

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and the accompanying Form of Proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, please retain the documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected as to the action you should take.

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Companies Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been (and is not required to be) drawn up in accordance with the Prospectus Rules or approved by the UK Financial Conduct Authority or any other competent authority.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. AIM securities are not admitted to the Official List of London Stock Exchange Plc.

You should read this document in its entirety, together with the Form of Proxy. Your attention is drawn to the letter from the Executive Chairman of Ergomed plc which is set out in this document and which contains the unanimous recommendation from the Board that you vote in favour of the Resolutions at the General Meeting.



ERGOMED PLC

(incorporated in England and Wales with registered number 04081094)

Proposed Reduction of Capital and Notice of General Meeting

The Directors, whose names appear on page 5, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice convening the General Meeting of Ergomed plc to be held at 9:30 a.m. on 19 October 2020 at 80 Coleman Street, London EC2R 5BJ is set out at the end of this document. Shareholders have been provided with a Form of Proxy for use in connection with the General Meeting. Please complete, sign and return the Form of Proxy to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, or scan and email it to voting@shareregistrars.uk.com in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by no later than 9.30 a.m. on 15 October 2020 or 48 hours (excluding any part of a day that is not a working day) before the time fixed for holding any adjourned meeting. Please state "Ergomed plc GM" and your name in the subject line of your email.

A copy of this document is available at the Company's website at www.ergomedplc.com. Neither the content of the Company's website nor any website accessible by hyperlinks from the Company's website is incorporated in, or forms part of, this document.

Important information regarding attendance at the General Meeting is set out in the Executive Chairman's letter. Shareholders are encouraged to vote in advance and to appoint the Chairman as their proxy as the General Meeting is being held as a closed meeting given the current circumstances in relation to COVID-19.

Forward-looking statements

Certain statements contained in this document are or may constitute "forward-looking statements". These statements may be identified by words such as "expects", "looks forward to", "anticipates", "targets", "aims", "may", "would", "could", "intends", "plans", "believes", "seeks", "estimates", "will", "project" or words of similar meaning. They include all matters that are not historical facts. Such statements are based on the current expectations and certain assumptions of the Directors and are, therefore, subject to certain risks and uncertainties. Forward-looking statements are not guarantees of future performance and a number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements. The forward-looking statements in this document speak only as of the date of this document. Except as required by law, the Company disclaims any obligation to update any such forward-looking statements to reflect future events or developments.

Notice to overseas persons

The distribution of this document and/or the accompanying Form of Proxy outside the UK may be restricted by law. Persons outside the UK who come into possession of these documents should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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Expected timetable of principal events

The dates and times set out below are based on the Company's current expectations and may be subject to change. Any change will be notified via a Regulatory Information Service. References to times in this document are to London times, unless otherwise stated.

Publication of this document and Form of Proxy	1 October 2020
Latest time and date for receipt of Form of Proxy	9.30 a.m. on 15 October 2020
General Meeting	9.30 a.m. on 19 October 2020
First Court hearing for initial directions	on or around 28 October 2020
Capital Reduction Record Time	6.30 p.m. on the business day preceding the Court hearing to confirm the Merger Reserve Reduction
Second Court hearing to confirm the Capital Reduction	on or around 10 November 2020
Registration of Court order and Effective Date of the Capital Reduction	business day after the Court order confirming the Capital Reduction

Letter from the Executive Chairman of the Company

ERGOMED PLC

(incorporated in England and Wales with registered number 04081094)

Directors:

Miroslav Reljanović (Executive Chairman)
Richard Barfield (Chief Financial Officer)
Rolf Soderstrom (Senior Independent Director)
Michael Spiteri (Non-Executive Director)
Ian Johnson (Non-Executive Director)

Registered Office:

1 Occam Court
Surrey Research Park
Guildford GU2 7HJ

1 October 2020

Proposed Reduction of Capital and Notice of General Meeting

Dear Shareholder,

1 INTRODUCTION AND SUMMARY

I am writing in connection with proposals recommended by the board of directors of the Company (the **Board**) to:

- cancel the amounts standing to the credit of the Company's Share Premium Account (the **Share Premium Reduction**); and
- capitalise the amounts standing to the credit of the Company's Merger Reserve by issuing B ordinary shares in the capital of the Company and thereafter to cancel such B ordinary shares (the **Merger Reserve Reduction**).

