoscopes as the price paid per share by other shareholders who also invested in the entity at the same time as the Group. No additional equity investment was made during the year into the entity. We have therefore determined the fair value per share to be the same as the previous funding round at £2.45 to be representative of the fair value of the shares at 31 December 2024.

Shares owned 1 January 2024	**854,708**
Additional shares acquired during the year	–
Fair Value per share (£)	2.5
Fair Value of investment (£m)	2.1
Cost of initial investments	(1.5)
Gain through OCI since investment (£m)	0.6

We have made an irrevocable election to classify fair value changes of the investment in I.Q. Endoscopes through other comprehensive income rather than through profit or loss, the impact of this being any changes in fair value will never be reclassified through the profit or loss account even if the investment is disposed of. Management rationale for this treatment is that the investment is not being held for the purposes of future sale or to receive returns. Instead the investment is to help develop their disposable endoscopy products and potential synergies this could have with the Creo product range.

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18. Financial instruments continued

The Company has not disclosed the fair values for certain financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair values. Short and long-term interest-bearing liabilities, as detailed in Note 19, are discounted at the effective interest rate of the respective financial liability and their carrying value is considered to be a reasonable approximation of their fair value.

Liquidity

The Company's policy is to ensure that it has sufficient cash resources to cover its future trading requirements which is predominately sourced from its shareholders and investors. Short-term flexibility is available through current investor support as well as banking facilities across the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

Interest-rate risk and benchmark reform

The Group has limited exposure to interest rate fluctuations with some loans acquired post year end having variable interest rates. Where possible we look to offset interest from loans with interest received from our cash on deposit. We do not consider that any significant increase in interest rates would have a material impact on the business. The Group has some loans linked to the EURIBOR however we don't consider any major movements in the benchmark would result in a material interest liability for the Group. We therefore do not consider the transition to alternative benchmark rates to be a significant risk.

Trade Receivables

The carrying amounts of financial assets represent the maximum credit exposure. As at 31 December 2024 no investments in debt securities (2023: nil), other contract assets of £0.4m (2023: £1.4m) and receivables from customers of £0.9m (2023: £6.4m).

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate as well as other macro-economic conditions.

The ECL is calculated against specific customer debts in 2024 due to the reduction in the overall balance as a result of the asset held for sale and results in a impairment in respect of trade receivables of £0.1m (2023: £0.3m). There is no material risk.

Foreign exchange risk

The Company currently purchases certain materials throughout the world in connection with research and development of its primary product.

The Company also has subsidiaries which operate in a different functional currency. The consequence of this is that the Company is exposed to movement in foreign currency rates. Liabilities within the Group are settled where possible using the currency of the liability to reduce foreign exchange exposure. Forward foreign exchange contracts are used to manage the net foreign exchange exposure where appropriate.

Market Risk

We do not consider market risk to be a material risk to the Group at this time.

Notes to the financial statements continued

19. Interest-bearing liabilities

(All figures £m)		31 December 2024	31 December 2023
Current:			
Lease liabilities	25	**0.2**	0.6
Bank credit facilities		**–**	2.0
Bank Loans		**–**	0.4
Commercial Loan		**2.1**	–
Mortgage		**0.1**	0.1
		2.4	**3.1**
Non-current:			
Lease liabilities	25	**0.1**	0.8
Bank Loan		**–**	0.3
Commercial Loan		**–**	2.1
Mortgage		**1.9**	2.0
		2.0	**5.2**
		4.4	**8.3**
Lease liabilities are payable as follows:			
Less than one year		**0.2**	0.6
Between one and five years		**0.1**	0.7
More than five years		**–**	0.1
		0.3	**1.4**
Bank borrowings are payable as follows:			
Less than one year		**2.2**	2.5
Between one and five years		**1.9**	4.4
More than five years		**–**	–
		4.1	**6.9**
		4.4	**8.3**

19. Interest-bearing liabilities continued

The terms and conditions of outstanding loans are as follows:

