UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended **December 31, 2024**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. **001-12575**

UTAH MEDICAL PRODUCTS INC

(Exact name of Registrant as specified in its charter)

Utah	**87-0342734**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

7043 South 300 West
Midvale, Utah 84047
(Address of principal executive offices) (Zip Code)

(801) 566-1200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol:	Name of each exchange on which registered:
Common stock, $0.01 par value	**UTMD**	**NASDAQ**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☐ No ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. As of June 30, 2024, the aggregate market value of the voting and nonvoting common equity held by non-affiliates of the registrant was **$216,013,098**.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. **As of March 25, 2025, common shares outstanding are 3,281,816.**

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PART I

ITEM 1 – BUSINESS

Currency amounts throughout this report are in thousands except per-share amounts and where noted.

Utah Medical Products, Inc. ("UTMD" or "the Company") is in the business of producing high quality cost-effective medical devices that are predominantly differentiated by safety and improved patient outcomes. Throughout this report, "UTMD" or "the Company" refers jointly to Utah Medical Products, Inc. and all of its corporate subsidiaries. Success depends on 1) recognizing and responding to needs of clinicians and patients, 2) rapidly designing or acquiring economical solutions that gain premarketing regulatory concurrence, 3) reliably producing devices that meet those clinical needs, and then 4) selling through

a) UTMD's own direct channels into markets where the Company enjoys an established reputation and has a critical mass of sales and support resources, or
b) relationship with other companies that have the resources to effectively distribute and support the Company's products.

UTMD's success in providing reliable solutions comes from its proven ability to integrate a number of engineering and technical disciplines in electronics, software, mechanical assembly and packaging, instrumentation, plastics processing and materials. The resulting differentiated devices represent significant incremental improvements in patient safety, clinical outcomes and/or total cost over preexisting clinical tools. UTMD's experience is that, in the case of labor-saving devices, the improvement in cost-effectiveness of clinical procedures also leads to an improvement in overall healthcare including lower risk of complications. UTMD markets a broad range of medical devices used in critical care areas, especially the neonatal intensive care unit (NICU), the labor and delivery (L&D) department and the women's health center in hospitals, as well as medical devices sold to outpatient clinics and physician's offices.

The opportunity to apply solutions to recognized needs results from an excellent core of practicing clinicians who introduce ideas to the Company, and key employees who are both clinical applications savvy and development engineering adept.

Domestically, UTMD's medical devices are sold directly to clinician end-user facilities or a designated stocking distributor for a medical facility. In addition, UTMD manufactures components and finished devices on a subcontract basis for other companies in the medical device business as well as other businesses. Outside the U.S. (OUS), devices are sold directly to end-users in Canada, the United Kingdom (UK), France, Ireland, Australia (AUS) and New Zealand (NZ), and through other medical device companies and independent medical products distributors in other countries. UTMD has representation globally in the major developed countries as well as many underdeveloped countries through approximately 200 distributors, 104 of which purchased at least five thousand dollars in UTMD medical devices during 2024.

UTMD was formed as a Utah corporation in 1978. UTMD sold stock to the public one time in 1982 for $1,750 (before offering costs of $321). Since 1992, UTMD has returned $151 million in the form of share repurchases, and an additional $86 million in cash dividends, to its public stockholders.

Utah Medical Products Ltd., a wholly-owned subsidiary with manufacturing located in Ireland, was formed in 1995 to better serve UTMD's OUS customers. In 1997, UTMD purchased Columbia Medical, Inc. (CMI), a company specializing in silicone injection molding, assembly and marketing vacuum-assisted obstetrical delivery systems. In 1998, UTMD acquired the neonatal product line of Gesco International, a subsidiary of Bard Access Systems and C.R. Bard, Inc. In 2004, UTMD acquired Abcorp, Inc., its supplier of fetal monitoring belts. In 2011, UTMD purchased all of the common shares of Femcare Holdings Ltd (Femcare) of the United Kingdom, and its subsidiaries including Femcare Australia Pty Ltd as a sales and distribution operation to directly serve AUS medical facilities. The addition of Femcare provided product and distribution channel diversification and expansion. Sales of the products, or derivatives of the products, from the four acquisitions noted above, comprised 56% of UTMD's consolidated 2024 sales. In late 2016, UTMD formed Utah Medical Products Canada Ltd (dba Femcare Canada) as a sales and distribution operation to directly serve Canadian medical facilities. In 2017, UTMD's UK subsidiary began to distribute its devices directly to medical facilities in France. In early 2019, UTMD acquired the remaining life of Femcare's exclusive U.S. distribution agreement for the Filshie Clip System from CooperSurgical Inc. In late 2020, UTMD's AUS subsidiary incorporated a NZ subsidiary in order to distribute devices directly to medical facilities in NZ. In 2021, due to BREXIT, Utah Medical Products Ltd in Ireland began distributing devices directly to medical facilities in France in lieu of the UK.

UTMD's corporate headquarters are located at 7043 South 300 West, Midvale, Utah 84047 USA. The corporate office telephone number is 01 (801) 566-1200. Ireland operations are located at Athlone Business and Technology Park, Athlone, County Westmeath, Ireland. The Ireland telephone number is 353 (90) 647-3932. United Kingdom operations are located at 32 Premier Way, Romsey, Hampshire SO51 9DQ, United Kingdom. The UK phone number is 44 (1794) 525 100. Australia operations are located at Unit 12, 5 Gladstone Road, Castle Hill, NSW 2154, Australia. The Australia phone number is 612 9045 4110. Canada operations are located at 6355 Kennedy Road #15, Mississauga, ON L5T 2L5, Canada. The Canada phone number is 01 (905) 795-1102.

PRODUCTS

More complete descriptions including part numbers and pictures of UTMD's devices can be conveniently obtained at www.utahmed.com and www.femcare.co.uk.

Labor and Delivery/ Obstetrics:

Fetal Monitoring Accessories.

Electronic Fetal Monitoring (EFM) is the standard of care in labor and delivery throughout the modern world. While not all pregnancies are high risk, fetal emergencies can occur suddenly in seemingly normal labors. The use of EFM allows conservation of nursing personnel and has virtually eliminated intrapartum fetal death. Accurate determination of contraction strength increases the safety of labor augmentation (e.g., oxytocin dose) and reduces the need for Cesarean section for desultory labor. Infusion of fluid through an intrauterine catheter may cushion the umbilical cord and improve oxygenation of the fetus.

To assist the physician in controlling the effectiveness of administration of oxytocin and monitoring effects of amnioinfusion, contraction intensities, uterine resting tones and peak contraction pressures are closely monitored through the use of an invasive intrauterine pressure catheter system. In addition, to help identify the possible onset of fetal hypoxia, correlation of the changes in fetal heart rate (FHR) relative to the frequency and duration of contractions are often electronically monitored. UTMD's intrauterine pressure (IUP) catheters provide for clinician choices from a traditional fluid-filled system to INTRAN® PLUS, for over thirty years the most widely accepted transducer-tipped system. UTMD's IUP catheters include:

- UTMD's initial fluid-filled catheter kits utilized a saline-filled catheter placed within the uterine cavity, connected to a separate external reusable or disposable pressure transducer. This product package, utilizing double lumen catheters, was the traditional mode of intrauterine monitoring prior to the introduction of INTRAN. An intrauterine pressure change was transmitted through the fluid column to the external pressure transducer.
- Introduced in 1987, INTRAN was the first disposable intrauterine pressure catheter that placed the pressure transducer at the pressure source within the uterine cavity. This design eliminated the complicated setup of fluid-filled systems and provided more accurate pressure waveforms. INTRAN I was discontinued in 1995 in favor of the more widely preferred INTRAN PLUS.
- INTRAN PLUS, introduced in 1991, combines the transducer tip concept of INTRAN I with a refined tip design, a zeroing switch or button that allows the clinician to reset the reference of the monitor, and a dedicated amniolumen which provides access to the amniotic fluid environment which may be helpful in the diagnosis and intervention of certain fetal conditions. Subsequent enhancements to INTRAN PLUS included a viewport which allows physicians to observe amniotic fluid in a closed system along with alternative configurations for user preferences in tip size, zero switch/button location and amniotic fluid visualization.

In addition, adjunct tocodynamometer belts are provided by UTMD. Abcorp toco belts and straps for fetal monitoring by an external tocodynamometer are provided in latex-free form in several configurations. UTMD extended the product line to include Bari-Belts™ and Bari-Bands™, a series of abdominal belts designed specifically for bariatric patients and bands to accommodate patients of all shapes and sizes.

UTMD markets tocodynamometer belts, catheters and accessories, but does not market electronic monitors, the capital equipment that processes the electrical signals. UTMD continues to investigate the feasibility of tools that enhance fetal monitoring techniques.

Specialized Labor & Delivery Tools.

BT-CATH® is a patented uterine balloon tamponade catheter for controlling severe postpartum hemorrhage. Obstetric hemorrhage, which is unpredictable and potentially life-threatening, creates a medical emergency

that is commonplace. The benefits of BT-CATH include the ease of rapid deployment and ability to monitor further bleeding after the tamponade has been placed.

The CVX-RIPE™ catheter is designed to mechanically improve the favorability of the cervix of pregnant patients at term gestation, for whom induction of labor is medically indicated. CVX-Ripe utilizes two adjacent conical silicone balloons, similar to the shape of an hourglass. This design is intended to allow the clinician to gently apply internal pressure to the cervical canal, as well as both the internal and external os, to reduce the time needed to allow induction as well as the total time to achieve a successful vaginal delivery.

AROM-COT™ is a finger cover with a prong designed to rupture maternal membranes with less patient pain and anxiety.

MUC-X is an aspiration device used immediately after birth to clear neonatal respiratory passages and reduce exposure to potential infections.

CORDGUARD® is a device which unifies the multiple steps of clamping the neonate's cord close to the umbilicus, severing the cord without splattering blood, drawing a clean cord blood sample and assisting in the removal of the placenta. CORDGUARD's sharpless, closed system reduces the risk of exposure to potentially infected blood, and consequently reduces the high cost of exposure treatment under OSHA and CDC guidelines. In addition, CORDGUARD facilitates obtaining neonatal blood that is otherwise hard to obtain safely and cleanly.

Vacuum-Assisted Delivery (VAD) Systems.

UTMD's VAD Systems include CMI® soft silicone bell-shaped birthing cups and reusable hand-held vacuum pumps which are the safest products available for use in vacuum-assisted operative deliveries. UTMD's soft silicone cup is a bell-shaped cup design that should be preferred for fetal well-being in low or outlet fetal stations with occiput anterior presentations, which represent more than 90% of the cases where VAD is indicated. Operative vaginal deliveries using forceps or vacuum-assisted delivery systems provide knowledgeable physicians with a trial vaginal operative delivery prior to a more invasive C-section intervention. Although there are risks associated with vaginal operative deliveries which may currently represent about 3% of all U.S. hospital births, the procedures are generally regarded as safer long term for the mother, and at least as safe for the fetus, as abdominal (Cesarean) delivery in comparable clinical situations. UTMD's bell-shaped soft silicone TENDER TOUCH® cups enjoy a significantly lower reported complication rate compared to other vacuum cup designs, as evidenced by the FDA Medical Device Reporting System (MAUDE) which publicly lists serious injuries reported by hospitals using specific brand names of products.

Neonatal Intensive Care:

DISPOSA-HOOD™

The DISPOSA-HOOD is an infant respiratory hood that is used in the NICU to administer oxygen to neonates and flush CO_2 (carbon dioxide) while maintaining a neutral thermal environment (NTE) critical to proper physiologic responses. The DISPOSA-HOOD, placed over the infant's head or body, incorporates a round diffusor connection specifically designed to disperse the incoming gases along the inner surfaces of the hood, rather than allowing them to blow directly on the infant's head. The design allows more precise FIO_2 (fractional inspired oxygen) control, minimizes convective heat loss from the head, provides optimum flows for elimination of CO_2 by ventilation and allows for humidification. DISPOSA-HOOD, in contrast to an incubator, allows for excellent access to and visualization of the underdeveloped infant. Because it is a disposable product, it also prevents potential cross-contamination that might occur with an incubator. Less invasive than nasal cannulae, DISPOSA-HOOD avoids potential damage to fragile premature neonatal nasal/ orotracheal tissues, as well as facial tissues as cannulae are often secured with tape. A nasal cannula by itself cannot provide a NTE.

DELTRAN® PLUS

UTMD's DELTRAN blood pressure monitoring system has been adapted specifically for use in the NICU. The streamlined version eliminates needles used for blood sampling, avoids the loss of scarce neonatal blood volume and provides a closed system that reduces the risk of infection. The system features excellent visualization of clearing volume, and one-handed use. UTMD continues its customization of Deltran kits for specific hospital applications.

GESCO®

In 1998, UTMD acquired the neonatal product line of Gesco International. GESCO, best known for optimally biocompatible silicone catheters, gained an early distinctive reputation for its focus on the special developmental needs of tiny, critically-ill babies.

A class of catheters called umbilical venous catheters (UVCs) are specially designed for administering vital medications and fluids immediately following birth through the infant's umbilical vessel into the inferior vena

cava. Because of the neonate's small size and lack of vascular development, there is no better access to vital organs. The catheters are also called umbilical artery catheters (UACs) when placed in one of the umbilical arteries to measure blood pressure or monitor metabolic processes through blood analysis. In developing its UMBILI-CATH™ product line, Gesco pioneered the use of soft, biocompatible silicone catheters, helping to reduce the number of insertions required as well as other complications associated with invasive applications. UTMD has expanded the UVC product line to include catheters made from a proprietary thermosensitive polyurethane (Tecoflex®) that offers many of the flexibility and biocompatibility advantages of silicone after insertion, with the greater rigidity of polyurethane preferred by many clinicians for insertion. In addition, GESCO provides a convenient catheterization procedure tray of instruments and supplies necessary to place UVC catheters, as well as perform other similar procedures.

The primary distinction of GESCO products is that they were developed with the special needs of the neonate in mind, not just cut-down or smaller versions of adult devices. For example, in the case of invasive catheters, the introducer, the soft rounded distal tip, mode of securing to the patient after insertion to avoid migration, luer-locking hub with minimal dead space, number of lumens, catheter radiopaque striping for visualization, variations in catheter lengths and diameters and special packaging are all features specially designed for neonates. UTMD continues to modify product features to incorporate current neonatal practitioner preferences.

The soft, biocompatible silicone catheter concept had important advantages in other applications including peripherally inserted central venous catheters (PICC lines), enteral feeding tubes, urinary drainage catheters and chest drainage tubes. GESCO developed and marketed initial versions of all of these neonatal products. In order to keep pace with the trend of caring for smaller babies, UTMD has added smaller diameter versions of its URI-CATH® and NUTRI-CATH® products. At the request of customers who prefer a stiffer catheter for insertion, UTMD added a Tecoflex polyurethane oral-connection only Nutri-Cath series.

PICC-NATE® is a percutaneous intraepithelial central venous catheter family of devices specifically designed to minimize trauma to the critically ill neonate. The product line was designed with the input of experienced neonatal medical practitioners for use as a long-term indwelling catheter system for single-use, therapeutic central venous infusion of drug solutions, blood products or other fluids and for blood sampling. The soft, strong silicone PICC-Nate comes in three diameter sizes, 1.1 Fr, 1.9 Fr and 3.0 Fr, and two hub configurations for securement. UTMD's most recent addition, the tiny 1.1 Fr catheter, advances the ability of clinicians to care for smaller premature babies. UTMD added Tecoflex polyurethane versions in the same sizes that offer many of the flexibility and biocompatibility advantages of silicone after insertion, with the greater rigidity of polyurethane preferred by many clinicians for insertion.

UTMD developed a unique enteral feeding-only extension set named NUTRI-LOK® that addresses important safety risks in the NICU – inadvertent connections with IV lines and inadvertent disconnections of components of the system spanning the dispensing container through the infusion catheter. UTMD added dispensing syringes with interlocking connectors to its NUTRI-CATH/NUTRI-LOK family of enteral feeding devices. UTMD further expanded the NUTRI-LOK system with specialty extension sets for GI tubes and for continuous connection to a fluid pump. In addition, UTMD added variations in adapters and extension sets used with NUTRI-CATH. Recognizing the important need to prevent misadministration of enteral feeding or medication by the wrong route, the FDA in February 2015 released its guidance, "Safety Considerations to Mitigate the Risks of Misconnections with Small Bore Connectors Intended for Enteral Applications." The guidance includes compliance with ISO 80369-3 standard connectors. The standard was released to create a universal connection that is not compatible with a luer connection or any other type of small bore medical connector. As a result, UTMD introduced an alternative enteral feeding family of devices incorporating ENFit™ ISO 80369-3 compliant connectors. These purple connectors are designed to replace Nutri-Lok connectors on catheters and extension sets. UTMD also distributes ENFit oral syringes.

UTMD replaced all DEHP plasticizer PVC materials in its Gesco product line that may come in contact with neonatal patients, addressing another safety concern related specifically to the possible maldevelopment of male neonates.

Other GESCO specialty products include a disposable peritoneal dialysis (PD) set that is a pre-assembled, sterile, closed system, called DIALY-NATE®. PD is an ideal method to aid compromised renal function in a neonate because critically-ill pediatric patients may not have sufficient blood volume to support hemodialysis. DIALY-NATE is provided in a form that allows timely PD implementation. A number of custom configurations of DIALY-NATE have been added to satisfy specific clinical preferences.

Other specialty NICU devices include a silicone oral protection device used to prevent palatal soft tissue injury by orotracheal tubes, called PALA-NATE®; a pre-assembled, closed urinary drainage system, called URI-CATH®, which reduces risk of infection and valuable nursing time, and a lumbar sampling kit with a tiny, specially-beveled needle for obtaining cerebral spinal fluid samples, called MYELO-NATE®.

GESCO's first patented product, HEMO-NATE®, is a disposable filter designed to remove microaggregates from stored blood prior to transfusion into a neonate where any deficiency can have an overwhelmingly negative impact on a neonate's chances for survival, given an under-developed vasculature and small total blood volume. UTMD also introduced a new filter and an improved blood bag spike for HEMO-NATE, and a needleless version.

UTMD expects to continue to enhance and expand its neonatal product line, seeking to reinforce a reputation as having the most reliable and developmentally-friendly specialty devices available for the NICU.

Gynecology /Urology /Electrosurgery:

LETZ® System: FINESSE+ Generator; Specialty Loop, Ball, and Needle Electrodes;

The LETZ System (loop excision of the transformation zone) is used to excise pre-cancerous cervical intraepithelial neoplasia (CIN) and other lower genital tract lesions related to human papilloma virus (HPV) infections. The electrosurgery procedure with hemostasis has become the standard of care for HPV cervical infection treatment, replacing cold knife scalpel, laser and cryotherapy procedural approaches because it is economical, safe, effective, quick and easy to perform, has fewer potential side effects and requires little physician training. A major incentive for performing the LETZ procedure is that it may be performed using local anesthetic in a physician's office, eliminating the time and expense of hospital or surgical center admittance. Most importantly clinically, in contrast to laser (tissue ablation), cryotherapy (freezing of tissue) and thermal coagulation (thermal volumetric destruction of tissue), LETZ provides a fine tissue specimen for pathological assessment and confirmation of diseased tissue removal.

UTMD's LETZ System includes disposable electrodes, the FINESSE® electrosurgical generators and other miscellaneous components. The UtahLoop® disposable loop electrode, used to excise the tissue specimen, is a pencil-like tube with a thin tungsten wire loop attached. The loop is available in varying sizes and includes a Safe-T-Gauge® that can be positioned so the physician can accurately monitor and control the amount of tissue being excised. Excising too much tissue can compromise fertility and result in premature birth. Excising too little tissue can result in failure to remove the precancerous tissue. UTMD continues to augment its specialty electrodes. For example, the Company markets a unique conization electrode for deep endocervical disease called C-LETZ®, designed by UTMD to limit the removal of healthy tissue that might compromise adequate cervical function. UTMD introduced the patented DXTender® electrode attachment that prevents interference with the colposcope during LETZ. UTMD also will continue to provide other components to augment the use of its market-leading specialty electrodes with other manufacturers' electrosurgical generators.

The FINESSE+ electrosurgical generator design includes dispersive pad contact monitoring for patient safety, specialized circuitry for computer-controlled output that provides a precise tissue specimen for histopathology, an efficient output stage resulting in minimal heat generation and long electronic component life, an electronic components design which reduces the number of required components and allows a long service life, and an easy change internal filter for integral smoke evacuation, a unique feature of FINESSE.

FILTRESSE® Evacuator; Other Specialty Electrodes; Other UTMD Supplies and Gynecologic Tools; Femcare Trocars and Cannulae; and Femcare Laparoscopic Instruments and accessories.

UTMD has FDA clearance to market its electrosurgical system and tools for use in general surgery applications, including dermatology, plastic surgery and otolaryngology. FILTRESSE is a stand-alone surgical smoke filtration system that combines high filtration efficiency, low cost and convenient use in a surgical office setting. Other electrosurgery tools and accessories include disposable electrosurgical pens, dispersive pads, footswitches, filter packs, speculums, retractors, forceps, tenacula and hooks. UTMD acquired the distribution rights to a unique reusable four-way expander system which facilitates access to, and visualization of, the cervix, eliminating the need for less effective specula and lateral retractors. OptiSpec® is a patented ultra-bright light for cervical visualization without physician distraction during exams, pap smears and other vaginal procedures requiring direct cervical visualization without the use of a colposcope. As part of its acquisition of Femcare, UTMD acquired single patient use trocars and cannulae available in shielded and bladeless designs, suction and irrigation tubing, insufflation tubing and connectors, pressure infusor bags and control valves. Also acquired were Femcare's hormone replacement therapy (HRT) trocar/obturator and HRT

procedure tray for subdermal placement of hormone tablets, and a femoral sponge product used during joint replacement surgery.

EPITOME® and OptiMicro™ Electrosurgical Devices

After finding the general surgical market lacked a precision electrosurgical blade, UTMD developed EPITOME, an electrosurgical scalpel which delivers precise performance in surgical incision and excision with hemostasis while minimizing thermal side effects. Where rapid yet precise dissection of dense or fatty tissue is necessary, such as in mammaplasty or abdominoplasty, UTMD believes that EPITOME has no close substitute. Furthermore, an independent study concluded that the EPITOME scalpel provides a significant improvement over other devices in wound healing. EPITOME allows a rapid incision without countertraction, yielding limited morbidity, less post-surgical pain and cosmetically superior results. EPITOME is useful where minimization of thermal tissue injury is important but control of bleeding needed. A bendable version of EPITOME with a smaller active electrode was introduced later. Designed to significantly reduce the chance of tissue burns due to inadvertent electrode contact and where a smaller, bent scalpel tip is needed, the bendable EPITOME is of particular value, e.g., to thoracic surgeons in harvesting the internal mammary artery during coronary artery bypass surgery, as well as to otolaryngologists for tonsillectomies or uvulopalatoplasties, or plastic surgeons creating or working in a breast pocket during augmentation or capsulectomy

UTMD introduced a product line of ultra-fine tipped microdissection needles, called OptiMicro™ Needles, to complement the Epitome Scalpel. Whereas the Epitome Scalpel has been particularly effective for large scale surgeries that entail a great amount of tissue cutting, the OptiMicro electrosurgical needles are particularly useful in small-scale plastic and reconstructive surgery applications where extreme precision and ideal cosmetic results are expected. UTMD added extended length OptiMicro needle versions useful in certain head and neck procedures.

Filshie® Clip System

UTMD acquired the Filshie Clip System as part of its acquisition of Femcare Group Ltd in March 2011. In 2024, sales of Filshie clips, applicators and accessories represented 26% of UTMD's total U.S. Dollar denominated sales. The Filshie clip is a female surgical contraception device used for tubal ligation, i.e., placed on the fallopian tubes, generally laparoscopically in between pregnancies (interval sterilization), but also postpartum (following childbirth) during C-Sections. The Filshie clip, implanted in over six million women worldwide during the last 40 years, has empirically been proven to be the safest and most effective tubal occlusive device, is as easy or easier to achieve occlusion as any of the alternative surgical techniques, and has a substantially higher probability of reversibility when compared to all of the other approaches for women who later decide that they would like to get pregnant. Femcare has obtained numerous regulatory approvals for the Filshie Clip System, which throughout 2024 was sold OUS directly by UTMD and its subsidiaries to medical facilities in Canada, Ireland, France, the UK, Australia and New Zealand, and through specialty distributors in other countries. In February 2019, UTMD purchased the remaining exclusive U.S. distribution rights of CooperSurgical Inc. (CSI), allowing the Company to directly distribute the Filshie Clip System to medical facilities in the U.S.

There have been several tubal ligation methods with varying degrees of effectiveness, safety and opportunity to be reversed. The traditional tubal ligation approach, informally known as "getting one's tubes tied", is a form of female sterilization in which the fallopian tubes are severed, sealed and permanently pinched shut. If the sterilization procedure is carried out postpartum, the Pomeroy technique is often adopted. During this procedure a small loop of the fallopian tube is tied with a suture and the top section removed by cutting. A traditional method for interval sterilization is with the use of bipolar cautery (electrocautery). With this method, an electrical current flows between the tips of forceps when applied to the fallopian tube. The current then "burns" a portion of the fallopian tube shut. Bipolar cautery has a higher rate of ectopic pregnancy, a life-threatening complication, compared to other tubal occlusion methods. Although these common methods are relatively easy to perform, their failure rate - defined as the percentage of patients having undergone the procedure who subsequently get pregnant - has been reported to be about 3%. The Filshie clip, which can be used either postpartum or at times unrelated to the post-partum period (interval sterilization), is at least as easy to use, has much less intraoperative risk, has a reported failure rate an order of magnitude less than bipolar cautery and is more effective and much simpler to perform than the Pomeroy technique.

Apart from bipolar cautery and the Pomeroy technique, other mechanical devices have been used but are no longer manufactured: the Falope Ring (or Yoon Ring) and the Hulka clip. Both these older methods had a higher failure rate than the Filshie clip, are associated with more post-operative pain and have generally been abandoned in favor of other sterilization techniques. In addition, two more recent hysteroscopic sterilization methods, the Adiana and the Essure occlusive devices, also are no longer being sold.

Pain associated normally with any laparoscopic procedure generally resolves within 48 hours, and is not severe, nor does it become chronic unless the result of an infection. Sterile Filshie clips are provided to the surgeon in validated sterile packaging. Nevertheless, pain is the most prevalent (but still rare) Filshie clip complaint. In women with implanted clips who have reported chronic pain, several other gynecological symptoms are typically present which are not related to Filshie clips. The obvious recourse for a person experiencing pain that she associates with an implanted device is to remove it. Given widely available imaging and normal laparoscopic skills, Filshie clips can be removed safely, although removal is very rarely requested by patients or recommended by physicians.