The Share Premium Reduction and the Merger Reserve Reduction being, together, the **Capital Reduction**.

The Capital Reduction is primarily being undertaken to eliminate the deficit on the Company's Retained Earnings account and to give the Company the flexibility to make future distributions of profits in cash or in specie and/or to make purchases of its own shares.

It should be noted that any future decision to do so will be taken only after careful analysis of the Company's financial position, the Company's strategic plans and prevailing economic and commercial conditions affecting the Company's business and prospects at the relevant time.

In order to undertake the first step of the Capital Reduction, Shareholder approval is required and the Company is therefore holding a general meeting at its offices at 80 Coleman Street, London EC2R 5BJ at 9:30 a.m. on 19 October 2020 (the **General Meeting**). The formal notice of General Meeting is set out on page 10 of this document (the **Notice**).

Given the current circumstances in relation to COVID-19, the Board has made the decision that the General Meeting will be held as a closed meeting in accordance with the provisions of the Corporate Insolvency and Governance Act 2020. This means that the General Meeting will be convened with the minimum quorum of Shareholders as is required to conduct the formal business of the General Meeting. As such, for the safety and security of all involved, Shareholders and their proxies will be unable to attend the General Meeting in person. In light of this, you are strongly advised to appoint the Chairman of the General Meeting as your proxy to ensure that your vote is counted. All resolutions will be taken on a poll.

The purpose of this document is to provide you with details of, and the reasons for, the Capital Reduction and the Resolutions to be proposed at the General Meeting. The Board considers that the Resolutions are in the best interests of the Company and its Shareholders as a whole and unanimously recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

2 BACKGROUND TO, AND REASONS FOR, THE CAPITAL REDUCTION

Over the past 18 months the Group has made excellent progress, and operational performance has been transformed as a result of management initiatives and actions, as reflected in the Company's interim results announcement for the six months ended 30 June 2020.

The Group has achieved its strategic repositioning to focus on its services model through both its Clinical Research Outsourcing (**CRO**) and Pharmacovigilance (**PV**) businesses and has successfully completed the integration of several prior acquisitions. The management team and Board have been strengthened with the addition of a number of experienced senior executives from the pharmaceutical services sector, and investment in new technology and infrastructure has been accelerated in order to enhance efficiency and productivity. In spite of the COVID-19 pandemic, the Group has continued to grow its revenues and increase its headcount numbers. In addition, the Group was able to rapidly and successfully integrate the PrimeVigilance USA business acquired in January 2020. Strong sales performances in recent reporting periods have seen the order book increase significantly. Growth in North America has been particularly strong, with revenues up 77% in 2019 compared to 2018 and up a further 79% in H1 2020 compared to H1 2019. We expect to see this momentum continue into the second half of the year driven by further demand for our PV and CRO services.

As a result of this strategic refocus and other initiatives, the financial performance of the business has been transformed. Revenues for the year ended 31 December 2019 increased by 26% over 2018 to £68.3 million, with adjusted EBITDA of £12.5 million, a greater than fivefold increase on the adjusted EBITDA for 2018. The Group's recently announced interim results for the six months ended 30 June 2020 showed a similarly strong performance, with revenues of £40.4 million up 14.8% over H1 2019 and adjusted EBITDA of £9.1 million up 40.0% over H1 2019. Operational cash generation over this six month period was £8.2 million and resulted in net cash balances of £14.1 million. Consolidated net assets at 30 June 2020 grew to £43.7 million, from £36.8 million at 31 December 2019. The Group delivered exceptional progress both operationally and financially during the first half of 2020 and responded robustly to the challenges of the COVID-19 pandemic, continuing to demonstrate its ability to drive sustained growth through a clear focus on its service model strategy.

The Board believes that the Group operates in growth areas in the global pharmaceutical industry, enjoying excellent relationships with its international client base in large pharmaceutical, speciality pharmaceutical and biotechnology. With its global geographic capabilities and specialist focus on oncology, rare disease and pharmacovigilance, the Board believes that the Group is firmly positioned to realise its potential as a leading global provider of specialist services to the pharmaceutical industry.