				31 December 2024		31 December 2023	
(Amounts in £m)	Currency	Nominal interest rate	Year of maturity	Principal Value	Carrying Value	Principal Value	Carrying Value
Secured Bank Loan	EUR	2%	2023	**–**	**–**	0.2	0.0
Unsecured Bank Loan	EUR	EURIBOR+2%	2023	**–**	**–**	0.5	0.0
Unsecured Bank Loan	EUR	1%	2025	**–**	**–**	0.3	0.1
Unsecured Bank Loan	EUR	1%	2025	**–**	**–**	0.3	0.1
Unsecured Bank Loan	EUR	2%	2025	**–**	**–**	0.3	0.1
Unsecured Bank Loan	EUR	2%	2025	**–**	**–**	0.3	0.1
Unsecured Bank Loan	EUR	EURIBOR+1.75%	2025	**–**	**–**	0.3	0.1
Unsecured Bank Loan	EUR	0.44%	2024	**–**	**–**	0.1	0.1
Unsecured Bank Loan	EUR	0.44%	2024	**–**	**–**	0.1	0.1
Unsecured Bank Loan	GBP	2.50%	2026	**–**	**–**	0.1	0.0
Mortgage	GBP	Base rate +2.5%	2027	**2.3**	**2.1**	2.3	2.1
Commercial Loan	GBP	3.66%	2025	**2.1**	**2.1**	2.1	2.1
Short term Credit with Banks	EUR	1.45–1.75%	2024	**–**	**–**	2.3	2.0
Lease Liabilities	EUR	1.5%–4%	2021–26	**–**	**–**	1.7	0.8
Lease Liabilities	GBP	2.8%–5%	2021–24	**0.7**	**0.3**	0.7	0.6
Total interest bearing liabilities				**5.1**	**4.5**	11.6	8.3

The commercial loan is provided by Cardiff Capital Region for the sum of £2.1m with a cash check covenant requiring the ultimate Parent Company Creo Medical Group plc to hold £2.3m in cash at all times. The lease liabilities are detailed at Note 25.

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Notes to the financial statements continued

20. Provisions

(All figures £m)	Warranties	Dilapidations	Legal & Tax	Other	Total
At 1 January 2023	0.1	0.4	0.0	0.1	0.6
Provisions made in the year	0.0	0.0	0.0	0.0	0.0
Provisions used in the year	(0.0)	(0.1)	0.0	(0.0)	(0.1)
At 31 December 2023	**0.1**	**0.3**	**0.0**	**0.1**	**0.5**
Non-Current	0.0	0.3	0.0	0.0	0.3
Current	0.1	0.0	0.0	0.1	0.2
	0.1	**0.3**	**0.0**	**0.1**	**0.5**

(All figures £m)	Warranties	Dilapidations	Legal & Tax	Other	Total
At 1 January 2024	**0.1**	**0.4**	**0.0**	**0.1**	**0.6**
Provisions Asset Held for Sale	(0.1)	(0.2)	0.0	(0.1)	(0.4)
Provisions made in the year	0.0	0.0	0.0	0.0	0.0
Provisions used in the year	0.0	(0.1)	0.0	0.0	(0.1)
At 31 December 2024	**0.0**	**0.1**	**0.0**	**0.0**	**0.1**
Non-Current	0.0	0.0	0.0	0.0	0.0
Current	0.0	0.1	0.0	0.0	0.1
	0.0	**0.1**	**0.0**	**0.0**	**0.1**

Warranty provisions

Warranty provisions related to Creo Medical S.L.U. ("Creo Medical Europe") own brand products and services provided and was based on historical warranty data associated with similar products and services sold. There is a £nil carrying provision following the completion of the sale of 51% of the issued share capital of Creo Medical Europe.

Dilapidation provisions

Provisions have been made for the estimated restoration costs of the leased premises at our UK and US sites.

Provisions for dilapidations are inherently uncertain in terms of quantum and timing, not least because they involve negotiations with landlords at future dates. The figures provided in the financial statements represent management's best estimate of the likely outflows to the Group.

Other provisions

Other provisions related to Creo Medical Europe. There is a £nil carrying provision following the completion of the sale of 51% of the issued share capital of Creo Medical Europe.

21. Share Capital and Reserves

(All figures £m)	31 December 2024	31 December 2023
Balance at start of the year	**0.4**	0.2
Issue of share capital		
Number of shares	**50.4**	179.7
Price per share (£)	**0.001**	0.001
Share value (£'m)	**0.1**	0.2
Balance at 31 December	**0.4**	0.4

During the year 50,369,109 shares were issued as part of the fundraise and 528,452 issued to the SIP. The Group has a single class of share: Ordinary Shares £0.001.

Issued share capital

Issued share capital is the amount of nominal value of shares held by shareholders. At 31 December 2024 412,148,979 shares have been issued, each with the nominal value of £0.001 equalling a share capital for the Company of £412,149. All Ordinary Shares rank as *pari passu* with regards to voting, dividends and rights on winding up. All shares are authorised and fully paid.