A well-known and clinically-reported potential side effect of Filshie clip tubal ligation, as with any other surgical clip or implant, is subsequent clip movement, often called "migration". A clip-occluded fallopian tube eventually separates into two permanently closed stubs after tissue necrosis under a closed clip. Peritoneal tissue usually encapsulates an implanted clip while still in contact with the fallopian tube. In some cases where tissue encapsulation is slow, movement of a clip may occur after sterilization has been achieved. Although the silicone lining of the clip helps prevent clip migration and reduces the risk of tubal regeneration, one clinical journal publication indicated migration occurs 6% of the time. Dr. Marcus Filshie, the inventor of the clip, expressed his opinion in 2002 that more than 25% of patients will experience a migration of one or more clips, typically within the abdominal cavity. Once detached, the clip typically becomes encompassed in dense adhesive tissue without any symptoms. Rarely, a low-grade inflammatory response can occur. Because clips are biologically inert and small, physicians generally have concluded that removing a migrated clip represents more risk to long term well-being than leaving it in the body. In 2019, UTMD retained an independent clinical expert, Dr. Nader Gad in Australia, who in 2010 had published the results of an almost twenty-year retrospective review of all reported Filshie clip migration events in the English literature, in order to independently review all subsequent reported complaints contained in the US FDA MAUDE website and the Australia TGA DAEN website over the most recent ten years. His February 2019 written report observed that "There were no serious clinical or life-threatening complications that related directly or indirectly to the Filshie clips or their migration."

In late 2021, after the Filshie clip had been used in the U.S. for 25 years and implanted in millions of women, a clip migration lawsuit was filed in TX. Subsequently, the same law firm solicited and recruited complainants in other states, filing cases around the country. A copycat law firm added complaints in 2023 and 2024, predominantly in CT state court where Femcare's previous distributor, CooperSurgical Inc. (CSI), resides. Femcare Ltd. and its corporate parent Utah Medical Products, Inc. have been dismissed as defendants in CT. The original plaintiff law firm filed only two new lawsuits in 2024, another one in TX federal court and one with multiple plaintiffs in CT state court. Aside from the CT state court cases, all remaining lawsuits are in federal courts. As of March 25, 2025, five cases have been thrown out by summary judgment with several others dismissed prior to the summary judgment phase. Three more summary judgment motions are pending in federal courts around the country, with decisions on those expected in 2025. Other summary judgment motions will be filed in 2025 after mandated discovery has been completed. UTMD and its lawyers believe that it has persuasive legal arguments in every case being put before courts. But, in any case where a summary judgment motion is not considered completely dispositive it would have to go to trial. There have been no trials as yet, and UTMD has confidence that the chance of avoiding trial is significant in every case.

The U.S. FDA approved the Filshie clip for marketing in the U.S. in 1996 after a Premarket Approval (PMA) submission, which included a prospective clinical trial involving 5,454 women implanted with Filshie clips. As mandated by the FDA, Femcare (the developer and manufacturer of the Filshie Clip System) is required to submit an annual experience report for FDA's continual review and vigilance of the safety and effectiveness of the PMA device. In late 2016, the FDA approved the use of Femcare's Sterishot single use applicator for implanting Filshie clips. (An applicator is a precision instrument which closes the implanted Filshie clip on the Fallopian tube to achieve proper permanent tubal ligation.) Reused applicators require extra handling, cleaning, resterilization and storage, which all have the potential to damage or misalign the delicate mechanism. Timely periodic servicing and recalibration is needed, but often not sought by hospitals. In addition, the reuse of a surgical instrument introduces the possibility of infection if not properly cleaned and resterilized between procedures. The precalibrated, single-use sterile Sterishot applicator eliminates these safety, effectiveness and cost exposures. After more than ten years since being introduced outside the U.S. (OUS), the patented Sterishot is used in the majority of Filshie clip ligation procedures OUS, but was not effectively marketed by CSI, Femcare's distributor in the U.S. until 2019. Beginning in February 2019, UTMD began directly marketing the Filshie Clip System in the U.S., recommending that all hospitals use a Sterishot kit for each procedure. Beginning in 2017, UTMD began the process of transitioning the manufacture of clips from a UK third party subcontract manufacturer to its Ireland facility, which not only

included investment in new equipment but also training of operators and regulatory approvals. As of January 2025, UTMD Ltd in Ireland had received regulatory approvals for its manufacture of clips for distribution in the U.S., Canada, Australia, New Zealand and South Africa. Approvals for Europe and the UK are pending.

PATHFINDER PLUS™

PATHFINDER PLUS is a proprietary endoscopic irrigation device that allows a uro/gyn surgeon to precisely irrigate, clearing the visual field, with the same hand that controls the endoscope, eliminating the need for a separate assistant to irrigate without visualization. An example of a procedure where Pathfinder has found particular success is ureteroscopic stone ablation.

SUPRAPUBIC CATHETERIZATION

The Add-a-Cath™ introducer is a Femcare device designed for easy and safe suprapubic introduction of a catheter for bladder drainage. Suprapubic catheterization is generally well-recognized as a drainage method with fewer complications than with urethral catheterization. In 2013, UTMD introduced suprapubic catheterization procedure kits featuring the Add-a-Cath introducer, which UTMD now distributes directly to end-users in the U.S. under the trade name Supra-Foley®.

LIBERTY® System

LIBERTY is a device for the conservative treatment and effective control of urinary incontinence in women. UTMD believes that LIBERTY is the easiest-to-use, most cost-effective incontinence treatment available that yields a therapeutic effect, not just a cover-up. LIBERTY consists of a battery-operated electrical stimulation unit and an intravaginal electrode probe. This physiotherapy technique, which can be done in the privacy of the home, involves passive strengthening of the periurethral muscles. Pulsed, low voltage, low frequency current is applied primarily to the pudendal neuromuscular tissue causing the pelvic area muscles to contract, leading to better muscle tone. Because electrical stimulation has no known adverse side effects, LIBERTY provides women suffering from mild to moderate incontinence an effective, lower cost and lower risk alternative to more traumatic treatments such as surgery and drug therapy.

ENDOCURETTE®

In cooperation with Mayo Clinic, UTMD developed an advanced curette for uterine endometrial tissue sampling in the doctor's office. The sampling procedure is intended primarily to rule out precancer or cancerous change of the uterus in premenopausal women with abnormal uterine bleeding, or women with postmenopausal bleeding. The device is part of a class of catheters designed to be used without dilatation of the cervix and without general anesthetic. The inherent weakness of this type of device, which is related to its small size, is that it may not remove enough tissue of the endometrium for an accurate histologic assessment, in contrast to a more invasive D&C hospital procedure. The tip of the EndoCurette was specially designed to obtain a more thorough tissue specimen compared to other catheters used without the need for dilatation, and without an increase in patient discomfort.

TVUS/HSG-Cath™

In order to further assess persistent abnormal or dysfunctional uterine bleeding and other suspected abnormalities of the uterus, or as a next step after endometrial tissue sampling with an EndoCurette, gynecologists may utilize transvaginal ultrasound imaging of the uterus. UTMD's TVUS/HSG-Cath was designed and released for marketing in 2007 to provide effective cervical occlusion that allows distention of the uterus to differentiate anterior and posterior endometrium, among other irregularities, together with minimal visual obstruction of the uterus near the internal os. In addition, the TVUS/HSG-Cath may be used in hysterosalpingography radiographic procedures to assess the patency of fallopian tubes. A related device acquired in 2011 is Femcare's Spackman Style uterine cannula designed for the manipulation of the uterus and injection of fluid to test the patency of the fallopian tubes.

LUMIN®

LUMIN® is a gynecological tool developed by UTMD for reliably and safely manipulating the uterus in laparoscopic procedures. LUMIN combines the strength, range of motion and versatility of the higher end reusable instruments with the lower cost and cleanliness of the inexpensive less functional disposable instruments presently on the market, while at the same time reducing the number of tools needed to move and secure the uterus.

Pressure Monitoring:

DELTRAN® Disposable Pressure Transducer (DPT)

In pressure monitoring, a transducer is used to convert physiological (mechanical) pressure into an electrical signal that is displayed on electronic monitoring equipment. UTMD developed and is now distributing its disposable transducer as a stand-alone product, and as a component in sterile blood pressure monitoring kits

through direct representatives and other medical companies in the U.S., as well as independent distributors and other medical device companies OUS.

The Company believes that the DELTRAN DPT which it designed over thirty years ago and currently manufactures, remains the standard in terms of accuracy, reliability and ease of use. Introduced in 1998, the DELTRAN PLUS provides a closed system for blood sampling, without the use of needles, reducing the risk of an unwanted infection for both the patient and the practitioner. In 2009, in conjunction with its other NICU devices, UTMD continued to configure neonatal Deltran custom kits which satisfy the special needs of conserving limited blood volume and protecting the neonate from infection.

BioPharm HP-PRT™

Over 16 years ago, on behalf of an OEM customer, UTMD was the original developer of high pressure, piezo-resistive transducer assemblies used in accurately sensing static and dynamic fluid pressures in biopharmaceutical manufacturing systems including filtration processes, chromatography processes, bioreactors, and filling operations, among other key processes in the rapidly growing biopharmaceutical industry. UTMD is now offering its technology directly to biopharmaceutical manufacturing companies worldwide.

Pressure Monitoring Accessories, Components and Other Molded Parts.

Components included in blood pressure monitoring kit configurations include transducers, flush devices, stopcocks, fluid administration sets, caps, pressure tubing, interface cables and organizers. The Company sells similar components designed for other medical device company applications which incorporate UTMD's technologies and designs. DELTA-CAL™ is a calibration device used to check proper functioning of an arterial pressure system. In addition, UTMD sells plastic molded parts on a subcontract basis to a number of medical and non-medical device companies. In addition, partly as a result of its excellent quality system and ISO13485 certification, UTMD performs subcontract assembly, testing and packaging of components that are proprietary to other medical device firms. UTMD believes that this practice helps better utilize its investment in fixed plant and equipment, and spreads overhead costs resulting in better gross profit margins on finished device sales.

MARKETING and COMPETITION

UTMD divides its sales into "domestic" U.S. sales and "outside the U.S." (OUS) sales, which are finished device and component sales to entities outside the U.S.

1) Domestic sales.

For domestic sales to end-users of finished devices, marketing efforts are complex and fragmented. UTMD's marketing focus is with clinicians who take responsibility for obtaining optimal patient care outcomes, primarily through clinical meetings, trade shows and the Internet. In competitive bidding processes, UTMD must work primarily with administrators who are responsible for hospital purchasing decisions.

UTMD competes primarily on the basis of improved patient safety and reliable device performance in the hands of a trained clinician. A number of UTMD's devices are strong brands because they are well-recognized by clinicians as clinically different and have been in trusted use for decades. UTMD's broad offering of finished devices is comprised of dozens of specialty device types. Although there may be only a few competitors for each type, in the aggregate UTMD has dozens of U.S. medical device competitors. There are at least two competitors with significant market share for each of UTMD's device types.

As a general rule, because of UTMD's differences in design and reliability, competitors' devices represent substitutes rather than equivalent devices. The Company's primary marketing challenge is to keep its customers focused on those differences and their important clinical benefits. In recent years, access to U.S. hospital clinicians has become increasingly restricted and the involvement of clinicians in medical device purchasing decisions, which is critical to the Company's success, has declined. To the degree that U.S. hospitals become less focused on patient safety and clinical outcomes and more on out-of-pocket unit price, UTMD's competitive position weakens.

In 2024, UTMD sold components and finished devices to 134 other companies in the U.S. (OEM sales). For over 40 years, the Company has utilized its manufacturing capabilities and engineering know-how to produce high quality components and finished devices for other companies. For U.S. companies which wish to distribute their products outside the U.S., UTMD's maintenance of certification to current ISO 13485 medical device quality standards is an important benefit. UTMD's website, which lists its capabilities, is often the basis for contacts for new OEM work.

Although there are other manufacturers in the U.S. with similar manufacturing capabilities, UTMD's primary competition comes from Mexico, East Europe, India and China device component manufacturers which have much lower wage rate structures. To the extent that the U.S. Dollar (USD) gains strength in any period of time against foreign currencies, UTMD's ability to be cost-competitive with foreign manufacturers is diminished.

2) Outside the U.S. (OUS) sales.

OUS sales in 2024, as a percentage of consolidated total USD sales, represented 43% compared to 44% in 2023 and 39% in 2022. In USD terms, 74% of 2024 OUS sales were invoiced in foreign currencies. In addition, foreign subsidiary expenses are in the native currency of the respective country. Therefore, changes in foreign currency exchange (FX) rates can have a significant impact on UTMD's USD-reported financial results.

Prior to 2011, with only a few exceptions, UTMD's OUS sales were to other medical device companies and distributors, not to clinical end-user facilities. After the acquisition of Femcare in 2011, UTMD began a transition to marketing directly to end-users in countries where the Filshie Clip System had achieved significant acceptance. This also allowed increased distribution opportunities for other UTMD devices which previously did not have significant third-party distributor interest. In 2024, UTMD distributed directly to OUS medical facilities in Canada, the UK, France, Ireland, Australia and New Zealand. In addition, the Company's devices are sold in other countries OUS through approximately 200 independent regional distributors. UTMD's website provides information that frequently results in unsolicited contacts from OUS entities.

DISTRIBUTION

An important success factor in the medical device industry is access to medical practitioners. In the U.S., the hospital supplier environment has consolidated as a result of group purchasing organizations (GPOs), or their equivalents. It is UTMD's assessment that U.S. hospitals are not saving costs under GPO contracts when it comes to specialty medical devices that can reduce complications, utilization rates, clinician time and unwanted side effects, because administrators are focused primarily on out-of-pocket costs and miss the broader total cost of care issues.

The longer-term overall cost of care in the U.S. will continue to increase, with quality of care lower, as innovative suppliers are excluded from participating in the marketplace as a result of unnecessary regulatory and other purely administrative burdens. The length of time and number of administrative steps required in evaluating new products for use in hospitals has grown substantially. As a potential negative factor to future performance, as UTMD introduces new products it believes are safer and more effective, it may find itself excluded from certain customers because of the existence of long-term supply agreements for existing products. UTMD may also be unable to establish viable relationships with other medical device companies that do have access to users but lack an interest in the Company's approach or demand too great a financial or administrative burden.

When U.S. hospital customers request it, UTMD provides its devices through national distribution companies, also known as Med/Surg distributors. Sales to Med/Surg distributors in 2024 comprised 14% of total domestic direct sales (excluding domestic OEM sales).

In the U.S., Canada, Ireland, France, the UK, NZ and AUS, UTMD sells its products with the support of its own directly employed customer service and sales force, independent consultants and selective independent manufacturer representatives. Direct sales representatives focus on applications for UTMD devices where customer training and support may be important. The direct employee sales force is comprised primarily of "inside" representatives who operate by telephone and email from corporate offices. The Company also utilizes independent sales representatives primarily on a growth commission basis. Direct representatives are trained to understand the medical procedures being performed within UTMD's clinical focus. Through the use of its one-on-one contacts with physicians and other clinical practitioners directly involved in patient care, the direct sales force positions UTMD to gain market leadership with specific solutions to clinical issues. In addition to its direct representatives, UTMD utilizes third party consulting clinical specialists to augment its customer training programs.

Additionally, in 2024 UTMD sold component parts as well as finished devices to 134 other companies for use with their product lines. This OEM distribution channel is simply maximizing utilization of manufacturing capabilities that are otherwise needed for UTMD's primary business, and does not compete with or dilute UTMD's direct distribution and marketing programs. UTMD's largest OEM customer represented 7% ($2.7 million) of total consolidated sales in 2024, compared to 17% ($8.6 million) in 2023 and 22% ($11.6 million) in 2022.

OUS, the Company and its subsidiaries distribute directly to end-user facilities in Canada, the UK, France, Ireland, NZ and AUS, and in 2024 sold to 193 regional distributors and OEMs (other medical device manufacturers and/or distributors) in over a hundred countries. Ten percent of UTMD's independent OUS distributors comprised 77% of UTMD's indirect OUS sales in the years of 2022 - 2024.

NEW PRODUCT DEVELOPMENT

New product development has been a key ingredient to UTMD's market identity. Product development takes several interrelated forms: 1) improvements, enhancements and extensions of current product lines in response to clinical needs or clinician requests, 2) introduction of new or augmented devices that represent a significant improvement in safety, effectiveness and/or total cost of care, and 3) acquisitions of products or technology from others. Manufacturing process development is an equally important aspect that cannot be separated from the successful design and development of devices.

Because of UTMD's reputation as a focused product developer, its financial strength and its established clinician user base, it enjoys a substantial inflow of new product development ideas. Internal development, joint development, product acquisitions and licensing arrangements are all included as viable options in the investigation of opportunities. Only a small percentage of ideas survive feasibility screening. For internal development purposes, projects are assigned to a project manager who assembles an interdisciplinary, cross-functional development team. The team's objective is to have a clinically acceptable, manufacturable and regulatory-released product ready for marketing by a specific date. Several projects, depending on the level of resources required, are underway at UTMD at any given time. Only a few assigned projects succeed in attaining a product that meets all of the Company's criteria. In particular, this includes a product that is highly reliable, easy to use, cost-effective, safe, useful and differentiated from the competition. Once a product is developed, tooled, fully tested and cleared for marketing by the applicable regulatory entity(ies) in the U.S. and/or other countries, there remains a reasonable probability it cannot be successfully marketed for any number of reasons, not the least of which is being beaten to the market by a competitor with a better solution, or not having access to users because of limitations in marketing and distribution resources or exclusionary contracts of GPOs.

UTMD's current product and process development projects are in the following areas: 1) augmentation and internal manufacturing of existing UTMD devices, 2) neonatal intensive care, 3) specialized procedures for the assessment and treatment of cervical/uterine disease, 4) labor and delivery procedures, 5) pressure sensors needed for biopharmaceutical manufacturing processes and 5) product and process development for OEM customers. Internal product development expenses are expected to be between 1% and 2% of sales in 2025.

EMPLOYEES AND OTHERS

At December 31, 2024, the Company worldwide had 155 full-time employees, 12 part-time employees, 6 regular consultants, 20 independent sales representatives and 9 outside directors of UTMD and its subsidiaries. The Company utilizes independent consultants and directors, some of which were prior employees. Almost all of UTMD's internally-manufactured devices are made either in Utah or in Ireland. At the end of 2024, the average tenure with the Company of all 140 full-time employees in Utah and Ireland is 13 years. In fact, 35% of those employees have been with the Company for more than 25 years. This experience conveys an important benefit due to the level of training required to produce consistently high-quality medical devices and appreciation of how UTMD's devices provide unique benefits for clinicians and patients. The Company's continued success will depend to a large extent upon its ability to retain skilled and experienced employees and consultants. No assurances can be given that the Company will be able to retain or attract such people in the future, although management is committed to providing an environment in which reliable, creative and high achieving people wish to work.

None of the Company's officers or directors is bound by restrictive covenants from prior employers that limit their ability to contribute to UTMD's programs. All employees agree to a code of conduct and sign a strict confidentiality agreement as a condition of employment, and as consideration for receipt of stock option awards and participation in the annual profit-sharing bonus program. All employees participate in contemporaneous performance-based bonus programs. None of the Company's employees is represented by labor unions or other collective bargaining groups.

PATENTS, TRADEMARKS AND TECHNOLOGY LICENSES

The Company owns seven currently unexpired U.S. patents, numerous associated patents in sovereignties OUS and is the licensee of certain other technology. There can be no assurance, however, that patents will be issued with respect to any pending applications, that marketable products will result from the patents or that

issued patents can be successfully defended in a patent infringement situation. The Company also owns thirty-one registered trademarks which have achieved significant brand recognition. The Company believes that its trademarks and tradenames, many of which have become well known in the global medical community through decades of successful use of the associated medical devices, likely have and will continue to have substantially more intangible value than its patents.

The ability of the Company to achieve commercial success depends in part on the protection afforded by its patents and trademarks. However, UTMD believes that the protections afforded by patents and trademarks are less important to UTMD's business, taken as a whole, than a medical device's established incremental clinical utility, which may be dominated by a number of other factors including relative cost, ease of use, ease of training/adoption, perceived clinical value of different design features, risk of use in applicable procedures, the reliability of achieving a desired outcome in the hands of different users and market access to potential users. In cases where competitors introduce products that may infringe on UTMD's technology or trademarks, the Company has an obligation to its stockholders to defend its intangible property to the extent that it can afford to do so, and that it is material to the Company's success. The Company must also defend itself if competitors allege that UTMD may be infringing their technologies.

As a matter of policy, UTMD has acquired and will continue to acquire the use of technology from third parties that can be synergistically combined with UTMD proprietary product ideas. During 2024, royalties included in cost of goods sold were $159. Other royalties have been previously paid as a lump sum, or were incorporated into the price of acquisitions or into the cost of purchased components which practice certain patents of third parties. Also as a matter of policy, UTMD licenses its proprietary technology to others in circumstances where licensing does not directly compete with UTMD's own marketing initiatives. During 2024 the Company received $15 in royalty income compared to $20 in both 2023 and 2022.

GOVERNMENT REGULATION

UTMD and its subsidiaries' products and manufacturing processes are subject to regulation by the U.S. Food & Drug Administration ("FDA"), as well as many other regulatory entities globally. The FDA has authority to regulate the marketing, manufacturing, labeling, packaging and distribution of medical devices in the U.S. Requirements exist under other federal laws and under state, local and foreign statutes that apply to the manufacturing and marketing of the Company's medical and biopharma devices.

All manufacturers of medical devices must register with the FDA and list all medical devices produced by them. In addition, prior to commercial distribution of some devices for human use, a manufacturer must file a notice with the FDA, setting forth certain information regarding the safety and effectiveness of the device that is acceptable in content to the FDA.

Devices which are classified in Class I are subject only to the general controls concerning adulteration, misbranding, good manufacturing practices, record keeping and reporting requirements. Devices classified in Class II must, in addition, comply with special controls or performance standards promulgated by the FDA.

Except for the Filshie Clip System, all of UTMD's present devices are unclassified, Class I or Class II devices. The Filshie Clip System is a Class III device which has more stringent regulatory controls. The Company is in compliance with all applicable U.S. regulatory standards including CFR Part 820, the FDA Quality System Regulation (QSR) effective in 1997, also known as cGMPs (current good manufacturing practices).

In 1994, UTMD received certification of its quality system under the ISO9001/EN46001 standards ("ISO" stands for "International Organization of Standardization") which it maintained until December 2003. In October 2003, UTMD's Utah facility was certified under the more stringent ISO13485 standard for medical devices. UTMD's Ireland facility was certified under the concomitant ISO13488 standard. In July 2006, both facility ISO certifications were upgraded to the even more stringent ISO13485:2003 standard. Currently, UTMD's facilities in the UK, Ireland and Utah are all certified under the most recent ISO13485:2016 standard. In 2020, UTMD's manufacturing facilities in Ireland and UK were audited and certified by a recognized authorized auditing organization under the MDSAP. In 2024, UTMD's manufacturing facility in Ireland was inspected by the FDA in conjunction with manufacturing Filshie clips in Ireland. No FDA-483 observations were issued.

The Company's most recent Utah FDA QSR inspection was in July 2014, which did not result in the issuance of any FDA-483 observations. Femcare's most recent UK FDA QSR inspection was in July 2019, which also did not result in the issuance of any FDA-483 observations.

Since 2019, UTMD's manufacturing facilities in Utah have been annually audited and certified by a recognized authorized auditing organization under the Medical Device Single Audit Program (MDSAP). The MDSAP allows a recognized Auditing Organization to conduct a single regulatory audit of a medical device manufacturer that satisfies the relevant requirements of the regulatory authorities of Australia, Brazil, Canada, USA and Japan. In other words, the FDA accepts MDSAP audit reports as a substitute for routine periodic FDA QSR inspections. UTMD and Femcare remain on a continuous periodic audit schedule by its independent notified body and authorized MDSAP auditing organization in order to stay current with international regulatory standards, and retain certifications. UTMD and Femcare have received CE Mark certifications (demonstrates proof of compliance with the European Community's ISO standards) for all major products.

SOURCES AND AVAILABILITY OF RAW MATERIALS

Most of the components which the Company purchases from various vendors are available from a number of sources and in a number of locations worldwide. That notwithstanding, the Company maintains safety stocks that anticipate potential disruption to its supply chain from changes in government policies including tariffs, and including the time required to source and qualify new vendors. Fortunately, given availability of its significant cash reserves, UTMD has had the financial ability to mitigate supply chain risk by carrying extra inventories during periods of increased uncertainty.

Alternative sourcing of various components is continually underway. Vendors are qualified by UTMD's Quality Assurance. In the few cases where the Company has a sole source, it either maintains or has agreement with the supplier to maintain excess safety stocks that would cover the time required to develop and qualify a new source. The Company has a vendor quality monitoring program that includes routinely checking incoming material for conformance to specifications, as required per written procedures.

U.S. EXPORTS

UTMD regards the OUS marketplace as an important element of its growth strategy. UTMD is keenly aware that not only are OUS markets different from the U.S. market, but also that each country has its own set of driving influences that affect the dynamics of the nature of care given and medical devices used. The Company operates four OUS facilities; in Romsey, Hampshire, England; in Castle Hill, NSW, Australia; in Mississauga, Ontario, Canada and in Athlone, County Westmeath, Ireland. These facilities offer a number of advantages: 1) from a marketing point of view, better response to Europe, Asia, Africa and Australia customers, including a better understanding of customer needs, less costly distribution and, in the EU, duty-free access to 500 million patients; 2) from a regulatory point of view, faster new product introductions; and 3) from a manufacturing point of view, reduced dependence on one manufacturing site and increased capacity for meeting customer needs.

Total 2024 trade USD revenues from customers OUS were $17,458 (43% of total consolidated USD sales) compared to $22,020 (44% of total consolidated USD sales) in 2023 and $20,310 (39% of sales) in 2022. OUS trade sales (U.S. exports) from the U.S. to OUS customers were $3,995 in 2024 compared to $4,516 in 2023 and $4,256 in 2022. U.S. exports represented 23% of total OUS sales in 2024 compared to 21% of total OUS trade sales in both 2023 and 2022. The U.S. export numbers exclude Utah intercompany sales of components and finished devices to UTMD foreign subsidiaries, which then distribute Utah-made components and finished devices as part of their sales to OUS customers.

For sales by OUS geographic area, please see note 9 to the Consolidated Financial Statements.

BACKLOG

Backlog is defined as orders received and accepted by UTMD which have not shipped yet. As a supplier of primarily disposable hospital products, the nature of UTMD's non-distributor and non-OEM business requires fast response to customer orders. Virtually all direct shipments to end-user facilities are accomplished within a few days of acceptance of purchase orders. Consequently, UTMD's backlog at any point in time is comprised mainly of orders from OEM and independent distributors, which purchase in larger quantities, at less frequent intervals with fluctuating order patterns. Backlog shippable in less than 90 days was $1,885 as of January 1, 2025 compared to $3,650 as of January 1, 2024 and $5,605 as of January 1, 2023. The decline in the beginning backlogs was due to diminishing orders from UTMD's largest OEM customer.