It is these business strengths and confidence for the future which have led the Board to recommend that this is the appropriate time to eliminate the current deficit on the Company's Retained Earnings reserve, which was generated from trading losses and the impairment of co-development projects in prior periods.

The creation of surplus distributable reserves will provide the Board with the flexibility to distribute future profits to its Shareholders by way of dividends. In assessing any future decision to declare dividends, the Board will take account of all relevant circumstances existing at the time and will only do so if it is considered appropriate in light of such circumstances.

The creation of positive distributable reserves would also enable the Company to undertake on-market share buybacks, subject to obtaining the prior approval of its Shareholders, although the Board has no present intention of seeking such approval.

As at 31 August 2020 the Company had a Retained Earnings deficit of circa £9.3 million. As at 30 September 2020, the balance standing to the credit of the Share Premium Account was circa £27.6 million. In addition, a sum of circa £11.1 million was standing to the credit of the Merger Reserve. Following the completion of the Capital Reduction, it is expected that the deficit in the Company's Retained Earnings reserve will be eliminated, and a surplus created.

The implementation of the Capital Reduction is subject to a number of criteria and legal processes, which are explained further below.

3 PROCEDURE TO EFFECT THE CAPITAL REDUCTION

Share Premium Reduction

As at 30 September 2020, the Company had £27,610,106 standing to the credit of its Share Premium Account.

Share premium forms part of the capital of the Company which arises on the issue by the Company of Ordinary Shares at a premium to their nominal value. The premium element is credited to the Share Premium Account. Under the Companies Act, the Company is generally prohibited from paying any dividends or making other distributions in the absence of positive distributable reserves, and the Share Premium Account, being a non-distributable reserve, can be applied by the Company only for limited purposes.

However, provided the Company obtains the approval of Shareholders by way of a special resolution and the subsequent confirmation by the Court, it may reduce all or part of its Share Premium Account and the amount by which the Share Premium Account is cancelled is credited to the Company's Retained Earnings reserve.

The Board is recommending that the entire amount of the Share Premium Account be reduced to £nil. In order to effect the Share Premium Reduction, the Company first requires the authority of its Shareholders by the passing of a special resolution at the General Meeting.

The Share Premium Reduction will take effect when the order of the Court confirming it and a statement of capital approved by the Court have been registered with the Registrar of Companies. The Effective Date of the Share Premium Reduction is expected to be the working day following the hearing at which the Capital Reduction is to be confirmed by the Court, which is anticipated to be on or around 10 November 2020.

Merger Reserve Reduction

In certain circumstances, such as where shares are issued in consideration for the acquisition of shares in another company, instead of creating share premium, an amount is credited to a merger reserve. The Company has £11,087,405 standing to the credit of the Merger Reserve as a result of various acquisitions of companies in which it has used its Ordinary Shares as consideration.

As in the case of a share premium account, a merger reserve can only be used in very limited circumstances. However, unlike the Share Premium Account, the Merger Reserve is a non-statutory reserve and the Court does not have the power to reduce non-statutory reserves.

Therefore, it is proposed to capitalise the entire sum standing to the credit of the Company's Merger Reserve, being £11,087,405, by applying that sum in paying up in full new B ordinary shares in the capital of the Company (with the nominal value of such shares being equal to the sum that is obtained by dividing the number of such shares to be issued into £11,087,405) (the **B Shares**) and, on the business day prior to the day of the Court hearing to confirm the Merger Reserve Reduction, allotting and issuing such shares by way of a bonus issue to the persons holding Ordinary Shares as at the Capital Reduction Record Time, on the basis of one such B Share for every one Ordinary Share held (the **Bonus Issue**).

The B Shares will not be admitted to trading on AIM, or on any other market or stock exchange. It is a condition of issue of the B Shares that no share certificates will be issued in respect of them. The B Shares will have extremely limited rights. In particular, the B Shares will carry no rights to participate in the profits of the Company and no rights to participate in the Company's assets, save on a winding up. The B Shares will be transferable, but no market will exist in them and it is anticipated that the Court will confirm their cancellation the day after they are issued.

A discussion of the United Kingdom tax position relating to the Bonus Issue is set out below in section 4.

