

Ergomed H1 2022 Trading Update

Strong H1 performance: high growth, resilience and positive outlook

- **Total revenue growth of 24.8% over H1 2021 to £69.9 million**
- **Total order book of £284.5 million with growth of 18.7% since 1 January 2022, providing high visibility into H2 2022 and beyond**
- **Total revenue and adjusted EBITDA for full year expected to be in line with current market expectations**
- **ADAMAS acquired in February 2022; integration progressing well**
- **Strong operational cash flow with cash balance of £12.0 million after £24.2 million net cash purchase of ADAMAS**
- **Debt free with available debt facilities recently increased from £30 million to £80 million**

Guildford, UK - 26 July 2022: Ergomed plc (LSE: ERGO) ("Ergomed" or the "Company"), a company focused on providing specialised services to the pharmaceutical industry, today announces a trading update for the first half of 2022. The Company will provide further details on the first half performance in its interim results in September 2022.

Strong trading in H1 2022 with positive outlook

Ergomed had a strong first half of 2022 with total revenue of £69.9 million (H1 2021: £56.0 million), an increase of 24.8% (20.0% in constant currency) over H1 2021. Service fee revenue of £59.8 million (H1 2021: £47.6 million) were up 25.6% (20.7% in constant currency) over H1 2021.

The Clinical Research Services (CRO) business increased its total revenue by 26.2% (21.4% in constant currency) to £34.3 million from £27.2 million in H1 2021.

PrimeVigilance, the pharmacovigilance (PV) business, increased its total revenue by 23.4% (18.7% in constant currency) to £35.6 million from £28.8 million in H1 2021.

Cash balances at 30 June 2022 were £12.0 million (H1 2021: £24.6 million), after the £24.2 million net cash purchase of ADAMAS, with strong underlying operating cash flow. The Company has increased its multi-currency revolving credit facility (RCF) from £30.0 million to £80.0 million, comprising a £50.0 million facility and an additional £30.0 million accordion. The RCF is currently undrawn and the Company remains debt free, with these substantial new facilities available to support continued expansion.

Revenue and adjusted EBITDA for the full year are expected to be in line with current market expectations, demonstrating the Company's resilience and ability to maintain its strong financial performance despite the challenging macro-economic environment.

Strong order book growth and excellent forward visibility

Ergomed's order book remains healthy at £284.5 million at the end of H1 2022, an increase of 18.7% from £239.7 million at 31 December 2021 and up 24.9% on the prior year (H1 2021: £227.8 million), providing excellent visibility of contracted revenue for the second half of the year and beyond.

Acquisition of ADAMAS

Ergomed completed the acquisition of ADAMAS, an international specialist consultancy offering a full range of independent quality assurance services, in February 2022. The integration of ADAMAS into Ergomed's business is progressing well and further significant synergistic benefits are expected.

Strengthening of the Board and senior leadership team

During the first half of 2022, John Dawson, CBE joined the Board as an independent Non-Executive Director and Chair of the Audit Committee, and Anne Whitaker joined as an independent Non-Executive Director. The Company has continued to attract senior executives with highly relevant experience and expertise in our areas of CRO and PV specialisation, with recent key appointments in commercial leadership roles.

Further strategic progress

The Company has continued to make considerable strategic progress in the current year.

The CRO business has seen further robust growth in the first half of 2022, including a number of major new awards. Ergomed's CRO business recently celebrated 25 years since its foundation and has continued its long tradition of specialism and innovation with the launch in February 2022 of the Ergomed Rare Disease Innovation Centre, providing tailored and innovative solutions for sponsors of rare disease drug development programs.

PrimeVigilance has also delivered a significant revenue increase in the first half of 2022 driven by steady sales and repeat business, continuing to demonstrate its long-term resilience and ability to generate sustained growth during a time of market volatility. Further substantial progress has been achieved in the development and deployment of proprietary automation technology. PrimeVigilance has also invested further in training and skills development across its existing team, whilst continuing to attract senior industry experts to join the business. These investments have enabled organisational improvements to further enhance efficiency and productivity.

Ergomed's organic international expansion has continued at pace with new legal entities in France and Italy, with others in progress in Romania, Ireland and Portugal.

Dr Miroslav Reljanović, Executive Chairman of Ergomed, commented:

"Ergomed has delivered further significant strategic progress in H1 2022. Our strong organic growth has continued, with expansion into new territories and further strengthening of the Company's Board and leadership team. We also continued to execute our disciplined M&A strategy with the acquisition of ADAMAS. This progress once again demonstrates Ergomed's robustness, resilience and ability to sustain high growth, notwithstanding the challenging macro-economic environment. The Board expects to deliver the anticipated trading growth and financial results for the full year in line with current market expectations, and we look forward with confidence to the rest of this year and beyond."

ENDS

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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, a full range of high-quality clinical research and trial management services under the Ergomed brand (CRO) and mission-critical regulatory compliance and consulting services under the ADAMAS brand. For further information, visit: <http://ergomedplc.com>.