21. Share Capital and Reserves continued

Share premium

The share premium reserve comprises the difference between the nominal value and the value received on share issue offset by the costs directly associated with obtaining the capital funding e.g. legal fees. See Note 11 for shares issued during the year.

Merger reserve

The merger reserve reflects the difference between the existing share capital and premium of Creo Medical Limited prior to share for share exchange and the nominal value of shares issued. Refer to Note 1 Business combinations and basis of consolidation.

Share option reserve

The share option reserve reflects the cost to the Group of share options granted but not yet exercised. Refer to Note 8 Share-based payments.

Accumulated losses

Retained earnings including profit or loss for the year comprises the earned profit of the Parent Company and its subsidiaries.

Foreign exchange gain or loss reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. Unrealised foreign exchange gains or losses from currency translations of foreign subsidiaries will go through other comprehensive income and into the foreign exchange gain or loss reserve. On disposal of a foreign operation the gain or loss will become realised and recognised as a profit or loss.

Investment reserve

Any loss or gain on our equity investments which we have elected to revalue through OCI is held in the investment reserve. This reserve will never be recognised as a profit or loss even upon disposal of the investment. The reserve may be transferred to retained earnings once the investment is disposed of.

22. Cash from share issue

(All figures £m)	31 December 2024	31 December 2023
Share issue:		
Share options exercised	**–**	–
Issued to EBT Trust	**–**	0.0
Issued to SIP	**0.0**	0.0
Share placing AIM 21 Oct 2024	**12.1**	33.7
Transaction costs AIM 21 Oct 2024	**(1.0)**	(2.0)
	11.1	31.7

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Notes to the financial statements continued

23. Related party disclosures

As at 31 December 2024 the Directors of the Company control 3.93% of the voting shares of the Company.

The remuneration of the Directors of the Company is disclosed in the Directors' Remuneration Report and Note 6 above. Share options held by Directors are detailed in the Directors' Remuneration Report. Subsidiaries 100% owned by the parent company are not included as related parties.

Interests and related party transactions are disclosed below

Key management personnel are deemed to be those with ultimate decision-making power in a particular area of the business. Aggregate remuneration for the year for all key management totaled £1.5m (31 December 2023: £3.1m).

(All figures £m)	**12 months to 31 December 2024**	12 months to 31 December 2023 Restated*	12 months to 31 December 2023
Salary and other taxable benefits	**1.4**	1.9	2.1
Pension	**0.1**	0.1	0.1
Share based payment expense	**0.0**	0.9	0.9
	1.5	2.9	3.1

* Restated to remove costs in relation to Luis Collantes as he is no longer key management personnel following the sale of Creo Medical S.L.U. ("Creo Medical Europe").

23. Related party disclosures continued

The following key management personnel purchased shares in the Company as part of the fundraise in October 2024 as follows:

KMP	NO. OF ORDINARY SHARE ACQUIRED
KEVIN T. CROFTON	2,916,666
RICHARD REES	208,333

24. Ultimate controlling party

By virtue of the shareholding structure, there is no sole ultimate controlling party.

25. Leases

The accounting policy for leases under IFRS 16 has been explained in Note 1.

Leases as lessee (IFRS 16)

The Group leases building facilities in the UK, US, Singapore and previously leased building facilities in France, Spain, Germany and Belgium. The leases typically run for a period of three to ten years, with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Some of the building leases were entered into many years ago as combined leases of land and buildings. Previously, these leases were classified as operating leases under IAS 17. New leases have been recognised under IFRS 16.

The Group leases equipment under a number of leases, which were classified as finance leases under IAS 17.

The Group leases other equipment with contract terms of one to five years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

25. Leases continued

i) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

2023 (All figures £m)	**Land and buildings**	**Plant and machinery**	**Motor Vehicles**	**Total**
Balance at 1 January	1.6	0.1	0.0	1.7
Depreciation Charge	(0.6)	(0.0)	(0.0)	(0.6)
Additions to right of use assets	0.4	–	0.0	0.4
Exchange difference	(0.1)	(0.0)	(0.0)	(0.1)
Balance at 31 December	1.3	0.1	0.0	1.4