Other matters concerning the Capital Reduction

In order to approve the Capital Reduction, the Court will need to be satisfied that the interests of the Company's creditors will not be prejudiced by the Capital Reduction. The Company could be required, if the Court is of the view that the interests of creditors may be prejudiced by the Capital Reduction, to obtain consent from creditors and/or to provide security in a form acceptable to the Court. This is in order that the Capital Reduction can be confirmed by the Court on terms that will permit any part of the sum released by the Capital Reduction to be returned to Shareholders as a capital payment.

In such event, if the Company is unable in the timetable proposed to obtain consent from, or is unable or unwilling to provide security (where security is required) for all such creditors, then the amount released by the Capital Reduction, when the Capital Reduction is confirmed by the Court, will remain undistributable for the time being until any such outstanding consents have been obtained, security (where security is required) has been put in place, or the relevant obligations have been discharged, and the Company may be required to give an undertaking to that effect to the Court.

The Board reserves the right (where necessary by application to the Court) to abandon, discontinue or adjourn any application to the Court for confirmation of the Capital Reduction, and hence the Capital Reduction itself, if the Board believes that the terms required to obtain confirmation are unsatisfactory to the Company or if the Board considers that to continue with the Capital Reduction is inappropriate or not advisable and would not be in the best interests of the Company and its Shareholders.

The Capital Reduction does not affect the voting or dividend rights of any Shareholder, or the rights of any Shareholder on a return of capital.

4 UNITED KINGDOM TAXATION

The following comments are intended as a general guide only and relate only to certain UK tax consequences of receiving the B Shares under the Bonus Issue. The comments are based on current legislation and HM Revenue & Customs published practice, both of which are subject to change, possibly with retrospective effect. These comments deal only with Shareholders who are resident for taxation purposes in the UK, who are the absolute beneficial owners of the Ordinary Shares and who hold them as an investment and not on a trading account. They do not deal with the position of certain classes of Shareholders, such as dealers in securities, insurance companies, collective investment schemes or persons regarded as having obtained their Ordinary Shares by reason of employment.

The Bonus Issue should be treated as a "reorganisation" for the purposes of UK taxation of chargeable gains (**CGT**), so that a Shareholder should not be treated as making a disposal of his Ordinary Shares for CGT purposes upon receipt of the B Shares. Instead, the B Shares will be treated as the same asset, acquired at the same time, as their Ordinary Shares. On the basis that the B Shares will be treated as being paid up for "new consideration" received by the Company, the issue of the B Shares should not give rise to any liability under UK income tax (or corporation tax) in a Shareholder's hands. For CGT purposes, a Shareholder's base cost in their Ordinary Shares will be apportioned between their B Shares and their Ordinary Shares based on their respective market values at the date that the B Shares are cancelled. It is likely that the market value of the B Shares will be £nil for the duration of their existence. This is because the B Shares will have no voting rights or rights to income; will have no market on which they can be traded; and it is anticipated that they will be cancelled for no payment on the day immediately following the date of their issue. Consequently, the issue of the B Shares should not impact the base cost of the Ordinary Shares and there should be no tax charge (nor any allowable loss) on the cancellation of the B Shares.

No stamp duty or stamp duty reserve tax will be payable on the issue of the B Shares, or on their cancellation.

This section is intended to be a general guide only and is not intended to be, and should not be construed to be, legal or taxation advice to any particular Shareholder. Any Shareholder who has any doubt about their own taxation position, whether regarding CGT or otherwise, or who is subject to taxation in any jurisdiction other than the UK should consult their own professional taxation advisor immediately.

5 GENERAL MEETING

You will find a notice convening the General Meeting at the end of this document. The General Meeting will be held at 9:30 a.m. on 19 October 2020 at the Company's offices at 80 Coleman Street, London EC2R 5BJ to consider and, if thought appropriate, pass the Resolutions which are summarised below, all of which are proposed as special resolutions.

Resolution: 1: Share Premium Reduction

Resolution 1 is to approve the reduction of the amount standing to the credit of the Share Premium Account. As at 30 September 2020, being the last practicable date prior to publication of this document, the amount standing to its credit was £27,610,106 (which may increase in the period from the date of this document prior to the reduction taking place if the Company issues Ordinary Shares at a premium to nominal value).