SEASONAL ASPECTS

The Company's business is generally not affected by seasonal factors, but it is affected by uneven purchasing patterns of OEM customers and independent distributors.

PRODUCT LIABILITY RISK MANAGEMENT

The risk of product liability lawsuits is a negative factor in the medical device industry because devices are frequently used in inherently risky situations to help clinicians achieve a more positive outcome than what might otherwise be the case, and even the use of the safest medical devices may still result in injury. In any lawsuit against a company where an individual plaintiff claims to have suffered permanent physical injury, a possibility of a large award for damages exists whether or not a causal relationship exists.

UTMD is self-insured for product liability risk, and reserves funds against its current performance on an ongoing basis to provide for its costs of defense should any lawsuits be filed. UTMD was named as a defendant on six product liability lawsuits over the time span of the last thirty years, excluding the Filshie Clip System acquired fourteen years ago. Four of the six lawsuits involved a patient injury related to operative vaginal deliveries where a UTMD VAD birthing cup or hand pump was used. The VADS devices in all four cases did conform to specifications. UTMD was ultimately dismissed as a defendant in all four VADS lawsuits, and legal costs were not material to performance. In a fifth lawsuit, regarding the use of EndoCurette, there was no evidence of patient injury. The lawsuit was settled in 2010 for an immaterial amount to avoid the diversion of management time and substantial costs of litigation, even though UTMD was confident that the case was without merit. In a sixth, UTMD was brought into the lawsuit by a defendant physician, speculating a design deficiency in a Finesse electrosurgical generator (ESU) which had been in use for eighteen years before the injury event, and used successfully by the same physician in multiple procedures after the event. The injured patient did not allege any fault by UTMD. The case was settled in 2012 without any UTMD involvement or liability. The Company's average cost of defense of the six lawsuits was $15/year, well below the deductible level of product liability insurance policies and hundreds of thousands of dollars less than product liability insurance premiums. The best defense the Company believes that it has is the consistent conformance to specifications of its proven safe and effective products.

After acquisition by UTMD in 2011 and prior to late 2021, there were three Filshie Clip System lawsuits, all of which were dismissed with prejudice prior to the conclusion of discovery. The average annual cost of those Filshie Clip System lawsuits since 2011 up to late 2021 was $7 per year (less than $25 per lawsuit to achieve resolution). However, in late 2021, Femcare and UTMD were added as defendants in a clip migration lawsuit in Texas, which expanded to fourteen other states with a total of nineteen lawsuits as plaintiffs' lawyers have sought to solicit and recruit claimants in other states. Ten lawsuits have been dismissed completely as of March 25, 2025, including the bellwether Texas lawsuit. Unfortunately, social media is being used by aggressive attorneys to solicit plaintiffs using representations that are not true. The filing of new lawsuits died down considerably in 2024.

There is no basis for a claim of either a poor device design, which was approved as safe and effective by the U.S. FDA, which approval has been continuously maintained since 1996, nor any evidence to-date of any defective clips implanted in the patients who have filed complaints. The basis for claims appears to be an allegation that Femcare failed to properly inform of potential side effects. The contents of "Instructions For Use", which contain warnings and precautions and accompany shipments of clips, have been and remain approved by the FDA. There have been dozens of clinical articles over decades of time describing case studies and use of Filshie Clips. Therefore, there has been no lack of proper disclosure of side effects to physicians who are learned intermediaries. Filshie Clips have been prescribed by knowledgeable U.S. physicians for decades, and implanted in millions of patients in the U.S. and worldwide. Although the cost of defense has been exceptionally high compared to UTMD's historical average cost of product liability defense, and would possibly increase should cases go to trial, the Company believes that the costs can be absorbed without a material impact on UTMD's overall consolidated financial performance.

Other than the Filshie Clip claims, there have been no product liability lawsuits for any UTMD device during the last thirteen years. With the exception of the six non-Filshie Clip System lawsuits described above, there have been no product liability claims filed over the last 31 years after distribution and use of over 20 million UTMD critical care and surgical finished devices excluding the Filshie Clip System.

Since 1993, during which time over one hundred million finished devices and OEM components were manufactured and distributed by UTMD and its subsidiaries, there have been no adverse judgments resulting from a claim of defect in UTMD's or its subsidiaries' designs or manufacture of products, or a fault in informational materials. Although it hasn't happened in the past 46 years, a product liability lawsuit could result in a significant damages award against the Company. In the current tort system, particularly in the U.S., meritless product liability cases do get filed where aggressive attorneys calculate that a company will find it

cheaper to settle for what they consider a nominal amount in lieu of potentially substantial defense costs of discovery and going to trial.

FORWARD LOOKING INFORMATION

This report contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by management based on information currently available. When used in this document, the words "anticipate," "believe," "project," "estimate," "expect," "intend" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company respecting future events and are subject to certain risks, uncertainties and assumptions, including the risks and uncertainties stated throughout the document. Although the Company has attempted to identify important factors that could cause the actual results to differ materially, there may be other factors that cause the forward statement not to come true as anticipated, believed, projected, expected, or intended. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ materially from those described herein as anticipated, believed, projected, estimated, expected or intended. Financial estimates are subject to change and are not intended to be relied upon as predictions of future operating results, and the Company assumes no obligation to update or disclose revisions to those estimates.

ITEM 1A – RISK FACTORS

Legislative or executive order healthcare interference in the United States renders the U.S. medical device marketplace unpredictable. A fully government-run healthcare system would likely eliminate healthcare consumer choice as well as commercial incentives for innovation.

Increasing regulatory burdens, including premarketing approval delays, may result in significant loss of revenue, unpredictable costs and loss of management focus on developing and marketing products that improve the quality of healthcare:

Thousands of small focused medical device manufacturers including UTMD that do not have the overhead structure that the few large medical device companies can afford are increasingly burdened with bureaucratic and underqualified regulator demands that are not reasonably related to assuring the safety or effectiveness of the devices that they provide. In Europe, recent regulatory changes requiring clinically well-accepted devices used safely for decades to be rigorously reapproved every few years ignores the obvious outcome that millions in dollars in additional regulatory cost may cause devices with specialized applications with only thousands of dollars in revenues to no longer be available to patients who need them. Premarketing submission administrative burdens, and substantial "user fees" or notified body review fees, represent a significant non-clinical and/or non-scientific barrier to new product introduction, resulting in lack of investment or delays to revenues from new or improved devices. The risks associated with such circumstances relate not only to substantial out-of-pocket costs, including potential litigation in millions of dollars, but also loss of business and a diversion of attention of key employees for an extended period of time from managing normal responsibilities, particularly in new product development and routine quality assurance activities.

Group Purchasing Organizations (GPOs) in the U.S. add non-productive costs, weaken the Company's marketing and sales efforts and cause lower revenues by restricting access:

GPOs, theoretically acting as bargaining agents for member hospitals, but actually collecting revenues from the companies that they are negotiating with, have made a concerted effort to turn medical devices that convey special patient safety advantages and better health outcomes, like UTMD's, into undifferentiated commodities. GPOs have been granted an antitrust exemption by the U.S. Congress. In other industries their business model based on "kickbacks" would be a violation of law. Despite rhetoric otherwise, these bureaucratic entities do not recognize or understand the overall cost of care as it relates to safety and effectiveness of devices, and they create a substantial administrative burden that is primarily driven by collection of administrative fees.

The Company's business strategy may not be successful in the future:

As the level of complexity and uncertainty in the medical device industry increases, evidenced, for example, by the unpredictable and overly cumbersome regulatory environment, the Company's views of the future and product/ market strategy may not yield financial results consistent with the past.

As the healthcare industry becomes increasingly bureaucratic it puts smaller companies like UTMD at a competitive disadvantage:

An aging population and previously uncontrolled immigration are placing greater burdens on healthcare systems, particularly hospitals. The length of time and number of administrative steps required in adopting

new products for use in hospitals has grown substantially in recent years. Smaller companies like UTMD typically do not have the administrative resources to deal with broad new administrative requirements, resulting in either loss of revenue or increased costs. As UTMD introduces new products it believes are safer and more effective, it may find itself excluded from certain clinical users because of the existence of long-term supply agreements for preexisting products, particularly from competitors which offer hospitals a broader range of products and services. Restrictions used by hospital administrators to limit clinician involvement in device purchasing decisions makes communicating UTMD's clinical advantages more difficult.

A product liability lawsuit could result in significant legal expenses and a large award against the Company:
UTMD's devices are frequently used in inherently risky situations to help physicians achieve a more positive outcome than what might otherwise be the case. In any lawsuit where an individual plaintiff suffered permanent physical injury, the possibility of a large award for damages exists whether or not a causal relationship exists.

The Company's reliance on third party distributors in some markets may result in less predictable revenues:
UTMD's distributors have varying expertise in marketing and selling specialty medical devices. They also sell other devices that may result in less focus on the Company's products. In some countries, notably China, Pakistan and India not subject to similarly rigorous standards, a distributor of UTMD's products may eventually become a competitor with a cheaper but lower quality version of UTMD's devices.

The loss of one or more key employees could negatively affect UTMD performance:
In a small company with limited resources, the distraction or loss of key personnel at any point in time may be disruptive to performance. The Company's benefits programs are key to recruiting and retaining talented employees. An increase in UTMD's employee healthcare plan costs, for example, may cause the Company to have to reduce coverages which in turn represents a risk to retaining key employees.

Fluctuations in foreign currencies relative to the USD can result in significant differences in period-to-period financial results:
Since a significant portion of UTMD's sales are invoiced in foreign currencies and consolidated financial results are reported in USD terms, a stronger USD can have negative revenue effects. Conversely, a weaker USD would increase foreign subsidiary operating costs in USD terms. For the portion of sales to foreign entities made in fixed USD terms, a stronger USD makes the devices more expensive and weakens demand. For the portion invoiced in a foreign currency, not only USD-denominated sales are reduced, but also gross profits may be reduced because finished distributed devices and/or U.S. made raw materials and components are likely being purchased in fixed USD.

Trade restrictions and /or tariffs resulting from changing government geopolitical trade policies have the potential to disrupt UTMD's supply chain and/or affect costs.

ITEM 1B – UNRESOLVED STAFF COMMENTS
None

ITEM 1C – CYBERSECURITY

Risk Management and Strategy
The Company considers cybersecurity to be an important part of its overall business strategy and risk management. UTMD continuously monitors its information systems to assess, identify and manage risks from both inside and outside forces. Functional modules are fully-integrated, which provides for transaction checks and balances. Software systems have been validated for effectiveness of intended uses. Policies and procedures have been implemented which all employees acknowledge in writing, and agree to follow as a condition of employment. Access is documented and controlled by business function. Regular employee user training is conducted to promote awareness of outside threats and the importance of following procedures. UTMD utilizes state-of-art cybersecurity devices and software to timely identify and prevent intrusion from external actors. The corporate information systems operations manager continuously monitors activity, and reports weekly to the CEO. Additional sources for assessing security effectiveness are annual outside audits of the information technology environment, risk and performance assessments provided by vendors of the routers and firewalls used by the Company and the news media.

There have been no events in at least the last thirty-two years that have been considered material enough to warrant changes to systems, processes or controls.

Governance

The Governance Committee of the Board of Directors maintains overall responsibility to oversee and assess the effectiveness of the Company's cybersecurity strategy. The Board meets quarterly and any potential threats are reviewed and discussed at that time, unless the information systems team and/or the CEO decide earlier notification is warranted.

ITEM 2 - PROPERTIES

Office and Manufacturing Facilities.

UTMD is a vertically-integrated manufacturing company. Capabilities include silicone and plastics-forming operations including injection molding, insert and over-molding, thermoforming and extrusion; sensor production; manual and automated assembly of mechanical, electrical and electronic components; parts printing; various testing modalities; advanced packaging in clean room conditions; and a machine shop for mold-making and fabrication of assembly tools and fixtures. Capabilities also include an R&D laboratory for both electronic and chemical processes, software development resources, communications and computer systems networked real time OUS, and administrative offices.

UTMD owns all of its property and facilities with the exception of a long-term lease with 7 years remaining on one section of its Midvale parking lot. As of the beginning of 2025, the Company's operations were located in 105,000 square feet of facilities in Midvale, Utah, a 77,000 square foot facility in Athlone, County Westmeath, Ireland, a 38,600 square foot facility in Romsey, Hampshire, England, a 3,200 square foot facility in Castle Hill NSW, Australia, and a 4,700 square foot facility in Mississauga, Ontario, Canada. Manufacturing is currently carried out primarily in the Utah and Ireland facilities.

ITEM 3 - LEGAL PROCEEDINGS

The Company may be a party from time to time in litigation incidental to its business. Presently, except for Filshie clip lawsuits, there is no litigation or threatened litigation where UTMD is a defendant. The Company expects that the outcome of the Filshie clip litigation will not be material to overall consolidated financial results.

ITEM 4 – MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information.

UTMD's common stock trades on the NASDAQ Global Market (stock symbol: UTMD). The following table sets forth the high and low sales price information as reported by NASDAQ for the periods indicated:

	2024		2023	
	High	Low	High	Low
1st Quarter	$85.76	$68.00	$101.41	$80.75
2nd Quarter	71.55	65.91	100.59	87.54
3rd Quarter	77.33	65.60	99.46	83.63
4th Quarter	68.99	60.39	87.99	75.00

Stockholders.

The number of beneficial stockholders of UTMD's common stock as of March 3, 2025 was at least 2,000.

Dividends.

The following sets forth cash dividends paid during the past two years:

Record Date	Payable Date	Per Share Amount
March 17, 2023	April 4, 2023	0.295
June 16, 2023	July 6, 2023	0.295
September 15, 2023	October 3, 2023	0.295
December 15, 2023	January 3, 2024	0.300
March 15, 2024	April 3, 2024	0.300
June 14, 2024	July 5, 2024	0.300
September 20, 2024	October 4, 2024	0.300
December 16, 2024	January 3, 2025	0.305
2023 total cash dividends paid per share		$ 1.1800
2024 total cash dividends paid per share		$ 1.2000

Issuer Purchases of Equity Securities.

UTMD did not purchase any of its own securities in 2023. In 2024, UTMD purchased 301,961 shares of its common stock for $19,968 including commissions and fees (an average price of $66.13/ share).

2024 Calendar Quarter	Shares Repurchased	Average Cost Per Share	Total Cost [K]
1Q 2024	43,108	$69.368	$ 2,990
2Q 2024	95,107	67.326	6,403
3Q 2024	58,377	66.220	3,866
4Q 2024	105,369	63.667	6,709
Year Total	301,961	$66.127	$19,968

As a subsequent 2025 event, through March 25, 2025 UTMD purchased 53,340 additional shares of its common stock for $3,169 including commissions and fees (an average price of $59.41/ share).

ITEM 6 - RESERVED

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Currency amounts are in thousands except per-share amounts and where noted. Currencies are abbreviated as follows: the U.S. Dollar (USD or $), the Great Britain Pound (GBP or £), the Euro (EUR or €), the Australian Dollar (AUD or A$), the New Zealand Dollar (NZD) and the Canadian Dollar (CAD or C$).

The following comments should be read in conjunction with the accompanying financial statements.

Overview.

In 2024, income statement measures of Utah Medical Products, Inc. (Nasdaq: UTMD) consolidated financial performance were substantially lower than in 2023, as follows.

Consolidated Income Statement	2024	2024 Compared to 2023	2023
Worldwide Revenues	$40,903	(18.6%)	$50,224
Gross Profit	24,143	(19.6%)	30,038
Operating Income	13,594	(19.0%)	16,777
Income Before Income Tax	16,802	(16.4%)	20,089
Net Income (US GAAP)	13,874	(16.6%)	16,635
Earnings Per Share (US GAAP)	$ 3.961	(13.4%)	$ 4.574

Despite 19% lower sales, profit margins in 4Q and year 2024 held up compared to 4Q and year 2023, for reasons described later in this report:

	4Q 2024 (Oct – Dec)	4Q 2023 (Oct-Dec)	2024 (Jan–Dec)	2023 (Jan–Dec)
Gross Profit Margin (GP/ sales):	58.1%	57.6%	59.0%	59.8%
Operating Income Margin (OI/ sales):	32.0%	32.0%	33.2%	33.4%
Income Before Tax Margin (EBT/ sales):	39.5%	40.7%	41.1%	40.0%
Net Income Margin (NI/ sales):	31.7%	34.8%	33.9%	33.1%

Because revenue results for any given three-month period in comparison with a previous three-month period are not indicative of comparative results for the year as a whole, UTMD believes that investors should focus primarily on the annual results in 2024. The $9.3 million consolidated worldwide (WW) decline in annual revenues in 2024, which drove income statement results overall, can be aggregated in the three following categories:

Revenue Category:	2024 Sales [million $]	2023 Sales [million $]	Decline [million $]	Portion of Total Decline
1) PendoTECH OEM	2.7	8.6	(5.9)	64%
2) OUS Distributors (excluding Filshie)	8.7	10.8	(2.1)	22%
3) WW Filshie	10.8	12.3	(1.5)	16%
Total Above:	22.2	31.7	(9.5)	102%
Above % of Total Below:	54%	63%	102%	
Total Consolidated WW Revenues:	40.9	50.2	(9.3)	100%

The OUS (Outside the U.S.) Distributor category (item 2 above) included UTMD's China distributor for blood pressure monitoring kits for which 2024 shipments were $2.4 million compared to $4.0 million in 2023, representing $1.6 million (75%) of the $2.1 million decline in OUS Distributor revenue (excluding Filshie OUS distributors).

The decline in WW Filshie device revenues (item 3 above) can be divided into three parts:

Filshie Device Sales	2024 Sales [million $]	2023 Sales [million $]	Revenue Decline [million $]	2024 Revenue Decline from 2023
Domestic Direct (to U.S. medical facilities)	4.0	4.8	(0.8)	(15%)
OUS Direct (to medical facilities outside the U.S.)	5.3	5.8	(0.5)	(9%)
OUS distributors	1.5	1.7	(0.2)	(14%)
Total Filshie Revenues:	10.8	12.3	(1.5)	(12%)

OUS Direct Filshie revenues were sales by UTMD subsidiaries directly to medical facilities in the UK, France, Ireland, Canada, Australia and New Zealand. Foreign currency exchange (FX) rate changes had a minimally positive impact on 2024 USD revenues compared to 2023.

Despite additional cost-of-living adjustments for employees in 2024 and continued inflation in raw material costs, UTMD was nevertheless able to maintain its Gross Profit margin in 2024 by reducing manufacturing personnel, including closing down the assembly swing shift in Utah. The $1.6 million lower sales to UTMD's China distributor for blood pressure monitoring kits, $1.3 million of which decline occurred in 4Q 2024 alone, actually helped UTMD's average Gross Profit margin as that sales category has the lowest margin in UTMD's business.

UTMD's Operating Income margin was essentially the same in both years, despite retaining its critical mass of sales and marketing (S&M), product development (R&D) and general and administrative (G&A) resources at a higher cost. This occurred because the 2023 $3,684 G&A expense from amortization of the $21 million identifiable intangible asset (IIA) associated with UTMD's 2019 purchase of CooperSurgical Inc's (CSI's) exclusive right to distribute the Filshie Clip System in the U.S., which was zero in 2024, offset the slightly lower Gross Profit margin as well as higher litigation expenses also captured in G&A expense.

On the other hand, non-operating income was lower than in the prior year as a result of a new excise tax levied on share repurchases in the U.S. and the fact that UTMD Ltd in Ireland received $232 less income in 2024 from renting unused warehouse space. EPS benefited from UTMD repurchasing over 8% of its shares during the year.

Foreign currency exchange (FX) rates for Balance Sheet purposes are the applicable rates at the end of each reporting period. The FX rates from the applicable foreign currency to USD for assets and liabilities at the end of calendar year 2024 compared to the end of 2023 and the end of 3Q 2024 follow:

	12-31-24	12-31-23	Change	9-30-24	Change
GBP	1.25209	1.27386	(1.7%)	1.33958	(6.5%)
EUR	1.03505	1.10593	(6.4%)	1.11429	(7.1%)
AUD	0.61834	0.68248	(9.4%)	0.69312	(10.8%)
CAD	0.69428	0.75733	(8.3%)	0.73987	(6.2%)

Despite $4,260 in stockholder dividends and $19,968 in share repurchases in 2024, which reduced both cash and Stockholders' Equity, measures of the Company's liquidity and overall financial condition remained strong as of the end of 2024 compared to the end of 2023. Despite year-end working capital declining $8,985, the Company's current ratio improved to 25.6 at the end of 2024 from 22.6 at the end of 2023. As a result of continued strong positive cash flow from normal operations, 2024 year-end Stockholders' Equity declined just $10,886 despite the $24,228 share repurchases and cash dividends. In comparison, UTMD paid $4,282 in stockholder cash dividends and made no share repurchases in 2023. The Company also used $231 in cash in 2024 along with $639 in 2023 to invest in new manufacturing equipment and fixtures, as well as maintaining existing Property, Plant and Equipment (PP&E) in good working order. Two-year net capital expenditures for PP&E were $511 less than depreciation.

Productivity of Fixed Assets and Working Capital Assets.

Assets.

Year-end 2024 total consolidated assets were $122,538 comprised of $96,330 in current assets, $9,763 in consolidated net PP&E and $16,445 in net intangible assets. This compares to $135,458 total assets at the end of 2023 comprised of $106,269 in current assets, $10,551 in consolidated net PP&E and $18,637 in net intangible assets. Total asset turns (total consolidated sales divided by average total assets for the year) in 2024 were 32% compared to 39% in 2023, reflecting the large decrease in sales.

Current assets decreased $9,938 due to the $9,892 decrease in year-end cash and investments and $770 lower inventories, offset by $704 higher accounts and other receivables and $20 higher other current assets. Year-end 2024 and 2023 cash and investment balances were $82,976 and $92,869, representing 68% and 69% of total assets, respectively. Net (after allowance for doubtful accounts) year-end trade accounts receivable (A/R) balances were $760 higher at the end of 2024 compared to 2023, despite 4Q 2024 sales $3,176 lower than in 4Q 2023. Ending 2024 average days in A/R were 40 based on 4Q trade sales, instead of 24 days at the end of 2023. A/R over 90 days from invoice date increased from 3.3% of total A/R at the end of 2023 to 6.4% at the end of 2024. The Company believes any older A/R will be collected or are within its reserve balances for uncollectible amounts. Inventories net of reserves for obsolescence at 2024 year-end were 8% lower from the end of 2023.

Working capital (current assets minus current liabilities) at year-end 2024 was 9% lower at $92,574 compared to $101,559 at year-end 2023, primarily due to using $19,968 cash for share repurchases. The end of 2024 working capital exceeds UTMD's needs for normal operations in an uncertain economic environment, funding of future organic growth and timely payment of accrued tax liabilities. Management believes that, despite the negative impact on Return on Stockholders' Equity, retaining a high cash balance increases its likelihood of being able to allow for substantial funding of any future accretive acquisition without diluting stockholder interest, as well as repurchase of UTMD shares while paying a consistent dividend, and will leverage stockholder value in the long term.

December 31, 2024 net $9,763 total PP&E includes Utah, Ireland and England manufacturing molds, production tooling and equipment, test equipment, and product development laboratory equipment. In addition, PP&E includes computers and software, warehouse equipment, furniture and fixtures, facilities and real estate for all five locations in Utah, Ireland, UK, Canada and Australia. Manufacturing facilities in Utah, Ireland and the UK are standalone buildings with a combined 220,000 square feet on 15 acres of land. The distribution facilities in Australia and Canada with a combined 8,000 square feet are part of larger industrial condominiums. Management estimates the fair market value of the five owned facilities to be at least $35 million excluding the contents, the fungible value of which increases stockholder enterprise value relative to most of UTMD's industry peers which lease their facilities.

Compared to the end of 2023, ending 2024 net consolidated PP&E (depreciated book value of all fixed assets) declined $789 as a result of the combination of capital expenditures of $231, depreciation of $730 and the effect of foreign currency exchange (FX) rates on year-end foreign subsidiary asset balances as OUS fixed assets were depreciated further by a stronger USD.

The following end-of-year FX rates to USD were applied to assets and liabilities of each applicable foreign subsidiary:

	12-31-24	12-31-23
EUR	1.0351	1.1059
GBP	1.2521	1.2739
AUD	0.6183	0.6825
CAD	0.6943	0.7573

The year-end 2024 net book value (after accumulated depreciation) of consolidated PP&E was 29% of purchase cost. End-of-year PP&E turns (Net Sales divided by Net PP&E) was 4.2 in 2024 compared to 4.8 in 2023 due to 19% lower 2024 sales together with lower USD asset values of foreign subsidiaries. A future leverage in productivity of fixed assets which will not have to be further increased to support new business activity will be a source of incremental profitability.

Net intangible assets (after accumulated amortization) are comprised of the capitalized costs of obtaining patents and other intellectual property, as well as the value of identifiable intangible assets (IIA) and goodwill resulting from acquisitions. Net intangible assets were $16,445 (13% of total assets) at the end of 2024 compared to $18,637 (14% of total assets) at the end of 2023. Per US GAAP, intangible assets are categorized as either 1) IIA, which are amortized over the estimated useful life of the assets, or 2) goodwill, which is not amortized or expensed until the associated economic value of the acquired asset becomes impaired. Those two categories of Femcare intangibles at year-end 2024 were net IIA of $2,415 and goodwill of $6,389. The accumulated amortization of Femcare IIA as of December 31, 2024 since the March 18, 2011 acquisition was $27,632. The remaining Femcare IIA will be fully amortized in March 2026. The goodwill portion of intangible assets resulting from the Femcare acquisition, which is not amortized, decreased $111 due to a weaker GBP at year-end, i.e. the different FX rate on fixed goodwill in GBP terms. In early 2019, UTMD acquired an additional $21,000 IIA from the purchase of the remaining life of exclusive U.S. distribution rights for the Filshie Clip System from CSI, all of which was amortized before the end of 2023. UTMD's goodwill balance from prior acquisitions including Femcare, Columbia Medical, Gesco and Abcorp was $13,580 at the end of 2024.

Because the products associated with UTMD's acquisitions of Columbia Medical in 1997, Gesco in 1998, Abcorp in 2004 and Femcare in 2011 continue to be viable parts of UTMD's overall business, UTMD does not expect the current goodwill value associated with the four acquisitions to become impaired in 2025. Amortization of IIA was $2,065 in 2024 compared to $5,692 in 2023. The difference was mainly due to the CSI IIA becoming fully-amortized in October 2023, resulting in $3,684 lower 2024 operating expense. In other words, the 2024 non-cash amortization expense of CSI IIA was zero compared to $3,684 in 2023. The Femcare IIA amortization expense was the same in both 2024 and 2023 at £1,589. But because of a difference in FX rates, the 2024 non-cash amortization expense of Femcare IIA was $2,030 compared to $1,977 in 2023.

The 2025 non-cash amortization expense (included as part of consolidated G&A operating expenses) of Femcare IIA will also be £1,589.

Liabilities.