2024 (All figures £m)	**Land and buildings**	**Plant and machinery**	**Motor Vehicles**	**Total**
Balance at 1 January	**1.3**	**0.1**	**0.0**	**1.4**
Assets Held for Sales	**(0.7)**	**(0.1)**	**(0.0)**	**(0.8)**
Depreciation Charge	**(0.3)**	**–**	**–**	**(0.3)**
Additions to right of use assets	**–**	**–**	**–**	**–**
Exchange difference	**–**	**–**	**–**	**–**
Balance at 31 December	**0.3**	**–**	**–**	**0.3**

ii) Lease liabilities

(All figures £m)		
Maturity Analysis – undiscounted contractual cash flows		
Less than one year	**(0.2)**	(0.6)
One to five years	**(0.1)**	(0.7)
More than five years	**–**	(0.1)
Total lease liabilities at 31 December	**(0.3)**	(1.4)
Lease liabilities included in the statement of financial position at 31 December	**(0.3)**	(1.4)
Current	**(0.2)**	(0.6)
Non-current	**(0.1)**	(0.8)

iii) Amounts recognised in profit or loss

Leases under IFRS 16 (All figures £m)	**2024**	2023
Depreciation on right of use asset	**0.3**	0.6
Interest on lease liabilities	**0.0**	0.0

The total cash outflow for leases in 2024 was £291k (2023: £632k).

iv) Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period.

Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility.

The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. As at 31 December 2024 no lease extension is expected to be taken by the Group.

26. Capital commitments

The amounts contracted for but not provided for as at 31 December 2024 are £nil (31 December 2023: £nil).

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Notes to the financial statements continued

27. Subsequent events

On 12 February 2025 Creo announced the completion of the sale of 51% of the issued share capital of Creo Medical S.L.U. ("Creo Medical Europe"), a wholly owned subsidiary of Creo, to Micro-Tech (NL) International B.V., a wholly owned subsidiary of Micro-Tech (Nanjing) Co. Ltd (SHA: 688029) ("**Micro-Tech**") at an equivalent equity value of €72m on a cash-free, debt-free basis. Along with other customary conditions, completion of the Sale was contingent on Micro-Tech obtaining Outbound Direct Investment clearance in China along with Foreign Direct Investment clearances in Spain, France, Belgium and Germany which were obtained. After the settling of debt of €6.3m, net proceeds of €30.4m were received by the Company on 14 February 2025. Creo are holding an associate investment using equity accounting at the fair value of the retained investment.

On 19 March 2025 Aber Electronics Limited ("**Aber**"), a wholly owned subsidiary of Creo Medical Limited, was sold by Creo Medical Limited to its management. Creo Medical Limited acquired Aber on 11 November 2021 as a step to secure the supply of a component in the CROMA advanced energy platform. The transaction releases Creo from any ongoing obligations under the original SPA including any further earn out payments. The transaction also includes anti-embarrassment terms which apply until the later of the 10th anniversary of the transaction and the repayment of all intercompany balances, pursuant to which Creo would receive up to 20% of the net proceeds of a sale if Aber (or its business and assets) were acquired by a third party.

28. Discontinued Operations

On 8 July 2024 Creo Medical Group plc signed heads of terms to lose control of its European subsidiary by selling 51%. The Board assessed that a deal for the sale of the European business was in an advance state and deemed highly probable. The circumstances at the year-end were such that the conditions outlined within IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for treatment as 'held for sale' and 'discontinued operations' were met, and this has been reflected in the financial statements.

Similarly, the same circumstances were met with regard to Aber Electronics Ltd in December 2024.

Impact on the Group Consolidated Income Statement for the year ended 31 December 2024

Underlying EBITDA Comparison	**2024 Continuing**	2023 Continuing	**2024 Discontinued**	2023 Discontinued
Adjusted EBITDA	**(22.3)**	(20.9)	**2.2**	4.1
R&D tax credit changes	**0.8**	–	**-**	–
Kamaptive Margin	**0.8**	–	**-**	–
Adjusted EBITDA (normalised)	**(20.7)**	(20.9)	**2.2**	4.1

Restated Adjusted EBITDA

(All figures £m)	**2024 Continuing**	**2024 Discontinued**	**2024 Total**
Revenue	4.0	26.7	30.7
Cost of sales	(2.1)	(14.2)	(16.3)
Gross Profit	**1.9**	**12.5**	**14.4**
Other operating income	0.0	–	0.0
Underlying Administrative expenses	(26.2)	(10.3)	(36.5)
R&D expenditure recovered via tax credit scheme	2.0	–	2.0
Adjusted EBITDA	**(22.3)**	**2.2**	**(20.1)**
Exceptional – Adjusted Items	(5.0)	(1.6)	(6.6)
Depreciation & Amortisation	(1.5)	(1.0)	(2.5)
Operating (Loss)/profit before taxation	**(28.8)**	**(0.4)**	**(29.2)**
Finance expenses	(0.4)	(0.3)	(0.7)
Finance income	0.2	–	0.2
Loss before tax	**(29.0)**	**(0.7)**	**(29.7)**
Taxation	1.2	(0.2)	1.0
(Loss)/Profit for the year	**(27.8)**	**(0.9)**	**(28.7)**