Resolution 2: Capitalisation of Merger Reserve

Resolution 2 will enable the directors to capitalise the entire amount standing to the credit of the Merger Reserve, being £11,087,405 as at 30 September 2020 (and which is not expected to increase prior to the General Meeting) by paying up B Shares to Shareholders. The limited rights attaching to the B Shares are set out in full in the Resolution.

Resolution 3: Cancellation of B Shares

To complete the Merger Reserve Reduction, Shareholders are asked to approve the cancellation of the B Shares issued pursuant to Resolution 2 with the sum arising on the cancellation being credited to the Company's Retained Earnings reserve.

Important information regarding COVID-19 and attendance at the General Meeting

The government has introduced emergency legislation in the light of the COVID-19 pandemic to enable companies to hold general meetings as closed meetings in order to ensure the safety of directors, employees, Shareholders and advisers. In light of this legislation and the general restrictions on gatherings of people from different households currently in force, the Board has decided to hold the General Meeting as a closed meeting. **Therefore, no Shareholders, proxies or corporate representatives will be permitted to attend and the minimum quorum required to facilitate the holding of the General Meeting will be arranged by the Company. Shareholders are encouraged to vote in advance and to appoint the Chairman of the meeting as their proxy.**

6 ACTION TO BE TAKEN

A Form of Proxy for use in connection with the General Meeting is enclosed with this document. You are requested to complete, sign and return a Form of Proxy in accordance with the instructions printed thereon so as to be received by the Registrar, Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR or scanned and emailed to voting@shareregistrars.uk.com not later than 9.30 a.m. on 15 October 2020. Please state "Ergomed plc GM" and your name in the subject line of your email.

As noted above, any proxy you appoint (other than the Chairman) will be refused entry to the General Meeting.

7 RECOMMENDATION

The Board considers the Capital Reduction to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions, as all of the Directors intend to do in respect of their beneficial holdings amounting, in aggregate, to 10,999,297 Ordinary Shares representing approximately 22.6 per cent. of the existing issued share capital of the Company.

Yours faithfully,

Miroslav Reljanović
Executive Chairman
Ergomed plc

Definitions

Board or Directors	the directors of the Company as at the date of this document
B Shares	the B Shares in the capital of the Company proposed to be issued in connection with the Merger Reserve Reduction, with the nominal value of such shares being equal to the sum that is obtained by dividing the number of such shares to be issued into £11,087,405
Bonus Issue	the allotment and issue of the B Shares by way of a bonus issue to the persons holding Ordinary Shares as at the Capital Reduction Record Time, on the basis of one such B Share for every one Ordinary Share held
Capital Reduction	together, the Share Premium Reduction and the Merger Reserve Reduction
Capital Reduction Record Time	6.30 p.m. on the business day immediately preceding the business day of the Court hearing to confirm the Merger Reserve Reduction
Companies Act	the Companies Act 2006, as amended
Company	Ergomed plc
Court	the High Court of England and Wales
EBITDA	earnings before interest, tax, depreciation and amortisation
Effective Date	expected to be the business day after the Court order confirming the Capital Reduction
Form of Proxy	the form of proxy which accompanies this document for use by Shareholders in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000, as amended
General Meeting	the general meeting of the Company convened to be held at 9.30 a.m. on 19 October 2020, at 80 Coleman Street, London EC2R 5BJ
Group or Ergomed Group	Ergomed plc and its subsidiaries
Merger Reserve	the non-distributable capital reserve with that name in the accounts of the Company
Merger Reserve Reduction	the reduction of the Merger Reserve to be effected by the Bonus Issue and subsequent cancellation of the B Shares
Notice of General Meeting	the notice convening the General Meeting which is set out at the end of this document
Ordinary Shares	the ordinary shares of 1 pence each in the share capital of the Company
Prospectus Rules	the prospectus rules made by the Financial Conduct Authority for the purpose of Part VI of the FSMA
Registrar	Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR
Regulatory Information Service	a service approved by the London Stock Exchange plc for the distribution to the public of announcements and included within the list maintained on the London Stock Exchange plc's website
Resolutions	the resolutions set out in the Notice of the General Meeting
Retained Earnings	the distributable capital reserve with that name in the accounts of the Company
Shareholders	holders of Ordinary Shares from time to time
Share Premium Account	the non-distributable capital reserve with that name in the accounts of the Company
Share Premium Reduction	the cancellation of the amounts standing to the credit of the Share Premium Account
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland

A reference to "£" is to pounds sterling, the lawful currency of the UK.