As a reminder, payments for the Federal and State repatriation (REPAT) tax liability which resulted from the U.S. TCJA enacted in 2017 were 8% of the respective tax liability per year for the first five years, 15% in the sixth year, 20% in the seventh year and will be 25% in the eighth year. UTMD's total REPAT tax liability was $2,792. Calendar year 2025 represents the eighth year, so $698 is the current liability at 25% of the total liability, the final payment year.

Year-end 2024 current liabilities were $953 lower than at the end of 2023 despite the $140 higher REPAT tax current liability for the ensuing year. Ending accrued liabilities were $1,020 lower due primarily to a $619 lower consolidated accrued income tax liability, $135 lower accrued employee profit-sharing bonuses, a $146 lower litigation expense reserve and $238 lower customer deposits. Total liabilities were $2,034 lower at the end of 2024 compared to the end of 2023. The resulting 2024 year-end total debt ratio (total liabilities/ total assets) was just 4% compared to 5% at the end of 2023. UTMD has no bank debt.

The year-end 2024 Deferred Tax Liability balance created as a result of the fifteen-year deferred tax consequence of the amortization of Femcare's IIA was $604, down from $1,120 at the end of 2023. The difference in the $516 book decline compared to the $508 tax effect of 25% (current UK tax rate) times $2,031 in 2024 amortization of Femcare IIA was due to the difference in the GBP FX rate on the remaining DTL balance at the end of 2024 as well as the USD/GBP currency exchange conversion of the IIA amortization during 2024. In addition to liabilities stated on the balance sheet, UTMD has operating lease and purchase obligations described in Note 14 and Note 12, respectively, to the financial statements.

Results of Operations.

a) Revenues.

Under accounting standards applicable for 2024, the Company believed that revenue should be recognized at the time of shipment as title generally passes to the customer at the time of shipment, or completion of services performed under contract. Revenue recognized by UTMD is based upon documented arrangements and fixed contracts in which the selling price is fixed prior to acceptance and completion of an order. Revenue from product or service sales is generally recognized at the time the product is shipped or service completed and invoiced, and collectability is reasonably assured. Over 99% of UTMD's revenue is recognized at the time UTMD ships a physical device to a customer's designated location, where the selling price for the item shipped was agreed prior to UTMD's acceptance and completion of the customer order. There are no post-shipment obligations which have been or are expected to be material to financial results.

There are circumstances under which revenue may be recognized when product is not shipped, which have met the criteria of ASC 606: the Company provides engineering services, for example, design and production of manufacturing tooling that may be used in subsequent UTMD manufacturing of custom components for other companies. This revenue is recognized when UTMD's service has been completed according to a fixed contractual agreement.

Terms of sale are established in advance of UTMD's acceptance of customer orders. In the U.S., Ireland, UK, France, Australia, New Zealand and Canada, UTMD generally accepts orders directly from and ships directly to end-user clinical facilities, as well as third party medical/surgical distributors, under UTMD's Standard Terms and Conditions (T&C) of Sale. About 14% of UTMD's 2024 domestic end-user sales went through third party med/surg distributors which contract separately with clinical facilities to provide purchasing, storage and scheduled delivery functions for the applicable facility. UTMD's T&C of Sale to end-user medical facilities are substantially the same in the U.S., Canada, Ireland, UK, France, Australia and New Zealand.

UTMD may allow separate discounted pricing agreements with a specific clinical facility or group of affiliated facilities based on volume of purchases. Pricing agreements which are documented arrangements with clinical facilities, or groups of affiliated facilities, if applicable, are established in advance of orders accepted or shipments made. For existing customers, past actual shipment volumes typically determine the fixed price by part number for the next agreement period. For new customers, the customer's best estimate of volume is usually accepted by UTMD for determining the ensuing fixed prices for the agreement period. Prices are not adjusted after an order is accepted. For the sake of clarity, the separate pricing agreements with clinical facilities based on volume of purchases disclosure is not inconsistent with UTMD's disclosure above that the selling price is fixed prior to the acceptance of a specific customer order.

UTMD's global consolidated trade sales are comprised of domestic and OUS sales. Domestic sales in 2024 included 1) direct domestic sales, sales of finished devices to end-user facilities and med/surg distributors in the U.S., and 2) domestic OEM sales, sales of components or finished products, which may not be medical devices, to other companies for inclusion in their products. OUS sales are export sales from UTMD in the U.S. to customers outside the U.S. invoiced in USD, and sales from UTMD subsidiaries in Ireland, Canada, Australia and the UK which may be invoiced in EUR, GBP, CAD, AUD, NZD or USD. The term "trade" means sales to customers which are not part of UTMD. Each UTMD manufacturing entity had 2024 intercompany sales of components and/or finished devices to other UTMD entities.

The following table shows the 2024 USD-denominated revenues by sales channel compared to 2023. Because domestic sales in foreign countries were invoiced in native currencies, the comparison in USD terms includes the change in foreign currency translation (FX) rates. In other words, just the FX rate relative to the USD in 2024 compared to 2023 reduced Canada domestic sales by 1.3% and Australia sales by 0.9%. On the other hand, the FX rate difference increased Ireland domestic sales by 0.4%, UK domestic sales by 2.8% and France domestic sales by 0.1%.

Revenue [USD denominated]	2024	2024 Compared to 2023	2023
U.S. domestic (excluding OEM)	$18,855	(4.6%)	$19,758
Canada domestic	955	(13.4%)	1,102
Ireland domestic	544	+7.0%	508
UK domestic	3,420	+3.0%	3,320
France domestic	1,092	(17.2%)	1,318
Australia domestic	866	(17.5%)	1,050
Subtotal, Direct to End-User:	$ 25,732	(4.9%)	$ 27,056
All Other OUS (Sales to Int'l Distributors)	10,582	(28.1%)	14,722
U.S. OEM Sales	4,589	(45.7%)	8,446
Worldwide Revenues	$40,903	(18.6%)	$ 50,224

In summary, UTMD total worldwide (WW) consolidated USD sales in 2024 at $40,903 were $9,321 (18.6%) lower than in 2023 at $50,224. The decline essentially resulted from the fact that 2024 WW shipments by UTMD to its largest OEM customer were $5,938 (68.8%) lower. Total U.S. domestic sales including OEM were $4,759 (16.9%) lower in 2024 at $23,444 compared to $28,204 in 2023. OUS sales including sales to foreign distributors were $4,562 (20.7%) lower at $17,458 compared to $22,020 in 2023. Constant currency OUS sales were 21.2% lower.

Domestic Sales.

Domestic U.S. sales in 2024, which were $4,759 (16.9%) lower than in 2023, were $23,444 (57.3% of total consolidated sales) compared to $28,204 (56.2% of total sales) in 2023. All three categories of domestic sales were lower, led by U.S. OEM sales which were $3,857 (45.7%) lower than in 2023. Domestic sales to UTMD's biopharma OEM customer PendoTECH were $4,157 (64.7%) lower. Aggregate sales to 133 other U.S. OEM customers were $300 higher. Domestic Filshie device sales, representing 17.3% of total domestic sales, were $729 (15.3%) lower in 2024 compared to 2023.

Direct device sales other than Filshie, representing 63.2% of total domestic sales, were $173 (1.2%) lower in 2024 than in 2023. UTMD expects 2025 domestic direct sales of its well-established devices to increase at a low single-digit percentage rate.

Filshie 2024 sales in the U.S., which represented 17% of domestic direct sales, declined $729 (15%) compared to 2023. Although a partial change in practice favoring salpingectomies over tubal ligation for permanent sterilization has continued, an article in the "Green Journal" of the American College of Obstetrics and Gynecology lamented to physician members that patients are tending to rely more on social media than on informed input from their own doctors to make clinical choices. Consequently, there appears to be some negative impact on patient choice as a result of attorneys advertising for complainants under false pretenses on social media, which underscores the importance of winning the current product liability lawsuits. Nevertheless, UTMD expects U.S. Filshie device sales in 2025 will not decline as much as happened in 2024, based on the well-established safety and effectiveness of the device.

Domestic OEM sales in 2024 were $3,857 (45.7%) lower than in 2023, representing 20% of total U.S. domestic sales compared to 30% in 2023. UTMD sold components and finished devices to 134 different U.S. companies in 2024 compared to 129 companies in 2023 for use in their product-market offerings. Sales to 133 OEM customers excluding PendoTECH were $300 (+15%) higher. U.S. sales to PendoTECH were $4,157 (65%) lower. UTMD's largest OEM customer markets biopharmaceutical manufacturing control systems which previously exclusively utilized UTMD's pressure monitoring sensors and other components. The good news is that domestic sales to PendoTECH in 2024 were $2,266. The bad news, looking forward to 2025, is that UTMD expects domestic demand from this customer may decline another $2 million as it continues to integrate manufacturing of its own marketed products.

OUS USD-denominated sales in 2024 were $4,562 (20.7%) lower at $17,458 compared to $22,020 in 2023. Sales invoiced in foreign currencies, which were $12,911 when converted to USD, represented 74% of OUS sales and 32% of consolidated total sales. The stronger GBP and EUR currencies added $113 in net OUS USD-denominated foreign currency sales compared to USD sales using the prior year's foreign currency exchange (FX) rates (constant currency terms). FX rates for income statement purposes are transaction-weighted averages. The weighted-average FX rates from the applicable foreign currency to USD during 2024 and 2023 for revenue purposes follow:

	2024	2023	Change
GBP	1.2772	1.2428	+ 2.8%
EUR	1.0846	1.0808	+ 0.4%
AUD	0.6600	0.6660	(0.9%)
CAD	0.7313	0.7409	(1.3%)

The combined weighted-average favorable FX impact on 2024 OUS sales was 0.7% (+0.3% of total consolidated 2024 sales). In constant currency terms, OUS sales in 2024 were 21.2% lower than OUS sales in 2023. The portion of OUS sales invoiced in foreign currencies in USD terms was 32% of total consolidated 2024 USD sales compared to 30% in 2023. Including the impact of changed FX rates, OUS 2024 direct to end-user sales in USD terms were 7% higher in Ireland, 13% lower in Canada, 17% lower in France and 3% higher in the UK. Direct to end-user sales in Australia, which included New Zealand, were 18% lower. USD denominated sales to OUS distributors were $2,359 (18.9%) lower in 2024 than in 2023.

Seventy-four percent of (USD denominated) 2024 OUS sales were invoiced in foreign currencies compared to 68% in 2023. As a portion of total USD WW consolidated sales, 32% of UTMD's USD-equivalent sales were invoiced in foreign currencies in 2023 compared to 30% in 2023. The GBP, EUR, AUD and CAD converted sales represented 9%, 18%, 2% and 2% of total 2024 consolidated USD sales, respectively. This compares to 8%, 18%, 2% and 2% of total 2023 USD sales.

USD-denominated trade (excludes intercompany) sales of devices to OUS customers (excluding France) by UTMD's Ireland facility (UTMD Ltd) were $7,081 in 2024 (34% lower) compared to $10,686 in 2023. Explaining 93% of the decline, Ireland OUS sales to PendoTECH were $1,781 (81%) lower and sales to UTMD's largest distributor of BPM kits located in China were $1,587 (40%) lower. In addition, UTMD Ltd also sold devices that it had manufactured directly to France in 2024 due to BREXIT, rather than by Femcare in the UK. USD-denominated sales to France in 2024 were $1,092 (17% lower) compared to $1,319 in 2023. The FX rate difference in 2024 relative to 2023 increased Ireland's USD-denominated sales by $38.

In 2024, UTMD's UK subsidiary, Femcare Ltd., had $3,470 trade sales of devices to domestic UK and certain international distributor customers, which was 4% higher compared to $3,347 in 2023. The FX rate difference increased the UK's USD-denominated sales in 2024 by $91.

USD-denominated sales of devices to end-users in Australia and New Zealand by Femcare's Australia distribution subsidiary (Femcare Australia Pty Ltd) were $866 (18% lower) in 2024 compared to $1,050 in 2023. A weaker AUD in 2024 reduced USD-denominated Australia sales by $8.

UTMD's Canada distribution subsidiary (Utah Medical Products Canada, Inc.) USD-denominated sales of devices to end-users in Canada in 2024 were $955 (13% lower) compared to $1,102 in 2023. A weaker CAD reduced Canada sales by $13.

UTMD groups its revenues into four general product categories: 1) obstetrics, comprised of labor and delivery management tools for monitoring fetal and maternal well-being, for reducing risk in performing difficult delivery procedures and for improving clinician and patient safety; 2) gynecology/ electrosurgery/ urology, comprised of tools for gynecological procedures associated primarily with cervical/ uterine disease including LETZ, endometrial tissue sampling, transvaginal uterine sonography, diagnostic laparoscopy,

surgical contraception and other MIS procedures; specialty excision and incision tools; conservative urinary incontinence therapy devices; and urology surgical procedure devices; 3) neonatal critical care, comprised of devices that provide developmentally-friendly care to the most critically ill babies, including providing vascular access, enteral feeding, administering vital fluids, oxygen therapy while maintaining a neutral thermal environment, providing protection and assisting in specialized applications; and 4) blood pressure monitoring/ accessories/ other, comprised of specialized transducers and components as well as molded parts and assemblies sold on an OEM basis to other companies. In these four categories, UTMD's primary revenue contributors enjoy significant brand awareness by clinical users.

Global revenues by product category:

	2024	%	2023	%
Obstetrics	$ 4,260	10	$ 4,592	9
Gynecology/ Electrosurgery/ Urology	20,707	51	22,300	44
Neonatal	6,869	17	6,863	14
Blood Pressure Monitoring and Accessories*	9,067	22	16,469	33
Total:	$40,903	100	$50,224	100

OUS revenues by product category:

	2024	%	2023	%
Obstetrics	$ 821	5	$ 1,041	5
Gynecology/ Electrosurgery/ Urology	11,390	65	11,992	54
Neonatal	1,523	9	1,678	8
Blood Pressure Monitoring and Accessories*	3,724	21	7,309	33
Total:	$ 17,458	100	$22,020	100

*includes molded components and finished medical and non-medical devices sold to OEM customers.

Looking forward to 2025 revenues: WW sales to PendoTECH, UTMD's largest OEM customer, which were $2.7 million in 2024, declined from $8.6 million in 2023 and from $11.6 million in 2022. Since the current order backlog from PendoTECH for shipments in 2025 is just $151, not expecting additional orders, PendoTECH revenues may be an additional $2.5 million lower in 2025 compared to 2024. WW Filshie revenues declined to $10.8 million in 2024 from $12.3 million in 2023. Although a further decline in the U.S is expected in 2025 while lawsuits are unresolved, UTMD expects that increases OUS will offset that and 2025 Filshie revenues will be about the same as in 2024. UTMD's largest OUS distributor located in China, representing $2.4 million in 2024 sales of BPM kits manufactured in Ireland, has placed its annual order for 2025 which is the same as in 2024. Expecting some low single-digit increases in UTMD's remaining established business as well as initial modest direct sales of biopharma pressure sensors, not including release of any new products or price increases, management is projecting an overall revenue decrease of about $2 million (about 5%) in 2025 compared to 2024.

Gross Profit (GP).

UTMD's 2024 consolidated GP, the surplus after subtracting costs of manufacturing, which includes purchasing and transporting raw materials, forming components, assembling, inspecting, testing, packaging and sterilizing products, from net revenues, was $24,143 (59.0% of sales) compared to $30,038 (59.8% of sales) in 2023. GP in 2024 was $5,895 (19.6%) lower with an 18.6% decrease in revenues.

The Gross Profit Margin (GPM), which is GP divided by sales, although still healthy, contracted 0.8 percentage points in 2024 due to the fact that many fixed manufacturing overhead costs increased while sales decreased. While the 2024 GP margin decline was less than projected in UTMD's 2023 SEC Form 10-K, a further overhead margin dilution effect is expected in 2025 because management has decided to not reduce important manufacturing overhead resources in the same proportion as the expected 2025 decline in sales. Doing so would limit future UTMD capabilities to grow the Company. Although supplier costs for raw materials have continued to increase and the Company implemented further cost-of-living salary adjustments during 2024 for employees, management expects to be able to control the productivity of variable manufacturing costs in 2025 consistent with the past. In addition, quality assurance costs included in manufacturing overhead are projected to be higher from implementing required clinical reviews under the new EU Medical Device Regulation for devices used OUS. Except on a selective basis after experiencing further variable cost increases, UTMD does not intend to increase prices to customers in 2025. The resulting 2025 GPM might be more than another full percentage point lower than in 2024, resulting in a decline in GP in the range of 7-9%.

UTMD's Ireland subsidiary's (UTMD Ltd's) 2024 GP was EUR 6,283 (22.3% lower) compared to EUR 8,084 in 2023 when total EUR revenues, including direct sales to France and intercompany sales of devices manufactured in Ireland, were 21.6% lower. The associated GPMs were 58.4% in 2024 and 58.9% in 2023. Femcare UK GP was GBP 1,579 in both 2024 and 2023. The 2024 UK GPM was 55.7% compared to 55.3% in 2023 while UK GBP sales including intercompany revenues were 0.7% lower. Femcare Australia and Femcare Canada are simply distribution facilities for UTMD finished devices in their respective countries. GP is the result of subtracting intercompany purchase prices of devices, plus incoming freight, from revenues. Australia 2024 GP was AUD 623 (46.9% of sales) compared to AUD 841 (53.0% of sales) in 2023. Canada 2024 GP was CAD 538 (41.2% of sales) compared to CAD 874 (58.6% of sales) in 2023. The GPMs in both Australia and Canada were diluted not only by higher overhead costs on substantially lower sales, but also higher direct material costs from weaker currencies for devices purchased from the U.S., Ireland and the UK. In the U.S., GP was $13,991 (21.2% lower) in 2024 compared to $17,750 in 2023 when revenues including intercompany sales were 16.7% lower. The U.S. GPM was 48.5% in 2024 compared to 51.2% in 2023. A summation of the above GP of each subsidiary will not yield UTMD's consolidated total GP because of the elimination of profit in inventory for intercompany sales.

b) Operating Income.

Operating Income results from subtracting Operating Expenses from GP. For the year 2024, Operating Income was $13,594 compared to $16,777 in 2023, a 19.0% decrease. The $3,183 decrease in Operating Income was from a combination of $5,895 lower GP and $2,712 lower Operating Expenses.

The UTMD Ltd (Ireland) Operating Income margin in 2024 was 54.4% compared to 55.9% in 2023. Femcare UK's Operating Income margin per US GAAP, which includes the IIA amortization expense of the 2011 acquisition, was negative in both 2024 and 2023. Femcare Australia's 2024 Operating Income margin was 23.6% compared to 32.2% in 2023. Femcare Canada's 2024 Operating Income margin was 22.4% compared to 41.8% in 2023. UTMD's 2024 Operating Income margin in the U.S. was 33.1% compared to 23.5% in 2023. For clarity, in 2023 the CSI IIA amortization expense (none in 2024) hit the U.S. Operating Income margin, and in both 2024 and 2023 the Femcare IIA amortization expense hit the Femcare UK Operating Income margin.

Operating expenses include sales and marketing (S&M) expenses, product development (R&D) expenses and general and administrative (G&A) expenses. Consolidated WW operating expenses were $10,549 (25.8% of sales) in 2024 compared to $13,261 (26.4% of sales) in 2023. The following table provides a comparison of operating expense categories, as well as further segmentation of G&A expenses:

	2024	2023
S&M expenses	$ 1,901	$ 1,685
R&D expenses	813	560
G&A expenses:		
a) litigation expense provision	2,139	1,660
b) corporate legal	9	13
c) outside directors fees	149	144
d) stock option compensation	256	225
e) profit-sharing bonus accrual	589	718
f) outside accounting audit/tax	248	224
g) Femcare IIA amortization	2,030	1,977
h) CSI IIA amortization	-	3,684
i) property & liability insurance premiums	98	108
j) all other G&A expenses	2,317	2,263
G&A expenses – total	7,835	11,016
Total Consolidated Operating Expense:	$ 10,549	$ 13,261
Percent of sales:	25.8%	26.4%

Description of Operating Expense Categories:

i) S&M expenses:

S&M expenses in 2024 were $1,901 (4.6% of sales) compared to $1,685 (3.4% of sales) in 2023. The higher expenses were due to higher salaries from cost-of-living adjustments to salaries and a $148 increase in U.S. medical benefit claims. Consolidated OUS S&M expenses in 2024 compared to 2023 were increased by a net $3 from FX rate changes due primarily to a stronger GBP.

S&M expenses are the costs of communicating UTMD's differences and product advantages, providing training and other customer service in support of the use of UTMD's solutions, attending clinical meetings and

medical trade shows, administering customer agreements, advertising, processing orders, shipping, and paying commissions to outside independent representatives. In markets where UTMD sells directly to end-users, which in 2023-2024 included the U.S., Ireland, UK, Australia, New Zealand, France and Canada, the largest components of S&M expenses were the cost of customer service required to timely process orders and the distribution costs associated with shipping products.

S&M expenses include all customer support costs including training. In general, training is not required for UTMD's products since they are well-established and have been clinically widely used. Written "Instructions For Use" are packaged with all finished devices. Although UTMD does not have any explicit contracts with customers to provide training, it does provide hospital in-service and clinical training as required and reasonably requested.

UTMD promises prospective customers that it will provide, at no charge in reasonable quantities, electronic media and other instructional materials developed for the use of its products. UTMD provides customer support from offices in the U.S., Canada, Ireland, UK and Australia by telephone to answer user questions and help troubleshoot any user issues. Occasionally, on a case-by-case basis, UTMD may utilize the services of an independent practitioner to provide educational assistance to clinicians. All in-service and training expenses are routinely expensed as they occur. Except for the consulting services of independent practitioners and occasional use of marketing consultants, all of these services are allocated from fixed S&M overhead costs. Historically, additional consulting costs have been immaterial to financial results, which is also UTMD's expectation for the future.

ii) R&D expenses:

R&D expenses in 2024 were $813 (2.0% of sales) compared to $560 (1.1% of sales) in 2023. R&D expenses include the costs of investigating clinical needs, developing innovative concepts, testing concepts for viability, validating methods of manufacture and materials, completing any necessary premarketing clinical trials, regulatory documentation and other activities required for design control, responding to customer requests for product enhancements, and assisting manufacturing engineering on an ongoing basis in developing new processes or improving existing processes. Product development (R&D) expenses increased in 2024 primarily as a result of $222 spent for independent testing and validation of materials used in UTMD's own biopharma sensors, and from cost-of-living adjustments for employees. R&D also continued to play a significant role in manufacturing process improvements and quality assurance. No new UTMD devices were launched in 2024. UTMD projects R&D expenses in 2025 will be between 1% and 2% of revenues.

iii) G&A expenses:

G&A expenses in 2024 were $7,835 (19.2% of sales) compared to $11,016 (21.9% of sales) in 2023. G&A expenses include the "front office" functional costs of executive management and outside directors, finance and accounting, corporate information systems, human resources, stockholder relations, corporate risk management, corporate governance, protection of intellectual property, amortization of identifiable intangibles and legal costs. The table above helps identify certain specific categories of G&A expenses which might be of interest to stockholders.

The $3,181 net decrease in G&A expenses was due primarily to the completion in late 2023 of amortizing the $21,000 IIA from the 2019 purchase of the CSI exclusive U.S. distribution rights for the Filshie Clip System. The final CSI IIA amortization expense in 2023 was $3,684, which was zero in 2024. In addition, accrued profit-sharing bonuses were $129 lower in proportion to the 2024 decline in Income Before Income Tax (EBT). The $632 difference between that combined $3,813 reduction in 2024 G&A operating expenses, and the net total $3,181 reduction in G&A expenses was due to essentially to $479 higher litigation expenses, $31 higher (non-cash) stock option expense, $24 higher independent accounting and tax help as well as higher salaries (except the CEO) due to cost-of-living adjustments. A stronger GBP increased net foreign currency G&A expenses by $69, compared to what they would have been in 2023. This includes an FX rate change unfavorable USD impact of $53 (out of the $69 total) from the amortization of the 2011 Femcare acquisition IIA, which was £1,589 in both 2024 and 2023.

As stockholders likely remember, the non-cash IIA amortization expense related to the Filshie Clip System in 2023 included IIA from both the 2011 acquisition of Femcare Group Ltd and the 2019 purchase of the CSI exclusive U.S. distribution rights for the Filshie Clip System. The combined Filshie IIA amortization expense in 2023 was 11.3% of total WW consolidated sales ($5,661) compared to 5.0% in 2024 ($2,030) with no 2024 CSI IIA amortization expense.

The Femcare IIA amortization expense will continue at the same £397 per calendar quarter rate, which ends in 1Q 2026 (or until the value of any remaining IIA becomes impaired), subject to changes in the GBP FX rate when converted to USD.

Regarding the product liability litigation legal expenses looking forward, most of the active motion practice and discovery has been accomplished. Four cases have now been won on summary judgment and several other lawsuits were dismissed prior to the summary judgment phase. Decisions on other summary judgment motions are pending and expected in 2025. If any summary judgment motion is denied, the case must go to trial and that could drive up expenses significantly. UTMD believes that the chance of avoiding trial is significant in every case, and therefore its projections are based on expenses being about $200 lower in 2025 than in 2024

Excluding the non-cash IIA amortization expenses and litigation expenses, consolidated G&A operating expenses were $3,666 (9.0% of sales) in 2024 compared to $3,695 (7.4% of sales) in 2023.

In summary looking forward, with 5% lower revenues, more than a percentage point lower GPM and hope for $200 lower litigation expenses, UTMD management projects consolidated 2025 Operating Income of about $12 million, in the range of 11% less than in 2024.

c) Non-operating income/ Non-operating expense, and Income Before Taxes (EBT).

Non-operating income includes royalties from licensing UTMD's technology, rent from leasing underutilized property to others, income earned from investing the Company's excess cash and gains from the sale of assets. Non-operating expense includes interest on bank loans, bank service fees, excise taxes and losses from the sale of assets. Also, the period-to-period remeasured value of EUR cash balances held in the UK, and GBP balances held in Ireland, generates a gain or loss which is booked at reporting period end as non-operating income or expense, as applicable.

Net non-operating income (combination of non-operating income and non-operating expense) was $3,208 in 2024 and $3,312 in 2023. Net non-operating income in 2024 would have been higher than in 2023 had UTMD not been assessed a $200 excise tax on share repurchases in 2024 which did not occur in 2023, combined with EUR 215 lower rent in Ireland than received in 2023. A description of components of UTMD's non-operating income or expense follows:

1) Interest Expense. There was no interest expense in 2024 or 2023. Absent an acquisition or very large repurchase of shares that requires new borrowing, UTMD does not expect any interest expense in 2025.

2) Investment of excess cash. Consolidated investment income (including gains and losses on sales of investments) was $3,367 in 2024 compared to $3,036 in 2023. Average cash balances were about $4 million higher in 2024 than in 2023, although average interest rates were somewhat lower. UTMD is projecting current interest rates to continue in 2025, leading to an increase in non-operating income when cash is not used to repurchase shares at an attractive price, or to acquire another entity or product line. UTMD has been continuing to repurchase shares during 1Q 2025. For purposes of providing an estimate of 2025 financial results, management has included the same interest income in 2025 as in 2024.