(All figures £m)	**2023 Continuing**	**2023 Discontinued**	**2023 Total**
Revenue	4.0	26.8	30.8
Cost of sales	(1.7)	(13.8)	(15.5)
Gross Profit	**2.3**	**13.0**	**15.3**
Other operating income	(0.0)	0.0	(0.0)
Underlying Administrative expenses	(26.0)	(8.9)	(34.9)
R&D expenditure recovered via tax credit scheme	2.8	–	2.8
Adjusted EBITDA	**(20.9)**	**4.1**	**(16.8)**
Exceptional – Adjusted Items	(4.3)	(0.3)	(4.6)
Depreciation & Amortisation	(1.7)	(1.7)	(3.4)
Operating (Loss)/profit before taxation	**(26.9)**	**2.1**	**(24.8)**
Finance expenses	(0.2)	(0.2)	(0.4)
Finance income	0.7	–	0.7
Loss before tax	**(26.4)**	**1.9**	**(24.5)**
Taxation	2.7	0.1	2.8
(Loss)/Profit for the year	**(23.7)**	**2.0**	**(21.7)**

The notes on pages 103 to 134 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

The notes on pages 103 to 134 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

Notes to the financial statements continued

28. Discontinued Operations continued

Impact on the Group Consolidated Income Statement for the year ended 31 December 2024

(All figures £m)	2024 Discontinued	2023 Discontinued
Revenue	26.7	26.8
Cost of sales	(14.2)	(13.8)
Gross Profit	**12.5**	**13.0**
Other operating income	–	0.0
Underlying Administrative expenses	(10.3)	(8.9)
Adjusted EBITDA	**2.2**	**4.1**
Exceptional – Adjusted Items	(1.6)	(0.3)
Depreciation & Amortisation	(1.0)	(1.7)
Operating (Loss)/profit before taxation	**(0.4)**	**2.1**
Finance expenses	(0.4)	(0.2)
Finance income	–	–
Loss before tax	**(0.8)**	**1.9**
Taxation	(0.1)	0.1
(Loss)/Profit for the year	**(0.9)**	**2.0**

Effects of business disposals on the financial position of the Group in FY24

(All figures £m)	Held For sale 31 December 2024
Intangible assets	5.8
Goodwill	16.9
Property, plant and equipment	1.9
Deferred tax	0.2
Inventories	4.6
Trade and other receivables	7.9
Cash and cash equivalents	3.6
Total assets held for sale	**40.9**
Interest bearing liabilities	9.6
Deferred tax liability	1.4
Trade and other payables	3.2
Total liabilities held for sale	**14.2**
Net Asset Held for Sale	**26.7**

As per Subsequent events note 27, the Net assets held for sale at the balance sheet date were sold for a total of €72m, with net proceeds of €30.4m after debt for the controlling interest. This represents a profit on the sale of £29.3m before costs. Similarly, Aber Electronics completed and is an immaterial transaction post year end.

The notes on pages 103 to 134 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

Parent Company statement of financial position

(All figures £m)	Note	As at 31 December 2024	As at 31 December 2023
Assets			
Non-current assets			
Investments in subsidiaries	31	**4.2**	28.0
Property, plant and equipment	32	**5.1**	5.5
Investments		**2.1**	2.1
Trade and other receivables	33	**125.1**	144.1
		136.5	179.7
Current assets			
Asset held for sale	31	**24.4**	**-**
Trade and other receivables	33	**0.1**	0.1
Cash and cash equivalents		**5.1**	15.7
		29.6	15.8
Total assets		**166.1**	195.5
Liabilities			
Current Liabilities			
Trade and other payables	34	**0.4**	0.2
Interest Bearing Liabilities	34	**0.1**	0.1
Non-Current Liabilities			
Trade and other payables	34	**5.5**	–
Interest Bearing Liabilities	34	**1.9**	2.0
Total Liabilities		**7.9**	2.3
Called up share capital	21	**0.4**	0.4
Share premium		**192.0**	180.9
Financial Assets at fair value through other comprehensive income		**0.6**	0.6
Share option reserve		**11.3**	9.8
Retained earnings		**(46.1)**	1.5
Total Equity		**158.2**	193.2
Total equity and liabilities		**166.1**	195.5

The Company has taken the s408 exemption from presenting a separate profit and loss for the year.