Notice of General Meeting

ERGOMED PLC

(incorporated in England and Wales with registered number 04081094)

NOTICE IS HEREBY GIVEN that a General Meeting of Ergomed plc (the **Company**) will be held at 9.30 a.m. on 19 October 2020, at 80 Coleman Street, London EC2R 5BJ. You will be asked to consider and, if thought fit, pass the following resolutions, which are being proposed as special resolutions.

Capitalised terms and expressions contained in this notice shall have the meanings given to them in the circular to the Company's Shareholders published on 1 October 2020 (the **Circular**), unless the context requires otherwise.

SPECIAL RESOLUTIONS

- 1 **THAT** subject to the consent of the High Court of Justice of England and Wales, the Share Premium Account of the Company be cancelled and the sum arising on the cancellation be credited to the Company's Retained Earnings reserve.
- 2 **THAT:**
 - (a) the amount of £11,087,405 standing to the credit of the Merger Reserve of the Company be capitalised and applied in paying up in full at par such number of new B Shares as is equal to the number of ordinary shares of 1p each in the capital of the Company in issue as at the Capital Reduction Record Time, such B Shares having a nominal value equal to the sum that is obtained by dividing the number of B Shares to be issued as set out above into £11,087,405 as shall be required to effect such capitalisation, and the Directors be and they are hereby authorised for the purposes of section 551 of the Companies Act 2006 to allot and issue all of the B Shares thereby created to such members of the Company upon terms that they are paid up in full by such capitalisation, and such authority shall for the purposes of section 551 of the Act expire on 31 January 2021;
 - (b) the B Shares created and issued pursuant to paragraph (a) above shall have the following rights and restrictions:
 - (i) the holders of B Shares shall have no right to receive any dividend or other distribution whether of capital or income;
 - (ii) the holders of B Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company;
 - (iii) the holders of B Shares shall on a return of capital on a liquidation, but not otherwise, be entitled to receive the nominal value of each B Share but only after the holder of each Ordinary Share shall have received the amount paid up or credited as paid up on such a share and the holders of B Shares shall not be entitled to any further participation in the assets or profits of the Company;
 - (iv) a reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such shares will be treated as being in accordance with the rights attaching to the B Shares and will not involve a variation of such rights for any purpose. The Company will be authorised at any time without obtaining the consent of the holders of B Shares to reduce its capital (in accordance with the Companies Act 2006); and
 - (v) the Company shall have irrevocable authority at any time after the creation or issue of the B Shares to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Companies Act 2006, to purchase or cancel such shares without making any payment to or obtaining the sanction of the holders thereof and pending such a transfer and/or purchase and/or cancellation to retain the certificates, if any, in respect thereof, provided also that the Company may in accordance with the provisions of the Companies Act 2006 purchase all but not some only of the B Shares then in issue at a price not exceeding 1 pence for all the B Shares.
- 3 **THAT** subject to the passing of Resolution 2, and confirmation of the High Court of Justice of England and Wales, the B Shares created and issued pursuant to Resolution 2 above shall be cancelled and the sum arising on the cancellation be credited to the Company's Retained Earnings reserve.

By order of the Board

Miroslav Reljanović
Executive Chairman
Ergomed plc
1 October 2020

Registered Office: 1 Occam Court, Surrey Research Park, Guildford GU2 7HJ

Notes to the Notice of General Meeting

Shareholders' attention is particularly drawn to notes 1, 2, 4 and 8 as well as the information contained in the Letter from the Executive Chairman regarding physical attendance at the General Meeting and the importance of appointing the Chairman as proxy.