3) Royalties. Royalties in 2024 were $15 compared to $20 in 2023. Presently, there is only one arrangement which began in 2020 under which UTMD is receiving royalties on its technology.

4) Gains/ losses from remeasured currency in bank accounts. UTMD recognized a $1 gain in 2024 compared to a $5 loss in 2023 from losses on remeasured foreign currency bank balances. EUR currency cash balances in the UK, and GBP currency cash bank balances in Ireland, are subject to remeasured currency translation gains/ losses as a result of period-to-period changes in FX rates.

5) Other non-operating income or expense. Income received from renting unused warehouse space in Ireland and parking lot space in Utah for a cell phone tower, offset by bank fees, and other miscellaneous non-operating expenses resulted in net non-operating income of $14 in 2024 compared to a net non-operating income of $254 in 2023.

EBT results from adding net non-operating income or subtracting net non-operating expense from Operating Income. Consolidated EBT was $16,802 (41.1% of sales) in 2024 compared to $20,089 (40.0% of sales) in 2023. In other words, despite the inflationary cost pressures diluting UTMD's GPM and higher litigation expenses, the Company expanded its EBT Margin (EBT as a percentage of sales) with 18.6% lower sales, yielding just a 16.4% decrease in EBT. In short, 2024 lower operating expense resulting from lower IIA

amortization expense offset lower gross profits from lower sales activity. With much uncertainty surrounding the projections for income and expense above, UTMD management is estimating about a 12% decline in 2025 EBT compared to 2024.

The 2024 EBT of UTMD Ltd. (Ireland) was €5,648 (52.5% of sales) compared to €7,680 (56.0% of sales) in 2023. Ireland had a disproportionate decline in EBT because it manufactures and sells all of the DPT kits sold to UTMD's China distributor, and it lost all of its 2023 PendoTECH demand in the last nine months of 2024. Femcare Ltd.'s (UK) 2024 EBT was (£2,815) compared to (£469) in 2023. Femcare Ltd. supports worldwide regulatory requirements in addition to, according to US GAAP, absorbing the IIA amortization expense of the 2011 Femcare Group acquisition. As the developer and legal manufacturer of the Filshie Clip System, Femcare Ltd. is the corporate entity ultimately liable for Filshie product liability claims. In 2024, Utah Medical Products, Inc (Utah corporation parent of Femcare Ltd) transferred the Filshie litigation expenses which were included in Utah's 2023 EBT to Femcare Ltd. which explains the large year-to-year decline in UK EBT. On a consolidated financial basis, it makes no difference which corporate entity absorbs the expense, except in Net Income when income tax rates vary sovereignty to sovereignty. Femcare AUS's 2024 EBT was AUD 364 (27.4% of sales) compared to AUD 544 (34.3% of sales) in 2023. Femcare Canada's 2024 EBT was CAD 289 (22.1% of sales) compared to CAD 620 (41.6% of sales) in 2023. The EBT declines in both the Australia and Canada distribution entities were due to both lower Filshie device sales and lower profit margins. Since they purchase finished devices in EUR and USD from other UTMD entities, and their native currencies were weaker, their cost of goods sold increased.

EBITDA is a non-US GAAP metric that UTMD management believes is of interest to investors because it provides meaningful supplemental information to both management and investors that represents profitability performance without factoring in effects of financing, accounting decisions regarding non-cash expenses, capital expenditures or tax environments. If the Company were to need to borrow to pay for a major asset or acquisition, the projected EBITDA metric would be of primary interest to a lending institution to determine UTMD's credit worthiness. Although the U.S. Securities and Exchange Commission advises that EBITDA is a non-GAAP metric, UTMD's non-US GAAP EBITDA is the sum of the following elements in the table below, each of which is a US GAAP number:

	2024	2023
EBT	$16,802	$20,089
Depreciation Expense	730	623
Femcare IIA Amortization Expense	2,030	1,977
CSI IIA Amortization Expense	-	3,684
Other Non-Cash Amortization Expense	35	31
Stock Option Compensation Expense	256	225
Remeasured Foreign Currency Balances	(1)	6
UTMD non-US GAAP EBITDA:	$19,852	$26,635

In summary, UTMD's 2024 non-US GAAP EBITDA declined 25.5% compared to 2023. With the above projections for 2025 financial performance in mind, the non-US GAAP EBITDA metric in 2025 is expected to be in the range of $17-18 million.

d) Net Income, Earnings Per Share (EPS) and Return on Equity (ROE).

i) Net Income

Net Income results after subtracting a provision for estimated income taxes from EBT. UTMD's Net Income in 2024 was $13,874 (33.9% of sales) compared to $16,635 (33.1% of sales) in 2023. The higher Net Income margin in 2024 was due to a higher EBT margin with the average consolidated income tax provision rate almost the same. UTMD's average consolidated income tax provision rates were 17.4% in 2024 and 17.2% in 2023.

In general, year-to-year fluctuations in the combined average income tax provision rate will result from variation in EBT contribution from subsidiaries in jurisdictions with different corporate income tax rates. Taxes in foreign subsidiaries are based on taxable EBT in those sovereignties, which can be different from the contribution to consolidated EBT per US GAAP. UTMD estimates, barring any new tax law changes which are currently unknown, assuming an adjusted EBT mix toward higher-taxed sovereignties, that its combined income tax rate for 2025 will be in the 19% range, yielding Net Income approximately 14% lower than in 2024.

The UK had a corporate income tax rate of 19% for 1Q 2023, followed by a 25% rate for the last nine months of 2023 and all of 2024. The UK also allowed a tax deduction for sales of UK patented products

which varied from year-to-year based on somewhat complicated rules which are sorted out for UTMD by independent UK tax specialists. The corporate income tax rate for AUS was 30% for both 2024 and 2023. The income tax rate for Canada was about 27.5% for both years. Profits of the Ireland subsidiary were taxed at a 12.5% rate on exported manufactured products, and a 25% rate on rental and other types of income including income from sales of medical devices in Ireland domestically. As UTMD stockholders likely remember, in the U.S., the Federal income tax rate was changed after 2017 to 21% from 34% prior to the 2017 Tax Cut and Jobs Act (TCJA). Federal taxes are not 21% of U.S. EBT, however, as income taxes paid to the State are a deductible expense for Federal tax purposes, other expenses are not deductible and there remains an R&D tax credit along with other credits, not to mention a special GILTI tax related to foreign income and FDII tax credit related to profits on export sales. The 2024 Utah state income tax rate declined to 4.45% from 4.95% in 2023.

ii) Earnings Per Share (EPS)

EPS are Net Income divided by the number of shares of stock outstanding (diluted to take into consideration stock option awards which are "in the money," i.e., have exercise prices below the applicable period's weighted average market value). Diluted EPS in year 2024 were $3.961 compared to $4.574 in 2023, a 13.4% decrease. The decrease in EPS was less than the 18.6% decrease in sales as a result of the higher Net Income margin and 2024 share repurchase. Diluted shares were 3,503,165 for the year 2024 compared to 3,637,071 in 2023. Dilution for "in the money" unexercised options for the year 2024 was zero shares compared to 8,303 shares in 2023. Actual outstanding common shares as of December 31, 2024 were 3,335,156. Because of the time-weighted calculation of lower diluted shares and continued share repurchases, UTMD expects the 2025 decline in EPS to be less than 10%, yielding a target of $3.60.

iii) ROE

Achieving a high ROE remains a key management objective for UTMD in order to grow without diluting stockholder interest. ROE is the quotient of Net Income divided by average Stockholders' Equity, but more specifically it is the product of the Net Income margin, productivity of assets and financial leverage. UTMD's high Net Income margin is the primary factor that continues to drive its ROE, with low financial leverage and decreasing asset productivity as cash balances rapidly grow. Cash dividends to stockholders and repurchase of shares, on the other hand, help in lowering average Stockholders' Equity, reducing the denominator in calculating ROE. Building cash balances that increase Stockholders' Equity, without proportionately increasing Net Income, reduces ROE. UTMD's 2024 ROE before stockholder dividends was 11.3%. In comparison, 2023 ROE was 13.7%.

The lower 2024 ROE compared to 2023 was the result of 16.6% lower Net Income coupled with 1.3% higher average Stockholders' Equity. Despite a $24,228 reduction in 2024 from share repurchases and stockholder dividends, average Stockholders' Equity was $122,870 compared to $121,284 in 2023. UTMD's Stockholders' Equity has more than doubled over the last twelve years to $117 million at the end of 2024, despite being reduced by $54 million in dividends plus $36 million in share repurchases over that same period of time. UTMD's average ROE over the last 32 years was 24%.

Looking forward to 2025, management expects a continued decline in total sales compared to the prior year as sales to PendoTECH, which are apparently eventually going away, were still well more than $2 million in 2024 and the Filshie product liability litigation dark cloud remains not fully resolved. A continued sales decline is expected to pressure UTMD's GPM at least as much as one percentage point lower as a result of less absorption of fixed manufacturing overheads which are important resources to retain for the future. Hopefully, UTMD's legal arguments will be persuasive in every remaining Filshie product liability case, and the Company will avoid going to trial. If so, it should reduce litigation expenses in 2025 by at least $200 relative to 2024. Based on those thoughts, although with a high level of uncertainty, management is estimating that UTMD's consolidated revenues and EPS in 2025 will be about 5% lower and 10% lower, respectively, than in 2024. Notwithstanding the projections, UTMD will continue to operate at a high level of profitability and cash generation, and utilize its cash trove opportunistically to achieve an accretive acquisition or repurchase shares in a way that maximizes long-term stockholder value.

Liquidity and Capital Resources

Cash Flows.

Net cash provided by operating activities in 2024 totaled $14,831 compared to $22,281 in 2023. The three primary causes of the $7,450 lower net cash generation in 2024 compared to 2023, which together generated $9,493 less cash, were 1) $3,627 lower non-cash amortization of intangible assets, 2) $835 lower trade accounts receivable (A/R) at 2024 year-end rather than $2,270 higher A/R at year-end 2023, and 3) $2,761 lower Net Income. Offsetting items that together generated $1,995 more cash in 2024 versus 2023

included 1) a $587 reduction in inventories versus a $671 inventory increase in 2023, 2) $383 lower decrease in accounts payable, and 3) $334 lower decrease in deferred income taxes.

In investing activities, during 2024 UTMD used $231 in capital expenditures to purchase new molds and manufacturing equipment and fixtures for expanded capabilities as well as to maintain and improve existing operating capabilities, compared to investing $639 in 2023. The 2024 expenditures were partly offset by $27 in proceeds from the sale of used equipment. Capital expenditures in 2024 were $500 less than depreciation. In 2024, UTMD also invested $5 in intangible assets.

In 2024 UTMD received $390 and issued 7,592 shares of stock upon the exercise of employee stock options. Option exercises in 2024 were at an average price of $51.39 per share. The Company received a $20 tax benefit from option exercises in 2024. UTMD repurchased 301,961 shares of its stock in the open market during 2024 at an average cost of $66.13 per share. As a subsequent event in 2025 as of March 25, UTMD has repurchased another 53,340 shares of its stock in the open market at an average cost of $59.41 per share. During 2024 and to date in 2025, the Company repurchased almost 10% of outstanding shares.

In comparison, in 2023 UTMD received $117 and issued 1,758 shares of stock upon the exercise of employee stock options. Option exercises in 2023 were at an average price of $66.40 per share. The Company received a $12 tax benefit from option exercises in 2023. UTMD did not repurchase shares of its stock in the open market during 2023.

UTMD did not borrow in the years 2024 and 2023. Cash dividends paid to stockholders were $4,260 in 2024 compared to $4,282 in 2023. The amount of cash used for dividends was lower despite an approximate 2% higher dividend per share as a result of share repurchases.

Management believes that future income from operations and effective management of working capital will continue to provide the liquidity needed to finance internal growth plans. In an uncertain economic environment, UTMD's cash balances allow management to operate with the long-term best interest of stockholders in mind. Planned 2025 capital expenditures for ongoing operations are expected to be less than depreciation of PP&E, although additional capital expenditure opportunities will be considered.

Management plans to opportunistically utilize cash not needed to support normal operations in one or a combination of the following: 1) in general, to continue to invest at opportune times in ways that will enhance future profitability; 2) to make additional investments in new technology and/or processes; and/or 3) to acquire a product line or company that will augment revenue and EPS growth and better utilize UTMD's existing infrastructure. If there are no better strategic uses for UTMD's cash, the Company will continue to return cash to stockholders in the form of dividends and share repurchases when the stock appears undervalued.

Management's Outlook.

UTMD remains small compared to many other companies, but its employees are experienced and remain diligent in their work. UTMD's passion is in providing differentiated clinical solutions that will help improve the outcomes of medical procedures and reduce health risks, particularly for women and their babies.

The safety, reliability and performance of UTMD's medical devices are consistently high and represent significant clinical benefits while providing minimum total cost of care. UTMD will continue to leverage its reputation as a device innovator and reliable manufacturer which will responsively take on challenges to work with clinicians who use its specialty devices. In doing so, UTMD will continue to differentiate itself, especially from its commodity-oriented competitors. In 2025, UTMD plans to

1) exploit its pre-qualified status to introduce a line of high-pressure process control transducer configurations directly to biopharmaceutical manufacturers;

2) continue to leverage OUS distribution and manufacturing synergies by further integrating capabilities and resources in multinational operations;

3) focus on defending the proven safety and effectiveness of the Filshie Clip System in the U.S.;

4) introduce additional products helpful to clinicians through product development;

5) continue to achieve excellent overall financial operating performance despite a contraction in revenues;

6) utilize positive cash generation to continue providing cash dividends to stockholders and make open market share repurchases if/ when the UTMD share price seems undervalued; and

7) remain vigilant for affordable accretive acquisition opportunities which may be brought about by difficult economic conditions on small, innovative companies.

The Company has a fundamental focus to do an excellent job in meeting clinicians' and patients' needs, while providing stockholders with excellent returns. In the combined form of cash dividends and share repurchases, UTMD "returned" $24,228 (175% of Net Income) in 2024 to stockholders compared to $4,282 (26% of Net Income) in 2023.

In 2024, the value of UTMD's stock declined 27%, ending the year at $61.47/ share, while $1.20 in cash dividends/ share were paid to stockholders. The DJIA, S&P 500 and NASDAQ Composite (where UTMD is traded) indices were all higher in 2024, respectively by 13%, 23% and 29%.

In comparison in 2023, the value of UTMD's stock declined 16%, ending the year at $84.22/ share, while $1.18 in cash dividends/ share were paid to stockholders. The DJIA, S&P 500 and NASDAQ Composite (where UTMD is traded) indices were all higher in 2023, respectively by 14%, 24% and 43%.

In contrast to the last two years' performance, combining share price appreciation and a capital allocation strategy that includes opportunistic share repurchases with steadily growing quarterly cash dividends paid to stockholders since 2004, longer-term UTMD stockholders have experienced excellent returns. UTMD management is determined to recapture the longer-term performance.

Off Balance Sheet Arrangements

None

Contractual Obligations

The following is a summary of UTMD's significant contractual obligations and commitments as of December 31, 2024:

Contractual Obligations and Commitments	Total	2025	2026-2027	2028-2029	2030 and thereafter
Long-term debt obligations	$ -	$ -	$ -	$ -	$ -
Operating lease obligations	367	65	125	97	80
Purchase obligations	3,370	3,370	-	-	-
Total	$ 3,737	$ 3,435	$ 125	$ 97	$ 80

Critical Accounting Policies and Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as the reported amounts of revenues and expenses during the reporting period.

Management bases its estimates and judgments on historical experience, current economic and industry conditions and on various other factors that are believed to be reasonable under the circumstances. This forms the basis for making judgments about the carrying values of assets and liabilities that are not readily available from other sources. Management has identified the following as the Company's most critical accounting policies which require significant judgment and estimates. Although management believes its estimates are reasonable, actual results may differ from these estimates under different assumptions or conditions.

- Allowance for doubtful accounts: The majority of the Company's receivables are with healthcare facilities and medical device distributors. Although the Company has historically not had significant write-offs of bad debt, the possibility exists, particularly with foreign distributors where collection efforts can be difficult or in the event of widespread hospital bankruptcies.
- Inventory valuation reserves: The Company strives to maintain inventory to 1) meet its customers' needs and 2) optimize manufacturing lot sizes while 3) not tying-up an unnecessary amount of the Company's capital increasing the possibility of, among other things, obsolescence. The Company believes its method of reviewing actual and projected demand for its existing inventory allows it to arrive at a fair inventory valuation reserve. While the Company has historically not had significant inventory write-offs, the possibility exists that one or more of its products may become unexpectedly obsolete for which a reserve has not previously been created. The Company's historical write-offs have not been materially different from its estimates.

Accounting Policy Changes

The Company's management has evaluated the recently issued accounting pronouncements through the filing date of these financial statements and has determined that the application of these pronouncements will not have a material impact on the Company's financial position and results of operations.

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company had manufacturing operations, including related assets, in the U.S. denominated in the U.S. Dollar (USD), in Ireland denominated in the Euro (EUR), and in England denominated in the British Pound (GBP). UTMD also has trading activities in the U.S. and in subsidiaries in other countries denominated in the USD, EUR, GBP, the Australian Dollar (AUD) and the Canadian Dollar (CAD). The currencies are subject to exchange rate fluctuations that are beyond the control of UTMD. The exchange rates were .9661, .9042 and .9351 EUR per USD as of December 31, 2024, 2023 and 2022, respectively. Exchange rates were .7987, .7850 and .8280 GBP per USD as of December 31, 2024, 2023 and 2022, respectively. Exchange rates were 1.6172, 1.4652 and 1.4695 AUD per USD on December 31, 2024, 2023 and 2022, respectively. Exchange rates were 1.4403, 1.3204 and 1.3532 CAD per USD on December 31, 2024, 2023, and 2022, respectively. Please see note 1 in Item 8 below under "Translation of Foreign Currencies" for more information. UTMD manages its foreign currency risk without separate hedging transactions by either invoicing customers in the local currency where costs of production were incurred, or by converting currencies as transactions occur.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Currency amounts are in thousands except per-share amounts and where noted.

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company's internal control over financial reporting includes those policies and procedures that

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)*.

Based on its assessment and those criteria, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2024.

By: /s/ Kevin L. Cornwell
Kevin L. Cornwell
Chief Executive Officer

By: /s/ Brian L. Koopman
Brian L. Koopman
Principal Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Utah Medical Products, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Utah Medical Products, Inc. (the Company) as of December 31, 2024 and 2023, and the related statements of income and comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We did not audit portions of the consolidated financial statements for Femcare Group Limited, a wholly owned subsidiary. The portions not audited by us include assets of $19,723,338 and $20,479,014 as of December 31, 2024, and 2023, respectively and total revenues of $4,500,153 and $4,581,877 and $4,333,431 for the years ended December 31, 2024, 2023 and 2022, respectively. Those portions of the consolidated financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as they relate to the amounts included for Femcare Group Limited, is based solely on the reports of the other auditors.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of income taxes

Description of the Matter:

As discussed in Note 1 to the consolidated financial statements, the Company operates in many parts in the world through its subsidiaries. The Company or one of its subsidiaries will file a tax return in the U.S. federal jurisdiction, in the United Kingdom, in Australia, in Ireland, and in Canada. Due to the complexity with dealing in multiple currencies/countries, along with the various tax laws and significant management judgment, we believe the account to be a critical audit matter.

How We Addressed the Matter in Our Audit:

We evaluated the appropriateness and consistency of management's methods and assumptions used in the identification, recognition, measurement, and disclosures of its taxes. We performed a walkthrough of the processes and controls over the income tax process. We read and evaluated management's documentation, including relevant accounting policies and information obtained by management from the outside tax specialists engaged to assist with their taxes. We identified and evaluated the reasonableness of significant assumptions in the provision and evaluated for potential bias. We verified the account balances, reperformed the provision calculation of deferred tax assets and liabilities and verified all tax rates used.

/s/ Haynie & Company

We have served as the Company’s auditor since 2018.

Salt Lake City, Utah

March 26, 2025
PCAOB #0457

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
of Utah Medical Products, Inc.

Opinion on the Financial Statements

We have audited the consolidated balance sheets of Femcare Group Limited (the Company), including its subsidiaries, as of December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

The accounting policy in respect of revenue is that revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

We identified the assessment of the revenue as a critical audit matter due to its inherent risk of understatement. The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's process for dispatching goods and raising invoices to customers. We tested a sample of orders during the year to establish that these were dispatched and invoiced. We evaluated the Company's determination of the recoverability of any unpaid receivables at 31 December 2024.

We also identified the assessment of the valuation of intangible assets as a critical audit matter. Intangible assets are valued at cost and amortised using the straight-line method over the useful economic life of the asset. Goodwill is carried at cost and tested for impairment annually. We identified the valuation of intangible assets and goodwill as a critical audit matter due to their materiality to the financial statements. We reviewed and tested the Company's calculations in respect of amortisation and evaluated the Company's determination of the carrying value as at 31 December 2024.

NORTONS ASSURANCE LIMITED

We have served as the Company's auditor since 2011.

Reading, United Kingdom
26 March 2025

UTAH MEDICAL PRODUCTS, INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2024 and 2023
(In thousands)

ASSETS	2024	2023
Current assets:		
Cash	$ 82,976	$ 92,868
Accounts and other receivables, net (note 2)	4,094	3,391
Inventories (note 2)	8,812	9,582
Prepaid expenses and other current assets	448	428
Total current assets	96,330	106,269
Property and equipment, net (notes 4 and 10)	9,763	10,551
Goodwill	13,580	13,692
Other intangible assets (note 2)	53,772	54,296
Other intangible assets - accumulated amortization	(50,907)	(49,350)
Other intangible assets - net (note 2)	2,865	4,946
Total assets	$ 122,538	$ 135,458
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 696	$ 769
Accrued expenses (note 2)	3,061	3,941
Total current liabilities	3,757	4,710
Long term lease liability	282	295
Long term income tax payable (REPAT tax) (note 7)	-	698
Deferred tax liability - intangible assets	603	1,120
Deferred income taxes (note 7)	469	322
Total liabilities	5,111	7,145
Commitments and contingencies (notes 6 and 12)	-	-
Stockholders' equity:		
Common stock, $.01 par value; 50,000 shares authorized, issued 3,335 shares in 2024 and 3,630 shares in 2023	33	36
Accumulated other comprehensive loss	(11,908)	(10,658)
Additional paid-in capital	-	594
Retained earnings	129,302	138,341
Total stockholders' equity	117,427	128,313
Total liabilities and stockholders' equity	$ 122,538	$ 135,458

See accompanying notes to financial statements.

UTAH MEDICAL PRODUCTS, INC.
CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME
Years ended December 31, 2024, 2023 and 2022
(In thousands, except per share amounts)

	2024	2023	2022
Sales, net (notes 1, 3, 9 and 11)	$ 40,903	$ 50,224	$ 52,281
Cost of goods sold	16,760	20,186	20,085
Gross profit	24,143	30,038	32,196
Operating expense:			
Sales and marketing	1,901	1,685	1,507
Research and development	813	560	493
General and administrative	7,835	11,016	10,406
Operating income	13,594	16,777	19,790
Other income (expense):			
Dividend and interest income	3,367	3,036	661
Royalty income (note 12)	15	20	20
Other, net	(174)	256	188
Income before provision for income taxes	16,802	20,089	20,659
Provision for income taxes (note 7)	2,928	3,454	4,186
Net income	$ 13,874	$ 16,635	$ 16,473
Earnings per common share (basic) (note 1):	$ 3.96	$ 4.58	$ 4.53
Earnings per common share (diluted) (note 1):	$ 3.96	$ 4.57	$ 4.52
Other comprehensive income (loss):			
Foreign currency translation net of taxes of $0 in all periods	$ (1,249)	$ 1,381	$ (2,986)
Total comprehensive income	$ 12,625	$ 18,016	$ 13,487

See accompanying notes to financial statements.

UTAH MEDICAL PRODUCTS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOW
Years Ended December 31, 2024, 2023 and 2022
(In thousands)

	2024	2023	2022
Cash flows from operating activities:			
Net income	$ 13,874	$ 16,635	$ 16,473
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	730	623	612
Amortization	2,065	5,692	6,417
Provision for losses on accounts receivable	(4)	(33)	30
Amortization of operating lease assets	51	53	53
Deferred income taxes	(359)	(693)	(401)
Stock-based compensation expense	256	225	183
Tax benefit attributable to exercise of stock options	21	12	6
(Increase) decrease in:			
Accounts receivable	(835)	2,270	(511)
Other receivables	54	0	(14)
Inventories	587	(670)	(2,353)
Prepaid expenses and other current assets	(32)	45	(64)
Increase (decrease) in:			
Accounts payable	(73)	(456)	464
Accrued expenses	(1,504)	(1,422)	252
Net cash provided by operating activities	14,831	22,281	21,147
Cash flows from investing activities:			
Capital expenditures for:			
Property and equipment	(230)	(639)	(809)
Intangible assets	(5)	-	(9)
Proceeds from the sale of property and equiment	27	-	-
Net cash (used in) investing activities	(208)	(639)	(818)
Cash flows from financing activities:			
Proceeds from issuance of common stock - options	390	117	174
Common stock purchased and retired	(19,968)	-	(2,495)
Dividends paid	(4,260)	(4,282)	(3,163)
Net cash (used in) financing activities	(23,838)	(4,165)	(5,484)
Effect of exchange rate changes on cash	(677)	339	(767)
Net increase in cash and cash equivalents	(9,892)	17,816	14,078
Cash at beginning of year	92,868	75,052	60,974
Cash at end of year	$ 82,976	$ 92,868	$ 75,052
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Income taxes	$ 4,638	$ 4,827	$ 4,970
Interest	-	-	-

See accompanying notes to financial statements.