These financial statements on pages 135 to 141 were approved by the Board of Directors on 18 May 2025 and were signed on its behalf by:

Richard Rees
Director

Company registered number: 10371794

The notes on pages 137 to 141 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

Parent Company statement of changes in equity

(All figures £m)	Note	Called up share capital	Accumulated losses	Share premium	Investment Fair Value Reserve	Share option reserve	Total equity
Balance at 1 January 2023		**0.2**	**(0.4)**	**149.5**	**0.6**	**8.6**	**158.5**
Total comprehensive income for the year							
Profit for the financial year		–	1.9	–	–	–	1.9
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income		–	1.9	–	–	–	1.9
Transactions with owners, recorded directly in equity							
Issue of share capital		0.2	–	31.4	–	–	31.6
Equity settled share-based payment transactions	8	–	–	–	–	1.2	1.2
Balance at 31 December 2023		**0.4**	**1.5**	**180.9**	**0.6**	**9.8**	**193.2**
Total comprehensive expense for the year							
Profit for the financial year		–	(47.6)	–	–	–	(47.6)
Other comprehensive income		–	–	–	–	–	–
Total comprehensive expense		–	(47.6)	–	–	–	(47.6)
Transactions with owners, recorded directly in equity							
Issue of share capital		0.0	–	11.1	–	–	11.1
Equity settled share-based payment transactions	8	–	–	–	–	1.5	1.5
Balance at 31 December 2024		**0.4**	**(46.1)**	**192.0**	**0.6**	**11.3**	**158.2**

Parent Company notes to the financial statements

29. Parent Company financial statements

As permitted by section 408(3) of the Companies Act 2006, a separate Statement of Comprehensive Income, dealing with the profit of the Parent Company, has not been presented. The Parent Company loss for the year ended 31 December 2024 is £47.6m (2023: profit £1.9m).

30. Parent Company accounting policies

To the extent that an accounting policy is relevant to both the Group and Company financial statements, refer to the Group financial statements for disclosure of the accounting policy. The nature of the Company's operations and business activities are the same as that of the Group and are described in the Strategic Report.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements the Parent Company has taken advantage of the following disclosure exemptions under FRS 101:

- A Cash Flow Statement and related notes;
- Comparative reconciliations for share capital;
- Comparative reconciliations for PPE;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures of transactions with a management entity that provides key management personnel services to the Company; and
- Certain disclosures required by IFRS 7 Financial Instrument Disclosures.
- As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:
- IFRS 2 Share Based Payments in respect of Group-settled share-based payments;
- Certain disclosures required by IAS 36 Impairment of Assets in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company.

The accounting policies set out above have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed in Note 1 Critical accounting judgements and policy update.

Significant Estimates

The intercompany receivable is a significant estimate for the Parent Company as it involves significant assumptions about the future cashflows used to support the estimate. The Directors believe the assumptions used in the calculation were reasonable and consistent with the forecasts and assumptions used in the Group future cashflow models.

The carrying value was assessed under an ECL model with the following three key assumptions:

- An estimated sale price based on market valuations, current share price and adjusted premium for the sale of the NCI.
- Repayment of the loan in full of operating cashflows discounted for loss on net present value.
- Impact of uncertainty on the above cashflows.

The notes on pages 137 to 141 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

Parent Company notes to the financial statements continued

30. Parent Company accounting policies continued

The impact of the ECL model is set out below:

(All figures £m)	Impairment	ECL	Total ECL
Sale	76.1	60%	45.7
Repayment	5.0	35%	1.8
Uncertainty of cashflows	51.2	5%	2.5
Total		100%	**50.0**

As a result an impairment of the receivable has been made of £50.0m (2023: £0.0m).

The carrying value of the investment in subsidiary is deemed recoverable, the material balance in relation to Creo Medical S.L.U is as an asset held for sale and therefore is supported by the agreed sales price at the balance sheet date.

These financial statements have been prepared on a going concern basis, see going concern disclosure on page 104.

These financial statements have been prepared under the historic cost convention.

Changes in accounting policy and disclosures as well as a description of the entities operations and business activities have been disclosed in Note 1.