- 1 A member entitled to speak, attend and vote at the above meeting convened by the above notice is entitled to appoint a proxy to attend, speak and vote in his place. Such proxy need not be a member of the Company. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy and give your instructions directly to them. **However, as the meeting will be conducted as a closed meeting in accordance with the Corporate Insolvency and Governance Act 2020, you are strongly advised to appoint the Chairman of the meeting as your proxy to ensure that your vote is counted.**
- 2 A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to exercise all or any of his rights to attend, to speak and to vote on his/her behalf. A proxy need not be a member of the Company but Shareholders' attention is drawn to the important information in these Notes regarding the ability of such proxies to attend. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or her. Each such proxy will have the right to vote on a poll in respect of the number of votes attaching to the number of shares in respect of which the proxy has been appointed. Where more than one joint member purports to appoint a proxy in respect of the same shares, only the appointment by the most senior member will be accepted as determined by the order in which their names appear in the Company's register of members. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or other authority (if any), must be completed and signed, sent or delivered to the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, or scanned and emailed to voting@shareregistrars.uk.com, not later than 48 hours (excluding weekends and bank holidays) before the time of the meeting, or in the case of a poll taken subsequently to the date of the meeting, or any adjournment thereof, not less than 24 hours (excluding weekends and bank holidays) before the time appointed for the taking of the poll (and in calculating these periods no account shall be taken of any part of a day which is a Saturday, Sunday or a bank holiday in England). Please state "Ergomed plc GM" and your name in the subject line of your email. Members who intend to appoint more than one proxy can obtain additional forms of proxy from Share Registrars Limited, or can photocopy the enclosed proxy form. Members appointing more than one proxy should return the forms of proxy in the same envelope and should indicate on each form of proxy the name of the proxy appointed and the number of ordinary shares in respect of which that proxy is appointed. If you are a CREST member, see note 7 below. **However, as the meeting will be conducted as a closed meeting in accordance with the Corporate Insolvency and Governance Act 2020, you are strongly advised to appoint the Chairman of the meeting as your proxy to ensure that your vote is counted.**
- 3 A vote withheld option has been included on the form of proxy. The legal effect of choosing the vote withheld option on any resolution is that the member concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are votes withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.
- 4 In order to revoke a proxy appointment, an appointing Shareholder will need to inform the Company by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to the Company's Registrar, Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR at least one hour before the commencement of the meeting or adjourned meeting, or in the case of a poll taken subsequently to the meeting or adjourned meeting, by the time appointed for taking the poll. **However, as the meeting will be conducted as a closed meeting in accordance with the Corporate Insolvency and Governance Act 2020 and Shareholders will not be permitted to attend, you are strongly advised to appoint the Chairman of the meeting as your proxy to ensure that your vote is counted.**
- 5 To be effective, the instrument of proxy and the power of attorney or other written authority (if any) under which it is signed must be deposited with the Company's Registrar, Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, not less than 48 hours (excluding any part of a day that is not a working day) before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll taken subsequently to the meeting or adjourned meeting, not less than 24 hours before the time appointed for taking the poll. Where a poll is not taken forthwith but is taken less than 48 hours after it was demanded, the instrument of proxy together with any other documents required to be deposited shall be deemed to have been deposited if handed to the chairman of the meeting at which the poll is validly demanded at any time prior to the commencement of such meeting and, if so delivered, the instrument of proxy shall be treated as valid.
- 6 In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those Shareholders entered on the Company's register of members not later than 48 hours before the time fixed for the meeting or, if the meeting is adjourned, Shareholders entered on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting, will be entitled to attend and vote at the meeting. Changes to entries on the register of members after the relevant times will be disregarded in determining the rights of any person to attend and vote at the meeting.

- 7 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 19 October 2020 at 9.30 a.m. and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual available via www.euroclear.com. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Company's agent, Share Registrars Limited (CREST Participant ID: 7RA36), no later than 48 hours (excluding weekends and bank holidays) before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 8 Any corporation that is a member can appoint one or more corporate representatives who have one vote each on a show of hands and otherwise may exercise on its behalf all of its powers as a member provided that they do not do so in different ways in relation to the same shares. **However, as the meeting will be conducted as a closed meeting in accordance with the Corporate Insolvency and Governance Act 2020, you are strongly advised to appoint the Chairman of the meeting as your proxy to ensure that your vote is counted.**
- 9 You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in this Notice of Meeting (or in any related documents including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
- 10 As at 30 September 2020 (being the last practical date before publication of this Notice of Meeting), the Company had 48,697,776 Ordinary Shares of 1 pence each in issue, none of which were held in treasury. Therefore the total voting rights as at 30 September 2020 were 48,697,776.