UTAH MEDICAL PRODUCTS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2024, 2023 and 2022
(In thousands)

	Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Retained	Total Stockholders'
	Shares	Amount	Capital	Income	Earnings	Equity
Balance at December 31, 2021	3,655	$ 36	$ 842	$ (9,053)	$ 115,314	$ 107,138
Shares issued upon exercise of employee stock options for cash	4	-	211	-	-	211
Shares received and retired upon exercise of stock options	(1)	-	(37)	-	-	(37)
Stock option compensation expense	-	-	183	-	-	183
Common stock purchased and retired	(30)	-	(947)	-	(1,548)	(2,495)
Foreign currency translation adjustment	-	-	-	(2,986)	-	(2,986)
Common stock dividends	-	-	-	-	(4,233)	(4,233)
Net income	-	-	-	-	16,473	16,473
Balance at December 31, 2022	3,628	$ 36	$ 252	$ (12,039)	$ 126,006	$ 114,255
Shares issued upon exercise of employee stock options for cash	2	-	117	-	-	117
Shares received and retired upon exercise of stock options	-	-	-	-	-	-
Stock option compensation expense	-	-	225	-	-	225
Common stock purchased and retired	-	-	-	-	-	-
Foreign currency translation adjustment	-	-	-	1,381	-	1,381
Unrealized holding gain (loss) from investments, available-for-sale, net of taxes	-	-	-	-	-	-
Common stock dividends	-	-	-	-	(4,300)	(4,300)
Net income	-	-	-	-	16,635	16,635
Balance at December 31, 2023	3,630	$ 36	$ 594	$ (10,658)	$ 138,341	$ 128,313
Shares issued upon exercise of employee stock options for cash	8	-	390	-	-	390
Stock option compensation expense	-	-	256	-	-	256
Common stock purchased and retired	(302)	(3)	(1,239)	-	(18,726)	(19,968)
Foreign currency translation adjustment	-	-	-	(1,249)	-	(1,249)
Common stock dividends	-	-	-	-	(4,189)	(4,189)
Net income	-	-	-	-	13,874	13,874
Balance at December 31, 2024	3,335	$ 33	$ 0	$ (11,907)	$ 129,302	$ 117,428

See accompanying notes to financial statements.

Currency amounts are in thousands except per-share amounts and where noted.

Note 1 – Summary of Significant Accounting Policies

Organization

Utah Medical Products, Inc. with headquarters in Midvale, Utah and its wholly-owned operating subsidiaries, Femcare Limited located in Romsey, Hampshire, England, Femcare Australia Pty Ltd located in Castle Hill, NSW, Australia, Utah Medical Products Canada, Inc. (dba Femcare Canada) located in Mississauga, Ontario, Canada and Utah Medical Products Ltd., which operates a manufacturing facility in Athlone, Ireland, (in the aggregate, the Company) are in the primary business of developing, manufacturing and globally distributing specialized medical devices for the healthcare industry. The Company's broad range of products includes those used in critical care areas and the labor and delivery departments of hospitals, as well as outpatient clinics and physicians' offices. Products are sold directly to end-user facilities in the U.S., Ireland, UK, Canada, France and Australia, and through third party distributors in other outside the U.S. (OUS) markets. Domestically, until February 1, 2019, Femcare Ltd had an exclusive U.S. distribution relationship with CooperSurgical, Inc. (CSI) for the Filshie Clip System. UTMD also sells subcontract manufactured components and finished products to over 120 companies in the U.S. for their medical and non-medical products.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although actual results could differ from those estimates, management believes it has considered and disclosed all relevant information in making its estimates that materially affect reported performance and current values.

Principles of Consolidation

The consolidated financial statements include those of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Company considers cash on deposit and short-term investments with original maturities of three months or less to be cash and cash equivalents.

Concentration of Credit Risk

The primary concentration of credit risk consists of trade receivables. In the normal course of business, the Company provides credit terms to its customers. Accordingly, the Company performs ongoing credit evaluations of its customers and maintains allowances for possible losses which, when realized, have been within the range of management's expectations as reflected by its reserves.

The Company's customer base consists of hospitals, medical device distributors, physician practices and others directly related to healthcare providers, as well as other manufacturing companies. Although the Company is affected by the well-being of the global healthcare industry, management does not believe significant trade receivable credit risk exists at December 31, 2024 except under an extreme global financial crisis.

The Company maintains its cash in bank deposit accounts in addition to Fidelity Investment money market accounts. The Company has not experienced any losses in such accounts and believes it is not exposed to a significant credit risk on cash and cash equivalent balances.

Accounts Receivable

Accounts receivable are amounts due on product sales and are unsecured. Accounts receivable are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus, accounts receivable do not bear interest although a late charge may be applied to such receivables that are past the due date. Accounts receivable are periodically evaluated for collectability based on past credit history of customers and current market conditions. Provisions for losses on accounts receivable are determined on the basis of loss experience, known and inherent risk in the account balance and current economic conditions (see note 2).

Note 1 – Summary of Significant Accounting Policies (continued)

Inventories
Finished products, work-in-process, raw materials and supplies inventories are stated at the lower of cost and net realizable value (NRV) computed on a first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation (see note 2).

Property and Equipment
Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over estimated useful lives as follows:

Building and improvements	15-40 years
Furniture, equipment and tooling	3-10 years

Long-Lived Assets
The Company evaluates its long-lived assets in accordance with Accounting Standards Codification (ASC) 360, "Accounting for the Impairment of Long-Lived Assets." Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Company compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets and is recorded in the period in which the determination was made.

Intangible Assets
Costs associated with the acquisition of patents, trademarks, trade names, customer relationships, regulatory approvals & product certifications, license rights and non-compete agreements are capitalized, and are being amortized using the straight-line method over periods ranging from 5 to 20 years. UTMD's goodwill is tested for impairment annually, in the fourth quarter of each year, in accordance with ASC 350. UTMD also performs impairment tests contemporaneously, if circumstances change that would more than likely reduce the fair value of goodwill below its net book value. If UTMD determines that its goodwill is impaired, a second step is completed to measure the amount of the impairment loss. UTMD does not expect its goodwill to become impaired in the foreseeable future. Estimated future amortization expenses on intangible assets held as of December 31, 2024, using the 2024 year-end 1.2521 USD/GBP and .6183 USD/AUD currency exchange rates, is about $1,935 in 2025, $426 in 2026, $14 in 2027, $11 in 2028, and $10 in 2029 (see note 2).

In 2019, $21,000 in intangible assets were acquired from CSI. This intangible asset was fully amortized in 2023 (see note 15).

Stock-Based Compensation
At December 31, 2024, the Company has stock-based employee compensation plans, which are described more fully in note 8. The Company accounts for stock compensation under ASC 718, *Share-Based Payment*. This statement requires the Company to recognize compensation cost based on the grant date fair value of options granted to employees and directors. In 2024, the Company recognized $255 in stock-based compensation cost compared to $225 in 2023 and $183 in 2022.

Revenue Recognition
The Company recognizes revenue at the time of product shipment as UTMD meets its contractual performance obligations to the customer at the time of shipment. Revenue recognized by UTMD is based upon the consideration to which UTMD is entitled from its customers as a result of shipping a physical product, in accordance with the documented arrangements and fixed contracts in which the selling price was fixed prior to the Company's acceptance of an order. Revenue from service sales, which are immaterial to UTMD, is generally recognized when the service is completed and invoiced. As demonstrated by decades of experience in successful and consistent collections, there is very minor and insignificant uncertainty regarding the collectability of invoiced amounts reasonably within the terms of the Company's contracts. There are circumstances under which insignificant revenue may be recognized when product is not shipped, which meet the criteria of ASC 606: the Company provides engineering services, for example, design and production of manufacturing tooling that may be used in subsequent UTMD manufacturing of custom components for other companies. This revenue is recognized when UTMD's performance obligations have been completed according to a fixed contractual agreement. UTMD includes handling fees charged to customers in revenues.

Note 1 – Summary of Significant Accounting Policies (continued)

Income Taxes

The Company accounts for income taxes under ASC 740, "Accounting for Income Taxes," whereby deferred taxes are computed under the asset and liability method.

The Company accounts for deferred taxes under ASC 740, "Accounting for Income Taxes", which requires that all deferred income taxes are classified as noncurrent in a classified statement of financial position.

The TCJA contains a deemed repatriation transition tax (REPAT tax) on accumulated earnings and profits of the Company's non-U.S. subsidiaries that have not been subject to U.S. tax. The Company has elected to pay its net REPAT tax over eight years.

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, in Utah, in the United Kingdom, in Australia, in Ireland and in Canada.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and any related penalties in income taxes. The Company did not recognize any tax-related interest expense or have any tax penalties in 2024, 2023 or 2022.

Legal Costs

The Company has been involved in lawsuits which are an expected consequence of its operations and in the ordinary course of business. The Company maintains a reserve for legal costs which are probable and estimated based on previous experience and known risk. The reserve for legal costs at December 31, 2024 and 2023 was $111 and $257, respectively (see note 2).

Earnings per Share

The computation of basic earnings per common share is based on the weighted average number of shares outstanding during each year.

The computation of earnings per common share assuming dilution is based on the weighted average number of shares outstanding during the year plus the weighted average common stock equivalents which would arise from the exercise of stock options outstanding using the treasury stock method and the average market price per share during the year.

The shares (in thousands) used in the computation of the Company's basic and diluted earnings per share are reconciled as follows:

	2024	2023	2022
Weighted average number of shares outstanding – basic	3,503	3,629	3,637
Dilutive effect of stock options	-	8	6
Weighted average number of shares outstanding, assuming dilution	3,503	3,637	3,643

Presentation of Sales and Similar Taxes

Sales tax on revenue-producing transactions is recorded as a liability when the sale occurs. UTMD is not required to withhold sales tax on OUS sales, and at least 90% of domestic 2024 sales were to customers who are tax exempt or who are in jurisdictions where UTMD is not required to withhold sales tax.

Translation of Foreign Currencies

Assets and liabilities of the Company's foreign subsidiaries are translated into U.S. dollars at the applicable exchange rates at year-end. Net gains or losses resulting from the translation of the Company's assets and liabilities are reflected as a separate component of stockholders' equity. A negative translation impact on stockholders' equity reflects a current relative U.S. Dollar value higher than at the point in time that assets were actually acquired in a foreign currency. A positive translation impact would result from a U.S. dollar weaker in value than at the point in time foreign assets were acquired. Year-end translation gains or losses of non-functional currency bank account balances, e.g. EUR and AUD balances held by the UK subsidiary, are recognized as non-operating income or expense, as applicable. Income and expense items are translated at the weighted average rate of exchange (based on when transactions actually occurred) during the year.

Note 2 – Detail of Certain Balance Sheet Accounts

	December 31, 2024	2023
Accounts and other receivables:		
Accounts receivable	$ 4,239	$ 3,488
Accrued interest and other	(2)	53
Less allowance for doubtful accounts	(143)	(151)
Total accounts and other receivables	$ 4,094	$ 3,390
Inventories:		
Finished products	$ 1,913	$ 1,685
Work-in-process	1,414	1,503
Raw materials	5,485	6,394
Total inventories	$ 8,812	$ 9,582
Goodwill:		
Balance as of January 1	$ 13,692	$13,354
Effect of foreign exchange	(112)	338
Subtractions as a result of impairment	-	-
Total Goodwill as of December 31	$ 13,580	$13,692
Other Identifiable Intangible Assets:		
Patents	$ 2,210	$ 2,209
Non-compete agreements	125	127
Trademarks & trade names	9,205	9,360
Customer relationships	8,952	9,108
Distribution agreements	21,000	21,000
Right-of-Use Asset	338	342
Regulatory approvals & product certifications	11,942	12,150
Total Other Identifiable Intangible Assets	53,772	54,296
Accumulated amortization	(50,907)	(49,350)
Other Identifiable Intangible Assets, Net	$ 2,865	$ 4,946
Accrued expenses:		
Income taxes payable (receivable)	$ (153)	$ 327
Payroll and payroll taxes	1,148	1,294
Reserve for litigation costs	111	257
Other	1,955	2,063
Total accrued expenses	$ 3,061	$ 3,941

Note 3 – Quarterly Results of Operations (Unaudited)

	Unaudited Quarterly Data for 2024			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Sales	$11,340	$10,400	$10,005	$9,157
Gross Profit	6,766	6,253	5,802	5,323
Net Income	3,956	3,453	3,563	2,902
Earnings Per Common Share (Diluted)	1.09	.98	1.03	.86

	Unaudited Quarterly Data for 2023			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Sales	$12,520	$12,866	$12,505	$12,333
Gross Profit	7,843	7,739	7,359	7,098
Net Income	4,214	4,200	3,935	4,287
Earnings Per Common Share (Diluted)	1.16	1.15	1.08	1.18

Note 3 – Quarterly Results of Operations (Unaudited) (continued)

	Unaudited Quarterly Data for 2022			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Sales	$12,323	$13,428	$12,955	$13,575
Gross Profit	7,533	8,151	8,186	8,327
Net Income	3,534	4,103	4,280	4,555
Earnings Per Common Share (Diluted)	.96	1.12	1.18	1.25

Note 4 – Property and Equipment

Property and equipment consists of the following:

	December 31,	
	2024	2023
Land	$ 1,604	$ 1,638
Buildings and improvements	13,539	13,907
Furniture, equipment and tooling	18,527	17,315
Construction-in-progress	19	1,413
Total	33,689	34,273
Accumulated depreciation	(23,926)	(23,722)
Property and equipment, net	$ 9,763	$ 10,551

Included in the Company's consolidated balance sheet are the assets of its manufacturing and administrative facilities in Utah, Canada, England, Australia and Ireland. Property and equipment, by geographic area, are as follows:

December 31, 2024	U.S. & Canada	England & Australia	Ireland	Total
Land	$ 621	$ 627	$ 356	$ 1,604
Buildings and improvements	6,576	3,101	3,862	13,539
Furniture, equipment and tooling	15,842	710	1,975	18,527
Construction-in-progress	19	-	-	19
Total	23,058	4,438	6,193	33,689
Accumulated depreciation	(18,930)	(1,587)	(3,409)	(23,926)
Property and equipment, net	$ 4,128	$ 2,851	$ 2,784	$ 9,763

December 31, 2023	U.S. & Canada	England & Australia	Ireland	Total
Land	$ 621	$ 637	$ 380	$ 1,638
Buildings and improvements	6,584	3,194	4,129	13,907
Furniture, equipment and tooling	15,075	732	1,508	17,315
Construction-in-progress	913	3	497	1,413
Total	23,193	4,566	6,514	34,273
Accumulated depreciation	(18,701)	(1,464)	(3,557)	(23,722)
Property and equipment, net	$ 4,492	$ 3,102	$ 2,957	$ 10,551

Note 5 – Long-term Debt

None in 2022, 2023 and 2024.

Note 6 – Commitments and Contingencies

Purchase Obligations

The Company has obligations to purchase raw materials for use in its manufacturing operations. The Company has the right to make changes in, among other things, purchase quantities, delivery schedules and order acceptance.

Product Liability

The Company is self-insured for product liability risk. "Product liability" is an insurance industry term for the cost of legal defense and damages awarded to patients allegedly injured as a result of use of a company's product. The Company maintains a reserve to cover product liability litigation expenses and possible damages consistent with its experience going back decades. Although product liability litigation expenses at $2,139 in 2024, $1,660 in 2023 and $670 in 2022 were high relative to history, they were not material to overall consolidated financial results.

The Company absorbs the costs of clinical training and trouble-shooting in its on-going operating expenses.

Warranty Reserve

The Company's published warranty is: "UTMD warrants its products to conform in all material respects to all published product specifications in effect on the date of shipment, and to be free from defects in material and workmanship for a period of thirty (30) days for supplies, or twenty-four (24) months for equipment, from date of shipment. During the warranty period UTMD shall, at its option, replace any products shown to UTMD's reasonable satisfaction to be defective at no expense to the Purchaser or refund the purchase price."

UTMD maintains a warranty reserve to provide for estimated costs which are likely to occur. The amount of this reserve is adjusted, as required, to reflect its actual experience. Based on its analysis of historical warranty claims and its estimate that existing warranty obligations are immaterial, no warranty reserve was made at December 31, 2024 or December 31, 2023.

Litigation

The Company has been involved in lawsuits which are an expected consequence of its operations and in the ordinary course of a medical device business. Presently, except for Filshie clip lawsuits, there is no litigation or threatened litigation where UTMD is a defendant. The Company expects that the outcome of the Filshie clip litigation will not be material to overall consolidated financial results. The Company applies its accounting policy to accrue legal costs that can be reasonably estimated.

Note 7 – Income Taxes

Deferred tax assets (liabilities) consist of the following temporary differences:

	December 31,		
	2024	2023	2022
Inventory write-downs and differences due to UNICAP	$ 270	$ 110	$ 103
Allowance for doubtful accounts	29	31	39
Accrued liabilities and reserves	50	90	90
Depreciation and amortization	(1,451)	(1,673)	(2,295)
Deferred income taxes, net	$ (1,102)	$ (1,442)	$(2,063)

The components of income tax expense are as follows:

	Years ended December 31,		
	2024	2023	2022
Current	$ 3,268	$ 4,075	$ 4,632
Deferred	(340)	(621)	(446)
Total	$ 2,928	$ 3,454	$ 4,186

Income tax expense differed from amounts computed by applying the statutory federal rate to pretax income as follows:

	Years ended December 31,		
	2024	2023	2022
Federal income tax expense at the statutory rate	$ 2,794	$ 2,346	$ 2,620
State income taxes	504	439	490
Foreign income taxes (blended rate)	(1)	951	1,129
R&D tax credits and manufacturing profit deduction	(18)	(3)	(3)
Tax-exempt income	(201)	(195)	-
Change in Rate	-	-	-
Other	(150)	(84)	(50)
Total	$ 2,928	$ 3,454	$ 4,186

The domestic and foreign components of income before income tax expense were as follows:

	Years ended December 31,		
	2024	2023	2022
Domestic	$ 13,306	$ 11,170	$ 12,475
Foreign	3,496	8,919	8,184
Total	$ 16,802	$ 20,089	$ 20,659

Note 8 – Options

The Company has stock option plans which authorize the grant of stock options to eligible employees, directors and other individuals to purchase up to an aggregate of 275 thousand shares of common stock, of which 98 thousand are outstanding as of December 31, 2024. All options granted under the plans are granted at current market value at the date of grant, and may be exercised between six months and ten years following the date of grant. The plans are intended to advance the interest of the Company by attracting and ensuring retention of competent directors, employees and executive personnel, and to provide incentives to those individuals to devote their utmost efforts to the advancement of stockholder value. Changes in stock options were as follows:

	Shares (000's)	Price Range Per Share	
2024			
Granted	25	$ 64.09	$ 64.09
Expired or canceled	3	49.18	82.60
Exercised	8	49.18	58.50
Total outstanding at December 31	98	58.50	82.60
Total exercisable at December 31	52	58.50	82.60
2023			
Granted	19	$ 77.07	$ 77.07
Expired or canceled	0.4	77.05	77.05
Exercised	2	49.18	77.05
Total outstanding at December 31	84	49.18	82.60
Total exercisable at December 31	50	49.18	82.60
2022			
Granted	21	$ 82.60	$ 82.60
Expired or canceled	2	33.30	77.05
Exercised	4	33.30	77.05
Total outstanding at December 31	67	33.30	77.05
Total exercisable at December 31	40	33.30	77.05

Note 8 – Options (continued)

For the years ended December 31, 2024, 2023 and 2022, the Company reduced current income taxes payable by $20, $12 and $6, respectively, for the income tax benefit attributable to sale by optionees of common stock received upon the exercise of stock options.

Stock-Based Compensation

In 2024, the Company recognized $256 in equity compensation cost, compared to $225 in 2023 and $183 in 2022.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Years ended December 31,		
	2024	2023	2022
Expected dividend amount per quarter	$ .3150	$ .3090	$ .3050
Expected stock price volatility	31.21%	31.67%	29.87%
Risk-free interest rate	4.23%	4.75%	4.09%
Expected life of options	5.8 years	5.6 years	5.7 years

The per share weighted average fair value of options granted during 2024 is $19.77, 2023 is $25.09 and in 2022 is $25.34.

All UTMD options vest over a four-year service period. At December 31, 2024 there was $898 total unrecognized compensation expense related to non-vested stock options under the plans. A $329 portion of the cost is expected to be recognized over the next twelve months, and the remaining $570 recognized over the next 4 years. Expected dividend amounts were estimated based on the actual cash dividend rate at the time the options were granted and an estimate of future dividends based on past dividend rate changes as well as management's expectations of future dividend rates over the expected holding period of the options. Expected volatility is based on UTMD's historical volatility over recent periods of time and trends in that volatility, giving weight to more recent periods. Risk free interest rates were estimated based on actual U.S. Treasury Securities Interest rates as reported by the Federal Reserve Bank for periods of time equivalent to the holding periods estimated for the options on the dates the options were granted. Expected term of options were estimated based on historical holding periods for similar options previously granted by UTMD to employees and directors.

The following table summarizes information about stock options outstanding at December 31, 2024:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Actual Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 58.50 - 64.09	29,575	8.49	$ 63.15	4,975	$ 58.50
74.64 - 77.07	48,310	6.39	76.60	34,210	76.41
82.60 - 82.60	20,100	7.78	82.60	10,050	82.60
$ 58.50 - 82.60	97,985	7.31	$ 73.77	49,235	$ 75.86

	2024	2023	2022
Intrinsic Value of Stock Options Exercised	$ 77	$ 31	$ 141
Intrinsic Value of Stock Options Outstanding	-	814	1,812

Note 9 – Geographic Information

The Company had sales in the following geographic areas based on the customer's country of domicile:

	2024	2023	2022
United States	$ 23,873	$ 30,413	$ 34,524
Europe	8,705	8,918	7,214
Other	8,325	10,893	10,543

Note 10 – Long-lived Assets by Geographic Area

The Company's long-lived assets by geographic area were as follows:

	2024	2023	2022
United States	$ 11,124	$ 11,462	$ 14,875
England	11,445	13,838	15,184
Ireland	2,827	2,963	2,954
Australia	290	336	337
Canada	523	589	593

Note 11 – Revenues by Product Category and Geographic Region

Global revenues by product category:

	2024	2023	2022
Obstetrics	$4,260	$4,592	$4,661
Gynecology/ Electrosurgery/ Urology	20,707	22,300	21,841
Neonatal	6,869	6,863	7,567
Blood Pressure Monitoring and Accessories	9,067	16,469	18,212
Total:	$40,903	$50,224	$52,281

Included in the Global revenues (above) were OUS revenues by product category:

	2024	2023	2022
Obstetrics	$ 821	$ 1,041	$ 676
Gynecology/ Electrosurgery/ Urology	11,390	11,992	11,603
Neonatal	1,523	1,678	1,517
Blood Pressure Monitoring and Accessories	3,724	7,309	6,514
Total:	$ 17,458	$22,020	$ 20,310

Note 12 - Product Sale and Purchase Commitments

The Company has had license agreements for the rights to develop and market certain products or technologies owned by unrelated parties. The confidential terms of such agreements are unique and varied, depending on many factors relating to the value and stage of development of the technology licensed. Royalties on future product sales are a normal component of such agreements and are included in the Company's cost of goods sold on an ongoing basis.

In 2024, 2023 and 2022, UTMD received royalties of $15, $20 and $20, respectively, for the use of intellectual property.

UTMD had $3,747 in operating lease and purchase commitments as of December 31, 2024.

Note 13 – Employee Benefit Plans

The Company sponsors a contributory 401(k) savings plan for U.S. employees, and contributory retirement plans for Ireland, UK, Australia and Canada employees. The Company's matching contribution is determined annually by the board of directors. Company contributions were approximately $209, $184 and $159 for the years ended December 31, 2024, 2023 and 2022, respectively.

Note 14 – Leases

UTMD has operating leases for a portion of its parking lot at its Midvale facility and an automobile at its Ireland facility. The remaining lease term on the parking lot is 7 years and on the automobile is 30 months. There are no options to extend or terminate the leases. The parking lot lease contains a provision that requires an adjustment every five years to the lease payment based on the change in the Consumer Price Index. This adjustment occurred in 2021 requiring an increase of $87 to the value of the right-of-use asset and lease liabilities. UTMD has no other leases yet to commence. As neither lease contains implicit rates, UTMD's incremental borrowing rate, based on information available at adoption date, was used to determine the present value of the leases.

Operating lease costs for the years ended December 31, 2024, 2023, and 2022 were $66, $65, and $64, respectively.

Supplemental balance sheet information related to operating leases was as follows (*in thousands*):

	As of December 31, 2024
Operating lease right-of-use assets	$338
Operating lease liabilities, current (included in Accrued Expenses)	56
Operating lease liabilities, long-term	282
Total operating lease liabilities	$338

Maturities of operating lease liabilities at December 31, 2024 were as follows (*in thousands*):

	As of December 31, 2024
2025 (less imputed interest)	$ 55
2026 (less imputed interest)	58
2027 (less imputed interest)	55
2028 (less imputed interest)	44
2029 (less imputed interest)	46
Thereafter (less imputed interest)	80
Total lease payments	$364
Less: imputed interest	(26)
Total lease liabilities	$338

The following table provides information on the lease terms and discount rates:

Weighted-average remaining lease term (in years)	6.1
Weighted-average discount rate	4.3%

Note 15 - Distribution Agreement Purchase

UTMD completed the purchase of exclusive U.S. distribution rights for the Filshie Clip System from CooperSurgical, Inc. (CSI) on February 1, 2019, after which CSI no longer had the right to sell the Filshie Clip System and UTMD distributed the Filshie Clip System directly to clinical facilities in the U.S. The $21,000 purchase price represented an identifiable intangible asset which was straight-line amortized and recognized as part of G&A expenses over the 4.75 year remaining life of the prior CSI distribution agreement with Femcare. The agreement became fully amortized in 4th quarter 2023. As part of the agreement, UTMD also purchased the remaining CSI inventory for approximately $2,100.

Note 16 - Earnings Per Share

Basic earnings per share is calculated by dividing net income attributable to the common stockholders of the company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by assuming the exercise of stock options at the closing price of stock at the end of 2024.

The following table reconciles the numerator and the denominator used to calculate basic and diluted earnings per share:

	2024	2023	2022
Numerator *(in thousands)*			
Net income	13,874	16,635	16,473
Denominator			
Weighted average shares, basic	3,503	3,629	3,637
Dilutive effect of stock options	-	8	6
Diluted shares	3,503	3,637	3,643
Earnings per share, basic	3.96	4.58	4.53
Earnings per share, diluted	3.96	4.57	4.52

Note 17 – Segment Information

The Company operates as one operating segment. The Company's chief operating decision maker ("CODM") is its chief executive officer, who reviews financial information presented on a consolidated basis. The CODM uses consolidated gross profit margin, operating margin, and net income to assess financial performance and allocate resources. These financial metrics are used by the CODM to make key operating decisions such as the allocation of budget between cost of sales, sales and marketing, research and development, and general and administrative expenses.

The following table presents selected financial information with respect to the Company's single operating segment for the years ended December 31, 2024, 2023 and 2022:

Note 17 – Segment Information (continued)

	Year Ended December 31,		
	2024	**2023**	**2022**
Revenues	40,903	50,224	52,281
Less:			
Standard cost of sales	13,406	17,400	16,939
Other cost of sales	3,353	2,786	3,146
Gross Profit	24,143	30,038	32,196
Gross Profit Margin	59.0%	59.8%	61.6%
Sales & Marketing	1,901	1,685	1,507
Research & Development	813	560	493
Litigation Fees	2,139	1,660	670
Amortization	2,030	5,661	6,386
Other General & Administrative	3,666	3,695	3,350
Operating Income	13,594	16,777	19,790
Operating Income Margin	33.2%	33.4%	37.9%
Other Income			
Interest income	3,367	3,036	661
Other income (expense)	(159)	276	209
Income before income taxes	16,802	20,089	20,659
Provision for income taxes	2,928	3,454	4,186
Net Income	13,874	16,635	16,473

See the consolidated financial statements for other financial information regarding the Company's operating segment.