Measurement convention

The financial statements are prepared on the historical cost basis except that derivative financial instruments and equity investments are stated at their fair value.

Investments in subsidiaries are carried at cost less impairment.

31. Investments in subsidiaries

(All figures £m)	Investment in subsidiary companies
Cost:	
As at 1 January 2018	0.0
Capital Contribution	0.6
As at 31 December 2018	0.6
Capital Contribution	0.7
As at 31 December 2019	1.3
Capital Contribution	0.4
Albyn Acquisition	23.6
As at 31 December 2020	25.3
Capital Contribution	1.5
As at 31 December 2021	26.8
Capital Contribution	0.6
As at 31 December 2022	27.4
Capital Contribution	0.6
As at 31 December 2023	28.0
Asset Held for sale	(24.4)
Capital Contribution	0.6
As at 31 December 2024	4.2

The notes on pages 137 to 141 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

31. Investments in subsidiaries continued

The Company has the following investments in subsidiary companies:

Subsidiary	Domicile	Status	Registered Office address	Class of shares held	Ownership	Year end	Ownership Type
Creo Medical Limited	England and Wales	Trading	Creo House, Unit 2 Beaufort Park, Beaufort Park Way, Chepstow, Wales NP16 5UH	Ordinary	100%	31-Dec	Direct
Creo Medical, Inc.	US	Trading	100 Reserve Road, suite B400 Danbury, CT 06810, USA	Ordinary	100%	31-Dec	Indirect [5]
Creo Medical Innovations Limited	England and Wales	Trading	Creo House, Unit 2 Beaufort Park, Beaufort Park Way, Chepstow, Wales NP16 5UH	Ordinary	100%	31-Dec	Indirect [5]
Creo Medical PTE Ltd	Singapore	Trading	20A Tanjong Pagar Road, Singapore (088443)	Ordinary	100%	31-Dec	Indirect [5]
Creo Medical S.L.U. (formerly Albyn Medical SL and Creo Medical SL)	Spain	Trading	Pol. Ind. Comarca I C/A NºD22 31160, Orcoyen, Navarra Spain	Ordinary	100% [2]	31-Dec	Direct
Creo Medical SASU (Albyn Medical SAS)	France	Trading	9 avenue Jean Prouve, 88100 Sain-des-Vosges	Ordinary	100% [2]	31-Dec	Indirect [4]
Creo Medical UK Limited (formerly Albyn Medical Limited)	England and Wales	Trading	Kintail House, Beechwood Park, Inverness, Highland IV2 3WB	Ordinary	100% [2]	31-Dec	Indirect [4]
Creo Medical GmbH (formally Endo-Technik Wolfgang Griest GmbH)	Germany	Trading	Vertrieb und Handelmit medizinischen Geraten, Langenfeld	Ordinary	100% [2]	31-Dec	Indirect [4]
Premier Endoscopy [1]	England and Wales	Dormant	Creo House, Unit 2 Beaufort Park, Beaufort Park Way, Chepstow, Wales NP16 5UH	Ordinary	100% [2]	30-Sep	Indirect [4]
Wiest Uropower Limited [1]	Germany	Dormant	Creo House, Unit 2 Beaufort Park, Beaufort Park Way, Chepstow, Wales NP16 5UH	Ordinary	100% [2]	30-Sep	Indirect [4]
Boucart Medical SRL	Belgium	Trading	1070 Anderlecht, rue des Veterinaires 42, Belgium	Ordinary	100% [2]	31-Dec	Indirect [4]
Aber Electronics Limited	England and Wales	Trading	Creo House, Unit 2 Beaufort Park, Beaufort Park Way, Chepstow, Wales NP16 5UH[6]	Ordinary	100% [3]	31-Dec	Indirect [5]

1 Wiest Uropower Limited and Premier Endoscopy are dormant entities as a result their year-ends have not been aligned with that of the Group.

2 Creo Medical S.L.U. is classified as a discontinued operation along with its subsidiaries denoted below, post completion of the sale of 51% of the issued share capital of Creo Medical S.L.U. ("Creo Medical Europe"). Creo Medical Group plc will retain ownership of 49% post sale of this entity.

3 Aber Electronics is classified as a discontinued operation, post completion of the sale of Aber Electronics, Creo Medical Limited will hold nil% of the shares in this entity. Registered office changed to 17 Angora Business Park, Peartree Road, Stanway, Colchester, Essex, United Kingdom CO3 0AB post period.

