

Ergomed acquires ADAMAS, a leading global regulatory compliance provider

- ***Acquisition adds new complementary offering, strengthening Ergomed's premium consulting services and bolstering its position as a specialised pharmaceutical services provider***
- ***Further enhances Ergomed's global reach in the US, Europe and APAC***
- ***ADAMAS recorded £8.5 million of revenue in 2021, an increase of 31% over the prior year with £1.8 million of adjusted EBITDA in 2021 (unaudited)***
- ***Acquisition is expected to be immediately accretive to Ergomed's earnings***

Guildford, UK – 9 February 2022: Ergomed plc (LSE: ERGO) ("Ergomed" or the "Group"), a company focused on providing specialised services to the pharmaceutical industry, today announces the acquisition of ADAMAS Consulting Group Limited ("ADAMAS"), an international specialist consultancy offering a full range of independent quality assurance services and specialising in the auditing of pharmaceutical manufacturing processes, as well as auditing clinical trials and pharmacovigilance systems. The acquisition has been completed for a cash consideration of £25.6 million, representing an enterprise value of £24.2m and cash acquired of £1.4 million, paid at completion. The transaction is expected to be immediately accretive to Ergomed's future earnings, with further growth synergies and strategic benefits expected in future years.

Details of acquisition and strategic rationale

ADAMAS is a well-established, leading provider of mission-critical regulatory compliance and consulting services to the global pharmaceutical industry. It operates across Good Clinical Practice (GCP), Good Pharmacovigilance Practice (GVP), Good Manufacturing Practice (GMP), Good Laboratory Practice (GLP) and Computer Systems Compliance (CSC) (together, GxP). ADAMAS has a broad, established client base, with an expansive global reach, including the US, Europe and APAC, with over 100 currently active clients and having worked with over 700 pharmaceutical companies including 40 of the 50 largest global pharma and biotech companies.

ADAMAS will continue to operate as an independent consulting business following the acquisition. The existing senior executive team will continue in their current positions in the business, led by Ian Montague who will become President of ADAMAS Consulting, having been with the business for eight years and as Chief Executive Officer for the past three years. For reporting purposes, ADAMAS financial results will be allocated as appropriate across Ergomed's existing businesses.

The acquisition aligns with Ergomed's strategy to secure M&A transactions that further enhance the Group's global presence and broaden the service offering to clients, whilst ensuring quality and compliance are central to its operational growth strategy. ADAMAS is focused on ensuring that the highest standards of best practice are attained across the pharmaceutical sector and the acquisition will therefore keep Ergomed at the forefront of specialist service provision.

Dr Miroslav Reljanović, Executive Chairman of Ergomed, said: *"This value-enhancing acquisition aligns with our disciplined M&A strategy, strengthening our position as a focussed premium pharmaceutical services business, whilst further building our Group's scale in the strategically important US, Europe and APAC regions. With this deal we are addressing the pharmaceutical industry's ever-growing need for best practice quality assurance due to the increasing complexity of drug development, pharmacovigilance and manufacturing processes and associated regulatory requirements. We look forward to working with Ian and the ADAMAS management team as we invest in and support this business to deliver a broader service offering to clients."*



Ian Montague, Chief Executive Officer of ADAMAS, said: “Ergomed is a highly regarded business that shares our commitment to delivering regulatory compliance as well as the highest quality services to the global healthcare industry. Joining the Ergomed Group provides us with an even stronger platform and increased investment from which to grow our customer base, develop and scale up our offering and continue to deliver gold standard quality assurance services.”

Dr Patricia Fitzgerald, Founder and Executive Chairman of ADAMAS, said: “ADAMAS has gone from strength to strength over the last 25 years and has established a global reputation for providing excellent research quality assurance services to the life sciences industry. ADAMAS has been successful in building an extensive and stable client base and has inspired a high level of trust and confidence with many long-term relationships. It has been an exciting and challenging journey and I know that ADAMAS, accelerated by strong support from Ergomed, will continue to grow and offer outstanding QA support to its clients worldwide.”

Acquisition terms and ADAMAS trading history

Under the terms of the purchase agreement, Ergomed has acquired ADAMAS for a cash consideration of £25.6 million, representing an enterprise value of £24.2m and cash acquired of £1.4 million, paid at completion. The acquisition will be wholly funded from the Group’s existing cash resources and bank facilities.

In its financial year ended 31 December 2021, ADAMAS recorded (unaudited) total revenues of £8.5 million, up 31% over 2020 total revenues, with adjusted EBITDA of £1.8 million.

Webcast and conference call for analysts:

A webcast and conference call for analysts will be held today, 9 February 2022, at 10am GMT.

Webcast link: <https://www.lsegissuerservices.com/spark/Ergomed/events/7ef82c4e-0fb7-4506-a420-16d1e3150aac>

Conference call registration: <https://cosspreg.btc.com/prereg/key.process?key=PF7ULG6HM>

A copy of the presentation will be made available on the Ergomed website before the webcast, under Reports and Presentations, here: <https://www.ergomedplc.com/investor-relations/reports-and-presentations/>

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019. On the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

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About Ergomed plc

Ergomed provides specialist services to the pharmaceutical industry spanning all phases of clinical development, post-approval pharmacovigilance and medical information. Ergomed's fast-growing services business includes an industry-leading suite of specialist pharmacovigilance (PV) solutions, integrated under the PrimeVigilance brand and a full range of high-quality clinical research and trial management services under the Ergomed brand (CRO). For further information, visit: <http://ergomedplc.com>.