Note 18 – Recent Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, requiring public entities to disclose information about their reportable segments' significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280 on an interim and annual basis. The Company adopted ASU 2023-07 during the year ended December 31, 2024. See Note 17 Segment Information in the accompanying notes to the consolidated financial statements for further detail.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting AUS 2023-09.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, requiring public entities to disclose additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2024-03.

Note 19 – Subsequent Events

The Company evaluated its December 31, 2024 financial statements for subsequent events through the date the financial statements were issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements. After December 31, 2024 through March 25, 2025, the Company made additional repurchases of 53,340 shares of its stock in the open market for $3,169, at an average price of $59.41 per share.

ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

UTMD Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in the Securities Exchange Act of 1934 Rule 13a-15(e). UTMD's Board of Directors, operating through its Audit Committee, provides oversight to its financial reporting process.

During 2024, UTMD evaluated the effectiveness of the design and operation of its disclosure controls and procedures. Based on that evaluation, UTMD's Chief Executive Officer and Principal Financial Officer concluded that, as of December 31, 2024, its disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, the Company has included, as part of this Form 10-K, a report of management's assessment of the effectiveness of its internal controls as of December 31, 2024. Management's report appears on page 34 of this Form 10-K under the caption "Management's Report on Internal Control Over Financial Reporting" and is incorporated herein by reference.

Changes in Internal Control Over Financial Reporting.

There have been no changes in UTMD's internal control over financial reporting that materially affected, or were reasonably likely to materially affect, the Company's internal control over financial reporting during the fourth quarter of the fiscal year ended December 31, 2024, and there were no material weaknesses.

ITEM 9B – OTHER INFORMATION

Rule 10b5-1 Trading Plans.

During 2024, none of UTMD's directors or executive officers adopted Rule 10b5-1, and none of UTMD's directors or executive officers terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

ITEM 9C – DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information from the definitive proxy statement of the registrant for the 2025 annual meeting of stockholders under the captions,

- "PROPOSAL NO. 1. ELECTION OF DIRECTORS: General," and "Directors and Nominees,"
- "SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN PERSONS," and
- "EXECUTIVE OFFICER COMPENSATION: 2024 Director Compensation,"

is incorporated herein by reference.

UTMD adopted a Code of Ethics for its executive officers, including the Chief Executive Officer and outside directors, in October 2003. The Code of Ethics, along with UTMD's Code of Conduct, which covers all exempt employees (including all officers and outside directors) and certain non-exempt employees, is posted on UTMD's web site at www.utahmed.com. UTMD intends to post on its website any waivers of or amendments to its Code of Ethics.

ITEM 11 - EXECUTIVE COMPENSATION

The information from the definitive proxy statement of the registrant for the 2025 annual meeting of stockholders under the captions,

- "EXECUTIVE OFFICER COMPENSATION,"
- "COMPENSATION DISCUSSION AND ANALYSIS," and
- "BOARD OF DIRECTORS AND OTHER BOARD COMMITTEE REPORTS: Compensation and Option Committee Interlocks and Insider Participation," specifically excluding the "Report of the Compensation Committee"

is incorporated herein by reference.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information from the definitive proxy statement of the registrant for the 2025 annual meeting of stockholders under the captions,

- "SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN PERSONS" and
- "DISCLOSURE RESPECTING THE COMPANY'S EQUITY COMPENSATION PLANS"

is incorporated herein by reference.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information from the definitive proxy statement of the registrant for the 2025 annual meeting of stockholders under the captions,

- "CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS"
- "BOARD OF DIRECTORS AND OTHER BOARD COMMITTEE REPORTS: Director Independence"

is incorporated herein by reference.

The information from the definitive proxy statement of the registrant for the 2025 annual meeting of stockholders in the first paragraph under the caption, "Report of the Audit Committee" is incorporated herein by reference.

ITEM 14 – PRINCIPAL ACCOUNTING FEES AND SERVICES

The information from the definitive proxy statement of the registrant for the 2025 annual meeting of stockholders under the caption "PROPOSAL NO 2. RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM: Fees billed by Haynie & Company," "Audit Committee Policy and Approval," and "Auditor Independence" are incorporated herein by reference.

PART IV

ITEM 15 – EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report or incorporated herein by reference.

1. Financial Statements.
   (See Table of Contents in Item 8 above.)

2. Supplemental Schedule.
   Financial Statement Schedules are omitted because they are inapplicable or the required information is otherwise included in the accompanying Financial Statements and the notes thereto.

3. Exhibits.

Exhibit #	Title of Document	Location
3.1	Articles of Restatement of the Articles of Incorporation	Incorporated by Reference (1)
3.2	Articles of Correction to the Restated Articles of Incorporation	Incorporated by Reference (1)
3.3	Bylaws	Incorporated by Reference (2)
10.1	Employment Agreement dated December 21, 1992 with Kevin L. Cornwell*	Incorporated by Reference (3)
10.2	Amendment, effective May 15, 1998, to Employment Agreement dated December 21, 1992 with Kevin L. Cornwell*	Incorporated by Reference (3)
10.3	Utah Medical Products, Inc. 2013 Employees' and Directors' Incentive Plan*	Incorporated by Reference (4)
10.4	Utah Medical Products, Inc., 2023 Employees' and Directors' Incentive Plan*	Incorporated by Reference (5)
10.5	Summary of Officer and Director Compensation	This filing
19.1	Insider Trading Policy	This filing
21.1	Subsidiaries of Utah Medical Products, Inc.	This filing
23.1	Consent of Haynie & Company, UTMD's independent auditors for the years ended December 31, 2024 and December 31, 2023	This filing
23.2	Consent of Nortons Assurance Limited, Femcare Group Limited's independent auditors for the years ended December 31, 2024 and December 31, 2023	This filing
31.1	Certification of CEO pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	This filing
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
32.1	Certification of CEO pursuant to 18 U.S.C. §1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	This filing
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. §1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	This filing

Exhibit #	Title of Document	Location
97.1	Policy Relating to Recovery of Erroneously Awarded Compensation	This filing
101.ins	XBRL Instance Document	This filing
101.xsd	XBRL Taxonomy Extension Schema Document	This filing
101.cal	XBRL Taxonomy Extension Calculation Linkbase Document	This filing
101.def	XBRL Taxonomy Extension Definition Linkbase Document	This filing
101.tab	XBRL Taxonomy Extension Label Linkbase Document	This filing
101.pre	XBRL Taxonomy Extension Presentation Linkbase Document	This filing

***** Management contract of compensatory plan or arrangement required to be filed pursuant to Item 14(c).

(1) Incorporated by reference from the Company's annual report on form 10-K filed with the Commission for the year ended December 31, 2004.

(2) Incorporated by reference from the Company's report on form 8-K filed with the Commission on February 13, 2014.

(3) Incorporated by reference from the Company's annual report on form 10-K filed with the Commission for the year ended December 31, 2003.

(4) Incorporated by reference from the Company's 2013 definitive proxy statement on form DEF 14A filed with the Commission on March 7, 2013.

(5) Incorporated by reference from the Company's report on form S-8 filed with the Commission on July 14, 2023.

ITEM 16 – FORM 10-K SUMMARY

None.

Exhibit 10.5

SUMMARY of OFFICER and DIRECTOR COMPENSATION

The Employment Agreement in Exhibits 7 & 8 of this report is the only written contractual compensation arrangement the Company has with any of its Directors and Executive Officers.

During 2025, the Company's Chief Executive and Principal Financial Officer (the Company's "Named Executive Officers") are scheduled to receive the following compensation from the Company:

Compensation Arrangement	2025 Scheduled Amount
Base salary	$80,700 (CEO); $147,700 (PFO)
401(k) matching contributions	7,920 (maximum)
Section 125 plan matching contributions (1)	500 (maximum)
Management bonus	will be determined at year-end
Pet health benefits (1)	500 (maximum)
Family medical benefits (1)	will depend on future events
Travel expense reimbursement (2)	5,000 (CEO); 500 (PFO)

During 2025, the Company's Directors are scheduled to receive the following compensation from the Company:

Compensation Arrangement	Ernst Hoyer	Barbara Payne	James Beeson	Paul Richins	Carrie Leigh
Base	$30,600	$7,650	$30,600	$30,600	$30,600
Executive Committee	4,200	-	-	-	-
Audit Committee Chairman	4,200	-	-	-	-
Travel Expense Reimbursement (2)	250	-	400	50	250

(1) CEO and PFO participate on the same basis as other eligible employees.

(2) Estimated 2025 travel expenses on behalf of UTMD business. The Company reimburses its employees and directors for authorized business expenses.

Exhibit 19.1

UTAH MEDICAL PRODUCTS, INC.

STATEMENT OF POLICY REGARDING COMPLIANCE WITH FEDERAL SECURITIES LAWS

July 25, 2003

THIS STATEMENT OF POLICY REGARDING COMPLIANCE WITH THE FEDERAL SECURITIES LAWS IS INTENDED TO FAMILIARIZE YOU WITH YOUR OBLIGATIONS AND RESPONSIBILITIES UNDER VARIOUS FEDERAL SECURITIES LAWS RELATING TO TRADING IN THE SECURITIES OF UTAH MEDICAL PRODUCTS, INC. IN THE INTEREST OF BREVITY, THIS STATEMENT OF APPLICABLE STATUTES, RULES AND REGULATIONS HAS BEEN CONDENSED AND SUMMARIZED AND IS THEREFORE NOT COMPREHENSIVE. THE STATEMENT IS INTENDED TO PROVIDE A QUICK REFERENCE TO VARIOUS FEDERAL SECURITIES LAWS AND IS NOT INTENDED NOR SHOULD IT BE RELIED UPON AS A DEFINITIVE GUIDE WITH RESPECT TO TRANSACTIONS INVOLVING SECURITIES OF UTAH MEDICAL PRODUCTS, INC.

FAILURE TO COMPLY WITH FEDERAL SECURITIES LAWS HAS THE POTENTIAL FOR SIGNIFICANT LIABILITY EXPOSURE NOT ONLY FOR YOU AS AN INDIVIDUAL BUT ALSO FOR THE COMPANY THAT YOU REPRESENT. THE SECURITIES AND EXCHANGE COMMISSION, THE U.S. ATTORNEY'S OFFICE AND PRIVATE ATTORNEYS VIGOROUSLY PURSUE VIOLATIONS OF FEDERAL SECURITIES LAWS. BY FEDERAL LAW, THE COMPANY MUST ALSO MONITOR AND ENFORCE VIOLATIONS OF FEDERAL SECURITIES LAWS BY COMPANY PERSONNEL. THE COMPANY MUST, UNDER CERTAIN CIRCUMSTANCES, DISCLOSE VIOLATIONS IN REPORTS ISSUED TO THE SECURITIES AND EXCHANGE COMMISSION AND THE COMPANY'S SHAREHOLDERS.

IN LIGHT OF THE COMPLEXITY OF FEDERAL SECURITIES LAWS AND THE SIGNIFICANT PENALTIES THAT MAY BE IMPOSED, THE COMPANY STRONGLY RECOMMENDS THAT ANY DIRECTOR, OFFICER OR EMPLOYEE CONTEMPLATING A TRANSACTION IN THE COMPANY'S SECURITIES FIRST CONTACT THE COMPANY'S COMPLIANCE OFFICER IN ORDER TO IDENTIFY ANY SECURITIES LAWS IMPLICATIONS OF THE PROPOSED TRANSACTION. ALL MATTERS INVOLVING THE COMPANY'S SECURITIES SHOULD BE COORDINATED, IN ADVANCE, WITH THE COMPANY'S COMPLIANCE OFFICER.

PLEASE READ THE STATEMENT IN ITS ENTIRETY, THEN SIGN AND DATE THE APPROPRIATE CERTIFICATION SET FORTH AT THE CONCLUSION OF THE STATEMENT.

1. EXECUTIVE SUMMARY.

This Statement of Policy Regarding Compliance With Federal Securities Laws (the "**Statement**") describes the most important features of federal statutes, rules and regulations (collectively the "**Securities Laws**") applicable to transactions involving the securities of Utah Medical Products, Inc. (the "**Company**"). This Executive Summary highlights in summary fashion topics that are covered in greater detail in this Statement. You are urged to read the entire Statement in order to more fully understand what is required of you. Topics discussed in this Statement are summarized as follows:

1.1 Confidentiality of Inside Information. Directors, officers and employees must maintain inside information about the Company in strict confidence and not communicate such information to any person unless such person has a need to know the information for legitimate Company-related reasons.

1.2 Prohibition on Insider Trading. No director, officer or employee may trade (purchase or sell) in Company securities while in the possession of material, non-public information concerning the Company or its affairs. This prohibition extends to relatives, friends and others to whom you have disclosed any material, non-public information or have made a recommendation to purchase or sell the Company's securities.

1.3 Section 16 Obligations. Section 16 of the Securities Exchange Act of 1934 (the "**Exchange Act**") generally provides that directors and officers, and shareholders who own more than ten percent of the Company's outstanding securities, are required to (1) report to and on forms prescribed by the Securities and Exchange Commission (the "**SEC**") their ownership of and transactions in securities of the Company, (2) disgorge to the Company all profits obtained from a purchase and sale (or a sale and purchase) within a six-month time period and (3) refrain from engaging in any "short sale" of the Company's securities. Section 16 is a strict liability statute in that it applies without regard to improper motives or bad acts on the part of the person violating the statute. Reports of ownership and transactions in the Company's securities must be filed within specified time frames. The appropriate forms and time limitations are available from the Company's Compliance Officer.

1.4 Restrictions on Resales of Company Securities. Any person holding "restricted securities" (i.e., securities which have not previously been registered under the Securities Act of 1933 with the SEC) generally should make public resales of such securities in accordance with SEC Rule 144, which restricts the amount, manner of sale and timing of sales of the Company's restricted securities. Private resales may also be made subject to certain restrictions depending upon the circumstances.

1.5 **Restrictions on Purchases of Company Securities**. Securities Laws restrict the ability of persons to purchase Company securities while the Company is engaged in a public offering or a buy-back of its securities. Under certain circumstances, the Company will also impose a "blackout" which means that purchases and sales of its securities during this period are prohibited because of the potential for misuse of insider information. (See, for example, Section 5.6 of this Statement).

In addition, in the event that the Company allows participants in individual account plans to hold Company securities in their plan accounts (which is not currently the case), the Securities Laws impose a separate "blackout" on trading by insiders, if a majority of such participants are unable to trade their Company securities so held for a period of more than three consecutive business days. (See Section 5.10, below)

1.6 **Compliance Committee and Officer**. The Company has established a Compliance Committee and appointed a Compliance Officer to assist you in complying with Securities Laws. All questions relating to your compliance with Securities Laws should be addressed to the Company's Compliance Officer. The Company will be closely monitoring transactions in its securities to attempt to determine if directors, officers and employees are violating Securities Laws. You are strongly encouraged to report any violations of Securities Laws involving the Company's securities of which you become aware. With your cooperation and assistance, compliance with Securities Laws is achievable and will not only avoid harsh penalties but also keep the Company in good standing with the SEC, the Company's shareholders and the public securities markets. If investors perceive that the Company (including its directors, officers and employees) have a disregard for compliance with Securities Laws, the value of the Company and the price per share at which the Company's securities are sold will be diminished.

2. NEED FOR A POLICY STATEMENT.

The SEC, the U.S. Attorney's Office and private attorneys vigorously pursue violations of Securities Laws. The Securities Laws contain severe penalties for trading violations, and they place the burden on the Company and its "**controlling persons**" (e.g., officers, directors and certain supervisory personnel) for trading violations by Company employees. The Company has adopted this Statement in order to avoid even the appearance of questionable or improper conduct on the part of anyone employed by or associated in any way with the Company (not only directors and officers).

3. CONSEQUENCES OF FAILURE TO COMPLY.

The consequences of failure to comply with Securities Laws can be staggering not only for the individual involved but also for the Company and its controlling persons. Harsh civil and criminal penalties as well as criminal jail sentences may be imposed if violations occur. Penalties may also be imposed upon the Company (as well as possibly its controlling persons) in the event the Company fails to take adequate steps to prevent violations of Securities Laws.

Violation of Securities Laws may also subject the individuals involved to sanctions imposed by the Company including dismissal for cause. If you are a habitual violator, the SEC can remove you from your office at the Company and temporarily or permanently prevent you from serving as an officer or director of any other public company. Violations of Securities Laws will not only tarnish one's reputation but also that of the Company and may cause irreparable damage to a career and the Company's good standing in the securities markets resulting in damage and loss to all shareholders of the Company.

In view of the extreme consequences imposed not only on you and the Company but potentially its controlling persons and shareholders, the Company intends to actively monitor compliance with Securities Laws by all persons associated with the Company.

4. CONFIDENTIALITY OF INSIDE INFORMATION.

4.1 **Liability for Misuse or Tipping**. Any director, officer or employee who comes into possession of material, non-public information concerning the Company must safeguard the information and not intentionally or inadvertently communicate it to any person (including family members and friends) unless the person has a need to know the information for legitimate, Company-related reasons. A director, officer or employee who improperly uses or reveals material inside information to another person can be held liable under the antifraud provisions of the Securities Laws (primarily Section 10(b) of the Exchange Act and Rule 10b-5) for the trading activities of his or her "tippee" and any other person with whom the tippee shares the information.

4.2 **Methods of Preserving Confidentiality**. Consistent with the foregoing, directors, officers and employees should divulge such inside information only to persons having a need to know it in order to carry out their job responsibilities. Directors, officers and employees should refrain from discussing such information in public places including,

but not limited to, restaurants, rest rooms, lobbies, elevators, airplanes or other public places. To avoid even the appearance of impropriety, directors, officers and employees should refrain from providing advice or making recommendations regarding the purchase or sale of the Company's securities.

4.3 **Dissemination of Confidential Information**. Certain specified employees of the Company have been designated as the persons to communicate with analysts, stockholders and the press. The current identity of such employees may be obtained from the Company's Compliance Officer. Should you receive a request from someone for information regarding the Company's financial condition, products, product development, patents or any other information regarding the Company, the person requesting the information should be directed to the person(s) identified by the Company's Compliance Officer.

5. PROHIBITION ON INSIDER TRADING.

5.1 **Insider Trading**. The antifraud provisions of the Securities Laws generally prohibit persons who are in possession of material, non-public information from trading in securities on the basis of such information. In addition, the antifraud provisions prohibit fraudulent, manipulative, or deceptive trading practices. Persons who violate these prohibitions are subject to liability for significant civil damages and criminal penalties. Such trading can also subject the Company to penalties and fines.

The SEC has authority to bring a civil action against any controlling person who knows of, or recklessly disregards, a likely insider trading violation by a person under his or her control and who fails to take appropriate steps to prevent the violation from occurring. A successful action by the SEC under this provision can result in significant civil penalties.

The Company (as well as its directors and officers, and supervisory personnel) could be deemed "controlling persons" subject to potential liability under these Securities Laws.

Accordingly, it is incumbent upon those persons to maintain an awareness of possible insider trading violations by persons under their control and to take measures where appropriate to prevent such violations. In the event a director, officer or supervisory person becomes aware of the possibility of such a violation, he or she should contact our Compliance Officer (or, in his or her absence, the President of the Company) immediately.

If an officer, director, or employee has material, non-public information relating to the Company or any subsidiary or affiliate, it is the Company's policy that neither that person nor any related person may buy or sell securities of the Company or engage in any other action to take advantage of, or pass along to another, that information. In addition, this policy applies to information relating to any other company obtained in the course of employment with the Company.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency) are no exception. Even the appearance of an improper securities transaction must be avoided. You are strongly encouraged to contact the Compliance Officer as soon as possible in the event an emergency arises and you have a need to sell the Company's securities during any period in which you may have access to inside information.

5.2 **Definition of Material and Non-Public Information**. **"Material information"** is any information that a reasonable investor would consider important in deciding whether to buy, sell or hold a security. In short, any information that could reasonably affect the price of a security is material information.

Examples of information that frequently is regarded as material include: (i) projections of future earnings or losses, (ii) news of a pending or proposed merger, acquisition, consolidation or tender offer, (iii) news of a significant sale of assets, (iv) changes in a dividend policy, the declaration of a stock split or the offering of additional securities, (v) changes in management, (vi) significant new products or discoveries, (vii) impending bankruptcy or financial liquidity problems, (viii) issuance of patents or other protections of intellectual property or the instigation of cancellation proceedings regarding the same and (ix) the gain or loss of a substantial customer or supplier. Both positive and negative information can constitute material information for purposes of the Securities Laws.

Financial information about the Company is particularly sensitive to classification as material information. For example, non-public information concerning the results of the Company's operations even for a portion of a fiscal quarter might be material. Possession of any non-public financial information should always be treated with caution. Information is "**non-public information**" until it has been widely disseminated to the public markets and the public has had an opportunity to absorb and evaluate such information.

5.3 **Retrospective Analysis**. Remember, if your securities transactions become the subject of scrutiny, those transactions will be viewed after the fact and with the benefit of hindsight. As a result, before engaging in any securities transaction, you should carefully consider how regulators, courts and others might view those

transactions with the benefit of hindsight.

5.4 **Transactions By Family Members**. The same restrictions that apply to Company employees also apply to family members and others living in your household. Employees are responsible for the compliance of their immediate family members and persons in their households.

5.5 **Tipping Information To Others**. Whether the information is proprietary information about the Company or information that has a potential impact on the price of the Company's securities, Company employees must not pass that information along to other people or discuss it so that others become aware of the information such that they could then trade in the securities of the Company or any other company. The above-listed penalties under the Securities Laws apply whether or not you personally derive any benefit from another's unlawful securities transactions.

5.6 **When Information Becomes Public**. It is also improper for any officer or director to trade the Company's securities immediately after the Company has publicly announced material information including, but not limited to, earnings figures. **Because the Company's shareholders, as well as the investing public, should be afforded enough time to receive the information and evaluate it, you are not allowed to engage in any transactions in the Company's securities commencing 15 days prior to the end of each fiscal quarter and continuing until the third business day after the quarterly information has been publicly released (the "Quarterly Earnings Blackout Period").** Thus, if an announcement is made on a Monday, generally the following Thursday would be the first day on which you should trade. If an announcement is made on a Friday, as a general rule, the following Wednesday would be the first day on which trades should be consummated.

The transaction prohibitions under the Quarterly Earnings Blackout Period shall not apply (i) to the exercise of options or transactions in the open market by any non-executive officer or non-officer employee of the Company or (ii) to the exercise of options by any executive officer or outside (non-employee) director of the Company; provided that such executive officer or outside (non-employee) director certifies in writing to the Compliance Officer in advance of any such exercise that he or she will not engage in any open market transactions involving the Company's securities during any such Quarterly Earnings Blackout Period.

5.7 **Dissemination of Confidential Information**. Certain employees have been designated as the persons to communicate with analysts, stockholders and the press. The identity of these employees is available from the Company's Compliance Officer. Should you receive a request from someone for information regarding the Company's financial condition, products, product development, patents or any other information regarding the Company, the person requesting the information should be directed to the person(s) identified by the Company's Compliance Officer.

5.8 **Additional Prohibited Transactions**. Because the Company believes it is improper and inappropriate for any director, officer or employee to engage in short-term or speculative transactions involving the Company's securities, it is the Company's policy that directors, officers and employees not engage in any of the following activities with respect to the Company's securities: (i) margin purchases, (ii) short sales or (iii) buying or selling puts or calls.

5.9 **Pre-Clearance of Securities Trades.** To assist in preventing inadvertent violations of law and Company policy, and to avoid even the appearance of impropriety, all directors and officers (and members of their immediate families or personal households) must pre-clear any trades in the Company's securities with the Compliance Officer. Any of these individuals who plan to make a purchase or sale of any Company securities should contact the Compliance Officer or, in his or her absence, any other member of the Company's Compliance Committee, in advance of any such purchase or sale.

In addition, all persons holding options to purchase securities of the Company must provide the Compliance Officer with twenty-four hour prior notice of each intended option exercise. In this connection, if the Company, in its sole judgment, determines that material adverse information about the Company is about to be publicly released by the Company, the Company reserves the right to request prior to the expiration of such twenty-four hour notice period that such optionee postpone any such option exercise until the public dissemination of such information.

5.10 **Trading "Blackouts" During Suspension of Trading of Company Securities Held in Individual Account Plans**. The Securities Laws prohibit directors and executive officers of the Company, during a "pension fund blackout period", from purchasing, selling or otherwise transferring Company securities that they acquired in connection with their Company service. Conceptually, the prohibition described in this Section 5.10 is similar to that contained in, and the enforcement mechanism is the same as that for, the Section 16(b) prohibition described in Section 6 below. A "pension fund blackout period" means any period of more than three consecutive business days during which the ability to purchase, sell or otherwise acquire or transfer an interest in any Company security held in an individual account plan is temporarily suspended by the Company (or by a plan fiduciary) with respect to not fewer than 50% of the

participants in that plan. An "individual account plan" in general means a pension plan which provides for an individual account for each participant and for benefits based solely upon the amount contributed to the participant's account, and any income, expenses, gains and losses, and any forfeitures of accounts of other participants which may be allocated to such participant's account. The foregoing blackout on insider trading does not apply if the trading suspension results from a regularly scheduled suspension provided for in the plan and disclosed to plan participants, or to suspensions as a result of a merger or similar material corporate event involving the plan or plan sponsor.

The Company does not currently offer any individual account plans in which Company securities are held.

6. SECTION 16 OF THE EXCHANGE ACT.

6.1 Section 16 Generally. Section 16 of the Exchange Act applies to directors and officers of the Company and to any person owning more than ten percent of any registered class of the Company's equity securities (each an "**insider**"). Section 16 is intended to deter such insiders from misusing confidential information about the Company for personal trading gain, although the actual misuse of inside information is not necessary for Section 16 liability. The general effect of Section 16 is to restrict the trading activities of insiders with respect to the securities of the Company by requiring public disclosure under Section 16(a) of their ownership and trades, permitting the recovery under Section 16(b) of any profits realized by them on certain transactions, and prohibiting them under Section 16(c) from engaging in short sales.

6.2 "Short-Swing" Liability. Under Section 16(b), any profit realized by an insider on a "short-swing" transaction (i.e., a purchase and sale, or sale and purchase, of the Company's equity securities within a period of less than six months) must be paid to the Company upon demand by the Company or a stockholder acting on its behalf. By law, the Company cannot waive or release any claim it may have under Section 16(b) or enter into an enforceable agreement to provide indemnification for amounts recovered under this Section.

Liability under Section 16(b) is imposed in a mechanical fashion without regard to whether the insider intended to violate the section. Good faith is not a defense. All that is necessary for a successful claim is to show that the insider realized profits on a short-swing transaction. When computing recoverable profits on multiple purchases and sales within a six- month period, the courts maximize the recovery by matching the lowest purchase price with the highest sale price, the next lowest purchase price with the next highest sale price, and so on. The use of this method makes it possible for an insider to sustain a net loss on a series of transactions while having recoverable profits.