4 Creo Medical S.L.U. holds 100% of the shares in these entities.

5 Creo Medical Limited holds 100% of the shares in these entities.

Creo Medical Innovations Limited (Company registration number: 11196260), Aber Electronics Limited (Company registration number: 07400511) and Wiest Uropower Limited (Company registration number 05781601) are exempt from the requirements to file audited financial statements by virtue of section 479A of the Companies Act 2006. In adopting the exemption, Creo Medical Group PLC has provided a statutory guarantee to these subsidiaries there in accordance with section 479C of the Companies Act 2006.

The notes on pages 137 to 141 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

Parent Company notes to the financial statements continued

31. Investments in subsidiaries continued

The Company has an investment in equity shares in I.Q. Endoscopes Limited. The Company made an irrevocable election to classify fair value changes of the investment in I.Q. Endoscopes Limited through other comprehensive income rather than through profit or loss, the impact of this being any changes in fair value will never be reclassified through the profit or loss account even if the investment is disposed of.

The fair value calculation for 31 December 2024 is shown in Note 18 of the financial statements.

32. Property, plant and equipment

(All figures £m)	Land & Buildings	Assets under Construction	Total
Cost:			
At 1 January 2023	4.7	1.3	6.0
Additions	0.0	–	(0.0)
Transfers	1.3	(1.3)	–
At 31 December 2023	6.0	–	6.0
Accumulated Depreciation:			
At 1 January 2023	0.2	–	0.2
Charge for year	0.3	–	0.3
Transferred	–	–	–
At 31 December 2023	0.5	–	0.5
Net book value at 31 December 2023	5.5	–	5.5

(All figures £m)	Land & Buildings	Assets under Construction	Total
Cost:			
At 1 January 2024	6.0	–	6.0
Additions	–	–	–
Transfers	–	–	–
At 31 December 2024	6.0	–	6.0
Accumulated Depreciation:			
At 1 January 2024	0.6	–	0.6
Charge for year	0.3	–	0.3
Transferred	–	–	–
At 31 December 2024	0.9	–	0.9
Net book value at 31 December 2024	5.1	–	5.1

33. Trade and other receivables

(All figures £m)	31 December 2024	31 December 2023
Current:		
Other debtors	**0.0**	0.0
Social security and other taxes	**0.1**	0.1
Prepayments	**0.0**	0.0
Total current	**0.1**	0.1
Non-current:		
Amount owed by subsidiary undertaking	**125.0**	144.1
Total non-current	**125.0**	144.1
Total trade and other receivables	**125.1**	144.2

The notes on pages 137 to 141 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

33. Trade and other receivables continued

Amounts owed by subsidiary undertakings are unsecured and repayable on demand. Interest is charged on the debt at a rate of 3% per annum. An expected credit loss provision was calculated for the other debtors and amounts owed by subsidiary balances; both were deemed immaterial and therefore not recognised.

(All figures £m)	31 December 2024	31 December 2023
Balance at 1 January	**144.1**	118.9
Principle payments	**26.2**	21.4
Interest Charged	**4.7**	3.8
Impairment	**(50.0)**	0.0
Total Amount owed by subsidiary undertaking	**125.0**	144.1

Amounts owed by subsidiary undertaking were impaired by £50.0m (2023: Nil), see accounting policy for ECL assessment.

34. Trade and other payables

(All figures £m)	31 December 2024	31 December 2023
Current:		
Derivatives	**–**	–
Other creditors	**0.4**	0.2
Interest Bearing Liabilities	**0.1**	0.1
Total current	**0.5**	0.3
Non-current:		
Interest Bearing Liabilities	**1.9**	2.0
Trade payables (group)	**5.5**	–
Total non-current	**7.4**	2.0
Total trade and other payables	**7.9**	2.3

35. Staff numbers and costs

(All figures £m)	12 months to 31 December 2024	12 months to 31 December 2023
Wages and salaries	**0.4**	0.5
Total remuneration	**0.4**	0.5

Staff costs in the year relate to all costs for Non executive Directors and the proportion of the time Executive Directors are deemed to spend solely on Parent Company activities, which was 10% in year (2023: 10%). The remaining remuneration is borne by other Group entities.

The average monthly number of employees during the year was as follows:

(All numbers)	12 months to 31 December 2024	12 months to 31 December 2023
Executive	**8.0**	7.0
	8.0	7.0

The notes on pages 137 to 141 form part of the financial statements. Where figures are shown "0.0" this means the figure is lower than £50,000. Where figures show "-" this means the value is nil

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