6.3 Certain Definitions. The terms "**purchase**" and "**sale**" are construed under Section 16(b) to cover a broad range of transactions, including acquisitions and dispositions of derivative securities, such as options, as well as tender offers and certain corporate reorganizations. Moreover, purchases and sales by an insider may be matched with transactions by any person (such as certain family members) whose securities are deemed to be beneficially owned by the insider.

The terms "**director**" and "**officer**" also have a particular meanings under Section 16(b). The SEC Rules generally limit persons deemed to be a "director" to those persons who serve as members of the Company's Board of Directors, except that the determination of whether advisory, emeritus or honorary directors are "directors" will be based on the person's activities rather than title. The SEC Rules generally limit the persons who are deemed to be an "officer" for Section 16 purposes to those persons who are "executive officers" of the Company for Form 10-K reporting purposes and to those persons who perform similar functions although they might not have an executive title, i.e., those persons who have significant policy-making functions for the Company.

Securities "beneficially owned" by a member of the "immediate family" of an officer or director who shares the same household are attributed to the officer or director. The term "**immediate family**" includes the insider's spouse, children, parents, in-laws, siblings, grandparents, and grandchildren. There are also special attribution rules relating to holdings of securities by partnerships or corporations and by trusts or trustees.

Whether or not securities are "**beneficially owned**" by an insider or an immediate family member for Section 16 purposes (other than for determining whether a person is a more-than-ten percent shareholder) depends on whether the insider has a "pecuniary interest" in the securities. "**Pecuniary interest**" means "the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the subject securities." Various attribution rules and safe harbors are provided under the SEC rules.

"**Derivative securities**" include options, warrants, convertible securities, stock appreciation rights, and other similar rights or securities.

6.4 Transactions Involving Derivative Securities. The grant or acquisition of derivative securities is deemed to involve a purchase of the underlying security under Section 16. The exercise of the option or conversion (unless the option is "out-of-the-money"), however, is treated under Rule 16b-6 as a change in the form of ownership of the underlying security and is not subject to Section 16(b) short-swing liability. Thus, the acquisition of an option is treated for purposes of Section 16 as the acquisition of the underlying shares covered by the option unless the option has been granted in accordance with one or more of the exemptions provided in Rule 16b-3. (You should keep in mind that, regardless of whether they are exempt from short swing liability under Section 16(b), most derivative security transactions must still be reported under Form 4, described below.)

If an option qualifies for Rule 16b-3 treatment, the grant or issuance of the option will not constitute a purchase for purposes of Section 16(b). Furthermore, purchases and sales of securities that are exempt under Rule 16b-3 will not be matched with other trading activities for purposes of Section 16(b), although reporting of such transactions is generally still required.

The options granted under the Company's Stock Option Plans are intended to qualify for one or more of the exemptions under Rule 16b-3.

6.5 Six-Month Lookback. Section 16(b) does not apply to purchases and sales where both occur after a director or officer has resigned. However, there is a six-month "lookback" that can give rise to unexpected liability. That is, a purchase or sale after resignation will be matched with a sale or purchase that occurred within the preceding six months.

6.6 Appointment and Duties of Compliance Officer. The Company's Board of Directors has established a Compliance Committee to conduct investigations and establish procedures in an effort to comply with SEC regulations. The Board, in addition, has appointed a Compliance Officer to work with the Compliance Committee and the Company's insiders and perform the following duties which are related to the Company's meeting its obligations under Section 16 of the Exchange Act:

6.6.1 Record keeping. The Compliance Officer will keep the Company's records of insiders' transactions. Section 16(a) requires copies of Forms 3, 4 and 5 to be sent to the Company, as well as the SEC. (As described below, as of July 2003, the Forms will have to be filed electronically.)

6.6.2 Annual Reports. The Compliance Officer will send an annual letter to insiders required to file Forms 3, 4 and 5 requesting a list of their transactions in the Company's securities. The letter will include a reporting form that is to be returned to the Compliance Officer and retained in his or her records. The form will specify that all transactions defined by Section 16(a) as reportable be listed and that the insiders confirm the accuracy and completeness of reported transactions.

6.6.3 Copies of Statement. The Compliance Officer will initially send copies of this Statement to each insider. This Statement will, in addition, be sent annually to each insider. The Compliance Officer is to acknowledge that insiders have received all correspondence related to compliance.

6.6.4 Informal Advice. The Compliance Officer will address questions and problems regarding Section 16 filings from Company insiders. Compliance with, and confirmation of the accuracy of, advice given by the Compliance Officer, the Compliance Committee or the Company is, however, the responsibility of each individual insider. The Company and the Compliance Officer assume no responsibility for the advice. In the event of any question or uncertainty, each insider is strongly encouraged and directed to seek the advice of his or her own independent legal counsel.

6.6.5 Information. The Compliance Officer will send Company memos and notices related to Section 16 to insiders from time to time.

6.6.6 Forms Comparison. The Forms 3, 4 and 5 received from insiders will be compared with their transaction record annually by the Compliance Officer. The results of his or her review will be made available to the Compliance Committee.

6.6.7 Report of Delinquencies. The Compliance Officer in accordance with Section 16 is required to identify by name insiders who reported transactions late or failed to file required reports. The Compliance Officer will use copies of Forms 3, 4 and 5 received from insiders and the insiders' annual transaction reports to identify these insiders. The Company is also required to disclose its knowledge of the number of delinquent filings of each insider. The information regarding delinquent filings and known violations will be reported in the Company's proxy information statements, 10-K reports and a Form N-SAR report to the SEC that addresses delinquent Section 16 filings by insiders.

6.6.8 Policy Enforcement. The Compliance Officer will be responsible for carrying out the Company's policy regarding compliance with Section 16 of the Exchange Act. Any difficulties with carrying out these duties

are to be reported to the Compliance Committee. The Compliance Officer may appoint other Company employees to support him or her in performing his or her duties, as well as request assistance from the Compliance Committee when and as needed.

6.7 Filing Requirements. Under Section 16 and the rules adopted thereunder, insiders of the Company are required to file the forms described below describing their acquisitions and dispositions of the Company's securities:

6.7.1 Form 3. Form 3 is the form initially filed to show the insider's holdings of equity securities of the Company as of the date of becoming an insider. Form 3 must be filed within ten days after becoming a director, officer or more-than-ten percent shareholder.

6.7.2 Form 4. As a general rule, if there is any change in an insider's beneficial ownership of Company stock, he or she is required to file a Form 4. An insider must report transactions involving Company stock listed in his or her own name, or listed in the name of his or her spouse, children and relatives sharing his or her household, as well as other entities such as trusts, corporations and partnerships in which he or she has an interest. In addition to purchases and sales, transfers to trusts and other changes in the nature of his or her ownership (e.g., from direct to indirect) must be reported, even if there is no net change. Most derivative securities transactions, including issuances, exercises, cancellations and regrants of stock options, are reportable immediately on a Form 4. Other than as set forth in the immediately following paragraph, the Form 4 must be filed before the end of the second business day following the day on which the subject transaction has been executed.

For two limited categories of transaction only, the effective reporting period on Form 4 is a maximum of five (5) days after the actual trade, provided in both cases that the insider does NOT select the date on which the trade is executed. The first exception applies to contracts, instructions or written plans for the disposition of securities between the insider and a broker, dealer or plan administrator, that satisfy the affirmative defense to insider trading allegations set forth in SEC Rule 10b5-1(c). Stated generally, a plan qualifies for the affirmative defense if it (1) was in place before the insider was aware of the material non-public information, and (2) gives the insider virtually no control over the timing or amount of the trades (e.g. plans that provide for the disposition of shares based on algorithms tied to market performance). Again, if the insider controls the trading date, the expanded reporting period may not be used. For example, if the insider had specified in the plan that trades are to occur on the first day of each month, the exemption would not apply and the Form 4 would be due within two, not five, days after the trade.

The second exception applies to "discretionary transactions" as defined in SEC Rule 16b- 3(b)(1). Stated generally, a "discretionary transaction" is a voluntary transaction under an employee benefit plan that results in either an intra-plan transfer involving an issuer equity securities fund, or a cash distribution to the insider following the disposition of the issuer's equity securities. The timing of these trades may depend on the administration of the employee benefit plan, and as a result, the insider may not have actual knowledge of the trade date.

With respect to both of the foregoing exceptions, the trade date is deemed to be the date on which the broker, dealer or plan administrator (as the case may be) provides notice that the trade has occurred. Any type of notice, oral or written, triggers the two-day period in which Form 4 must be filed. Whether or not notice is ever actually given, however, the deemed date may not be extended more than three days after the actual trade. Thus, the maximum time period in which the Form 4 may be filed is five (5) days after the trade occurs. Implicit in the 5-day limitation is the fact that the insider is responsible for creating and maintaining lines of communication between the insider and the broker, dealer or plan administrator with respect to information regarding trade execution dates.

Insiders should note that, as a result of SEC Release No. 34-46421 on August 29, 2002, the transactions described in SEC Rules 16b-3(d), (e) and (f) are subject to reporting within two days under Form 4 and not, as had been the case prior to that Release, under Form 5 described below. Those Rules pertain to grants, awards and other acquisitions from the issuer not specifically exempted in other Rules promulgated under Section 16 (16b-3(d)); dispositions of securities to the issuer (16b-3(e)); and the discretionary transactions described above (16b-3(f)).

In summary, an insider is obligated to report on Form 4 the vast majority of transactions directly or indirectly affecting Company stock ownership by the insider, his or her immediate family or other entitles in which he or she has an interest. Some transactions by insiders may be reported on year-end Form 5 described in Section 6.7.3 below, but SEC Release No. 34-46421 greatly curtailed the categories of transactions for which insiders may use Form 5.

6.7.3 Form 5. Form 5 is required to be filed within 45 days of the end of the Company's fiscal year by each person who was an insider for any part of that year with respect to the following transactions: (i) transactions exempt from the Form 4 filing requirements (e.g., gifts and inheritances of Company stock); and (ii) transactions for which a required Form 3 or Form 4 was not filed by the insider for the fiscal year just completed. A Form 5 is not required to be filed by an insider who does not have either (i) exempt transactions to report or (ii) transactions for

which a required Form 3 or Form 4 was not filed.

Information on certain exempt transactions in thrift plans such as Qualified Plans and Stock Purchase Plans (i.e. employee benefit plans meeting the coverage and participation requirements set forth in Internal Revenue Code Secs. 401(a)(26) and 410, and 423(b)(3) and (5), respectively) may not be available from the plan administrators to permit timely reporting for the prior fiscal year on a Form 5. Insiders should report such plan transactions on Form 5 as of the most recent date for which such data is reasonably available to an insider. Plan information for the fiscal year not reported on the insider's Form 5 filed for that year may be reported on Form 5 filed for the next fiscal year (or may be filed on Form 4 or an amended Form 5 promptly after becoming available). In addition, insiders are permitted to report exempt acquisitions in such plans on an aggregate basis rather than transaction by transaction, although reportable dispositions with respect to such plans may not be aggregated.

Forms 3, 4 and 5 must be filed not only with the SEC (and any national securities exchange in which any of the Company's equity securities are registered), but also with the Compliance Officer. As of July 30, 2003, all insiders will have to file their required Forms electronically via the SEC's EDGAR system, and both the SEC and the Company will post the completed Forms on their respective web sites.

The SEC rules provide that the Forms 3, 4 and 5 must be received by the SEC and the Company by the applicable due date. Until implementation of the electronic filing requirement described in the preceding paragraph, however, the forms will be deemed timely filed if the insider delivers the form to a delivery service which guarantees delivery to the SEC no later than the applicable due date. For the insider to take advantage of this benefit, the insider must retain a receipt or other writing from the delivery service evidencing the insider's timely delivery of the form to that third party.

6.8 Annual Transactions Reporting. The Company will circulate to each insider a request for an annual transactions statement of traded Company securities for the year. This statement must be returned to the Compliance Officer by the end of January. In addition, each officer and director of the Company will be required to certify that the information contained in each annual transactions statement is true and correct in all material respects and does not omit any transactions which are required to be reported pursuant to Section 16.

7. RESTRICTIONS ON RESALES OF THE COMPANY'S SECURITIES.

7.1 Public Sales. The Securities Act of 1933 ("**Securities Act**") requires every person who offers or sells securities to register such securities with the SEC unless an exemption from registration is available. This does not mean that securities need to be registered only prior to their initial sale by the issuer. In fact, securities must be registered every time they are sold, unless an exemption is available. In most cases, an individual selling securities for his or her account need not register the securities prior to sale, because there is a specific exemption covering that situation. However, that exemption is not available to "affiliates" of the issuing company. Rule 144 provides a "safe harbor" for the resale of securities held by affiliates. Failure to comply with Rule 144 may result in the sale of an unregistered security in violation of the Securities Act, potentially giving rise to criminal as well as civil penalties.

An "**affiliate**" of a corporation is someone who is in a position to control that corporation by virtue of having the power to direct or cause the direction of its management and policies. Determination of whether a control relationship exists and, therefore, whether a person is an affiliate, is a question of fact. However, it is generally recognized that executive officers, directors and persons owning ten percent or more of the outstanding stock of a corporation will be deemed to be affiliates for purposes of Rule 144.

7.2 Requirements of Rule 144. Rule 144 contains five conditions, although the applicability of some of these conditions will depend on the circumstances of the sale:

7.2.1 Current Public Information. Current information about the Company must be publicly available at the time of sale. The Company's periodic reports filed with the SEC ordinarily satisfy this requirement.

7.2.2 Holding Period. Restricted securities must be held and fully paid for by the seller for a period of one year prior to sale. The holding period requirement, however, does not apply to securities held by affiliates that were acquired either in the open market or in a public offering of securities registered under the Securities Act.

7.2.3 Volume Limitations. The amount of securities which are sold during any three-month period cannot exceed the greater of (i) one percent of the outstanding shares of the class, or (ii) the average weekly reported trading volume for shares of the class during the four calendar weeks preceding the filing of the notice of sale referred to below.

7.2.4 Manner of Sale. The securities must be sold in unsolicited brokers' transactions or directly to a market-maker.

7.2.5 Notice of Sale. The seller must file a notice on Form 144 of the proposed sale with the SEC at the time the order to sell is placed with the broker, unless, during any three month period, the amount to be sold neither exceeds 500 shares nor involves sale proceeds greater than $10,000. The foregoing conditions do not have to be complied with by holders of restricted securities who have held (and fully paid for) their restricted shares for at least two years and who were not affiliates during the three months preceding the sale.

Bona fide gifts are not deemed to involve sales of stock, so they can be made at any time without limitation on the amount of the gift. Recipients of restricted securities from an affiliate generally will be subject to the same restrictions under Rule 144 that would have applied to the donor for a period of up to one year following the gift, depending on the circumstances.

7.3 Private Sales. Directors, officers and employees also may sell securities in a private transaction without registration. Although there is no SEC Rule expressly dealing with private sales, the general view is that such sales can be made if the party acquiring the securities understands he or she is acquiring restricted securities that must be held for at least one year before the securities will be eligible for resale to the public under Rule 144. It is recommended that you consult with counsel prior to engaging in any private sale of the Company's securities.

8. RESTRICTIONS ON PURCHASES OF THE COMPANY'S SECURITIES.

In order to prevent market manipulation, the SEC has adopted certain rules that generally prohibit the Company or any of its affiliates from buying Company securities in the open market during certain periods while a public offering is taking place and that set forth guidelines for purchases of Company stock by the Company or its affiliates while a stock buy-back program is occurring. While the guidelines are optional, compliance with them provides immunity from a stock manipulation charge. You should consult with the Company's Compliance Officer if you desire to make purchases of Company securities during any period that the Company is making a public offering or buying stock from the public. Under certain circumstances, the Company will also impose "blackouts" which means that purchases and sales of its securities during this period are prohibited because of the potential for misuse of insider information. (As noted in Section 5.10 above, the Securities Laws impose an additional "blackout" rule with respect to insider trades during a suspension in trading of the majority of the Company's pension plans.)

9. COMPLIANCE.

9.1 Company Assistance. Any Company director, officer or employee who has any questions about specific securities transactions or this Statement may obtain additional guidance from the Company's Compliance Officer. **REMEMBER, HOWEVER, THAT THE ULTIMATE RESPONSIBILITY FOR ADHERING TO THIS STATEMENT AND AVOIDING QUESTIONABLE OR IMPROPER SECURITIES TRANSACTIONS RESTS WITH YOU. IN THIS REGARD, IT IS IMPERATIVE THAT YOU ALWAYS USE YOUR BEST JUDGMENT.**

THE COMPANY WILL NOT HAVE RESPONSIBILITY OR LIABILITY TO ANY INDIVIDUAL FOR ADVICE OR INFORMATION GIVEN BY THE COMPANY TO SUCH INDIVIDUAL UNDER THIS STATEMENT. IN THE EVENT OF ANY QUESTION OR UNCERTAINTY, YOU ARE STRONGLY ADVISED TO SEEK THE ADVICE OF YOUR OWN INDEPENDENT LEGAL COUNSEL.

9.2 Certifications. All Company employees designated as being in positions where they may obtain sensitive information will be required to certify in writing their understanding of and agreement to comply with this Statement. In addition, Company directors, officers and other key personnel may be required to certify their compliance with this Statement on an annual basis.

A list of these individuals will be prepared by the Company's Compliance Officer and approved by the President. The Company will post the regulations on Company bulletin boards. Employees designated as having access to confidential information will receive a copy of this Statement annually and acknowledgement of receipt will be required. All new employees with potential access to confidential information will when hired also receive a copy of this statement and acknowledge its receipt.

9.3 Reporting Violations. All violations or potential violations by you or others of Securities Laws or this Statement should be reported immediately to the Company's Compliance Officer (or, in his or her absence, the Company's President) so that remedial action can be taken as soon as possible.

9.4 Compliance with Statement. **Any director, officer or employee who violates the Company's insider trading policy as evidenced by this Statement shall be subject to sanctions imposed by the Company, which may include dismissal for cause and disqualification from participation in any Company bonus plans, stock option plans, stock purchase plans, management bonus plans and other perquisites of employment made available by the Company**

to its directors, officers or employees. A violation of the Company's policy is not necessarily the same as a violation of law. In fact, for the reasons stated in this Statement, the Company's policy is intended to be broader than the law. The Company reserves the right to determine in its own discretion and on the basis of the information available to it, whether this Statement and the Company's policy embodying this Statement has been violated. The Company may determine that specific conduct violates its policy whether or not the conduct also violates law. It is not necessary for the Company to await the filing or conclusion of a civil or criminal action against the alleged violator before taking disciplinary action. The Company's policy is to avoid even the appearance of improper conduct on the part of any one employed by or associated with the Company, whether or not the conduct is literally in violation of the law.

CERTIFICATION BY OFFICER or DIRECTOR

The undersigned officer or director of Utah Medical Products, Inc. (the "Company"), (i) has received a copy of the Company's Statement of Policy Regarding Compliance With Federal Securities Laws, (ii) has read the Statement and fully understands its terms, (iii) agrees to be bound by and to comply with the Statement and (iv) acknowledges and agrees that, notwithstanding any other Company policy, failure to comply with the terms of this policy may result in a request by the Company for his or her immediate resignation as an officer or director, or referral to the Securities and Exchange Commission. The undersigned agrees that the undersigned will be subject to sanctions imposed by the Company, in its discretion, for violation of this Statement and that the Company may give stop-transfer and other instructions to the Company's transfer agent against the transfer of the Company's securities by the undersigned in a transaction which the Company considers to be in contravention of this Statement.

Dated: _____

[OFFICER/DIRECTOR SIGNATURE]

_____

Exhibit 21.1

SUBSIDIARIES of UTAH MEDICAL PRODUCTS, INC.

Subsidiary Name	Jurisdiction of Organization	Business Name
Utah Medical Products Ltd.	Bermuda	Utah Medical Products Ireland
Columbia Medical & Surgical, Inc.	Oregon	Utah Medical Products
Abcorp Medical	Florida	Utah Medical Products
Femcare Group Limited	United Kingdom	Femcare Group
Femcare Limited	United Kingdom	Femcare Limited
Femcare Australia Pty Ltd	Australia	Femcare Australia
Femcare N.Z. Ltd	New Zealand	Femcare Australia
Utah Medical Products Canada Inc.	Canada	Femcare Canada

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-273261, and 333-199337 (on Form S-8) of Utah Medical Products, Inc. of our audit report dated March 25, 2025, on the consolidated financial statements of Utah Medical Products, Inc., which report appears in this annual report on Form 10-K of Utah Medical Products, Inc. for the year ended December 31, 2024.

/s/ Haynie & Company
Haynie & Company
Salt Lake City, Utah
March 26, 2025

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Utah Medical Products, Inc.

We consent to the incorporation by reference in Registration Statement Nos. 333-127946, 333-199337 (on Form S-8), and 333-182078 (on Form S-3) of Utah Medical Products, Inc. of our audit reports dated 25 March 2025, on the financial statements of Femcare Group Limited, which reports appear in this annual report on Form 10-K of Utah Medical Products, Inc. for the years ended 31 December 2024 and 2023.

Nortons Assurance Limited
Statutory Auditor
Reading
United Kingdom
26 March 2025

Exhibit 31.1

CERTIFICATION OF CEO
PURSUANT TO RULE 13a-14(a) AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kevin L. Cornwell, certify that:

1. I have reviewed this annual report on Form 10-K of Utah Medical Products, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 26, 2025

/s/ Kevin L. Cornwell
Kevin L. Cornwell
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian L. Koopman, certify that:

1. I have reviewed this annual report on Form 10-K of Utah Medical Products, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 26, 2025

/s/ Brian L. Koopman
Brian L. Koopman
Principal Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Utah Medical Products, Inc. (the "Company") on Form 10-K for the period ending December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin L. Cornwell, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Kevin L. Cornwell
Kevin L. Cornwell
Chief Executive Officer
March 26, 2025

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Utah Medical Products, Inc. (the "Company") on Form 10-K for the period ending December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian L. Koopman, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Brian L. Koopman
Brian L. Koopman
Principal Financial Officer
March 26, 2025

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 97.1

UTMD COMPENSATION CLAWBACK POLICY

(Adopted November 1, 2024)

1. **Purpose and Scope.** Utah Medical Products, Inc. (the "Company") has adopted this compensation clawback policy (the "Policy") to comply with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"), as codified by Section 10D of the Securities Exchange Act of 1934 (the "Exchange Act"), and Listing Rule 5608 of the corporate governance rules of The Nasdaq Stock Market ("Nasdaq"), which require the recovery of certain forms of executive compensation in the case of accounting restatements resulting from a material error in an issuer's financial statements. This Policy shall be administered by the Board of Directors of the Company (the "Board") or, if so designated by the Board, the Compensation Committee.

2. **Effective Date.** This Policy shall be effective as of the date it is adopted by the Board and shall apply to Incentive-Based Compensation that is approved, awarded, or granted to Covered Executives on or after October 2, 2023, even if such Incentive-Based Compensation was approved, awarded, or granted to Covered Executives prior to that date.

3. **Covered Executives.** This Policy applies to all of the Company's current and former executive officers, and such other employees who may from time to time be deemed subject to this Policy by the Board (each, a "Covered Executive"). For purposes of this Policy, an executive officer means an officer as defined in Rule 10D-1(d) under the Exchange Act.

4. **Incentive-Based Compensation.** For purposes of this Policy, the term "Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure. "Financial reporting measures" are measures that are determined and presented in accordance with the accounting principles used in preparing the issuer's financial statements, and any measures that are derived wholly or in part from such measures, including stock price and total shareholder return. For the avoidance of doubt, Incentive-Based Compensation does not include annual salary, compensation awarded based on completion of a specified period of service, or compensation awarded based on subjective standards, strategic measures, or operational measures.

5. **Recovery; Accounting Restatement.** In the event the Company is required to prepare an accounting restatement of its financial statements due to material noncompliance with any financial reporting requirement under the federal securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "Restatement"), the Company shall, as promptly as it reasonably can, recover any Incentive-Based Compensation received by a Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare such Restatement (the "Restatement Date"), so long as the Incentive-Based Compensation received by such Covered Executive is in excess of what would have been awarded or vested after giving effect to the Restatement. The Restatement Date shall be the earlier of (i) the date the Company's board of directors, a board committee, or officer(s) are authorized to take such action if board action is not required, concludes, or reasonably should have concluded, that the issuer is required to prepare an accounting restatement due to the material noncompliance of the issuer with any financial reporting requirement under the securities laws as described in Rule 10D-1(b)(1) under the Exchange Act or (ii) the date a court, regulator, or other legally authorized body directs the issuer

to prepare an accounting restatement. The amount to be recovered will be the excess of the Incentive- Based Compensation paid to the Covered Executive based on the erroneous data in the original financial statements over the Incentive-Based Compensation that would have been paid to the Covered Executive had it been based on the restated results, without respect to any taxes paid.

Subsequent changes in a Covered Executive's employment status, including retirement or termination of employment, do not affect the Company's rights to recover Incentive-Based Compensation pursuant to this Policy. For purposes of this Policy, Incentive-Based Compensation shall be deemed to have been received during the fiscal period in which the financial reporting measure specified in the award is attained, even if such Incentive-Based Compensation is paid or granted after the end of such fiscal period.

No recovery shall be required in the case of a Board determination that the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered.

Such determination shall be made after a reasonable and documented attempt to recover the Incentive- Based Compensation, which documentation shall be provided to Nasdaq.

The Board shall determine, in its sole discretion, the method of recovering any Incentive-Based Compensation pursuant to this Policy.

6. **No Indemnification.** The Company shall not indemnify any current or former Covered Executive against the loss of erroneously awarded compensation, and shall not pay, or reimburse any Covered Executives for premiums, for any insurance policy to fund such executive's potential recovery obligations.

7. **Notice.** Before the Board determines to seek recovery pursuant to this Policy, it shall provide the Covered Executive with written notice and the opportunity to be heard at a meeting of the Board (either in person or via telephone).

8. **Amendment and Interpretation.** The Board may amend this Policy from time to time in its discretion, and shall amend this Policy as it deems necessary to reflect the regulations adopted by the SEC and to comply with any rules or standards adopted by a national securities exchange on which the Company's securities are then listed. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the SEC and any national securities exchange on which the Company's securities are then listed.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned this 26th day of March 2025.

UTAH MEDICAL PRODUCTS, INC.

By: /s/ Kevin L. Cornwell
Kevin L. Cornwell
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on this 26th day of March 2025.

By: /s/ James H. Beeson
James H. Beeson, Director

By: /s/ Kevin L. Cornwell
Kevin L. Cornwell, Director

By: /s/ Ernst G. Hoyer
Ernst G. Hoyer, Director

By: /s/ Barbara A. Payne
Barbara A. Payne, Director

By: /s/ Paul O. Richins
Paul O. Richins, Director

By: /s/ Carrie Leigh
Carrie Leigh, Director