

## PART TEN

### RULE 24.11 ESTIMATE OF VALUE LETTER

Directors of Eden AcquisitionCo Limited  
C/O Alter Domus (Uk) Limited  
10th Floor, 30 St Mary Axe  
London, United Kingdom  
EC3A 8BF

#### **Recommended cash acquisition of Ergomed plc (“Ergomed”)**

by

**Eden AcquisitionCo Limited**

**(a newly incorporated company controlled and owned by funds advised by  
Permira Advisers LLC) (“Bidco”)**

#### **Estimated Value of Topco Units**

Dear Sirs,

Pursuant to the requirements of the Takeover Code, you have requested our opinion as to the estimated value of the Topco Units offered by Bidco to eligible Ergomed Shareholders (the “**Estimated Value**”) under the Partial Securities Alternative.

Capitalised terms used in this letter will, unless otherwise stated, have the same meanings given to them in the document of which this letter forms part dated 22 September 2023 (being, the “**Scheme Document**”).

Under the terms of the Acquisition, for each Ergomed Share held, eligible Ergomed Shareholders will be entitled (subject to the terms and conditions set out in the Scheme Document) to receive the Cash Offer of 1,350 pence in cash.

As an alternative to the Cash Offer, eligible Ergomed Shareholders may elect, in respect of all (but not some only) of their Ergomed Shares, to receive 451 pence for each Ergomed Share held and the number of Topco Units set forth below (to be issued pursuant to the mechanism set out in paragraph 11 of Part Two of the Scheme Document and provided applicable put and call options are exercised) in lieu of the Cash Offer to which they are otherwise entitled:

**for each Ergomed Share: 1.0 “Topco Unit” comprising 1 Topco B Ordinary Share and  
8.667 Topco B Preference Shares.**

Fractional entitlements to Topco B Preference Shares which may be issued in accordance with the relevant Put and Call Option Deed under the Partial Securities Alternative will be rounded down to the nearest whole number of Topco B Preference Shares per eligible Ergomed Shareholder. Fractional entitlements to Topco B Preference Shares which may be issued in accordance with the relevant Put and Call Option Deed will not be allotted or issued to such eligible Ergomed Shareholder but will be disregarded. In the event that an Ergomed Shareholder has validly elected to receive Topco B Shares in lieu of the cash consideration to which such Ergomed Shareholder would otherwise be entitled, the balance of the consideration (after the effect of rounding fractional entitlements described above) will be disregarded and not paid to such holder.

By way of example, subject to the following paragraph, if an eligible Ergomed Shareholder holding 1,000 Ergomed Shares validly elects to receive the Partial Securities Alternative, and applicable put and call options are exercised, it would be entitled to receive 451,000 pence in cash, 1,000 Topco B Ordinary Shares and

8,667 Topco B Preference Shares. If an eligible Ergomed Shareholder holding 10 Ergomed Shares validly elects to accept the Partial Securities Alternative, it would be entitled to receive 4,510 pence in cash, 10 Topco B Ordinary Shares and 86 Topco B Preference Shares.

The maximum number of Topco Units available to the eligible Ergomed Shareholders under the Partial Securities Alternative will be limited to the equivalent of 20.0 per cent. of the Topco Offer Shares (the “**Partial Securities Alternative Maximum**”).

If elections are validly received from eligible Ergomed Shareholders in respect of a number of Ergomed Shares that would require (subject to the exercise of applicable put and call options) the issue of Topco Units exceeding the Partial Securities Alternative Maximum, such elections will be unable to be satisfied in full. In these circumstances the numbers of each of the Topco B Ordinary Shares and Topco B Preference Shares to be issued in respect of the Ergomed Shares will each be scaled down on a pro rata basis, and the balance of the consideration for the Ergomed Shares will be paid in cash in accordance with the terms of the Cash Offer.

The availability of the Partial Securities Alternative is also conditional upon valid elections being made for such number of Topco Units as represent the equivalent of at least 10.0 per cent. of the Topco Offer Shares, failing which it will lapse. In these circumstances, no Topco Units will be issued and the consideration payable in respect of each Ergomed Share will be settled entirely in cash in accordance with the terms of the Cash Offer. However, given the irrevocable undertaking received from the Founder includes an undertaking to elect to receive the Partial Securities Alternative in respect of 9,129,297 Ergomed Shares owned by him, representing his entire holding of Ergomed Shares and approximately 17.9 per cent. of Ergomed’s existing issued ordinary share capital on 21 September 2023, the Partial Securities Alternative is not anticipated to lapse for this reason.

The Topco Units will be unlisted securities and we understand from Bidco that there are no plans for them to be listed or admitted to trading on any exchange or market for the trading of securities.

## **Purpose**

This Estimated Value has been provided to the directors of Bidco solely for the purposes of complying with the requirements of Rule 24.11 of the Takeover Code in connection with the Acquisition and shall not be used or relied upon for any other purpose whatsoever. It is not addressed to, and may not be relied upon by, any third party for any purpose whatsoever and Rothschild & Co expressly disclaims any duty or liability to any third party with respect to the contents of this letter.

The Estimated Value assumes both a willing buyer and seller of equal bargaining power, neither being under any compulsion to buy or sell, dealing on an arm’s length basis and where each party has knowledge of all relevant information.

Our view as expressed in this letter is limited to an estimate of the value of the Topco Units being offered to eligible Ergomed Shareholders in connection with the Acquisition as at 22 September 2023. The Estimated Value does not represent the value that a holder of Topco Units may realise on any future sale of such Topco Units, it being noted that such value realised on any future sale of Topco Units may be higher or lower than the figure in this letter. The Estimated Value may also differ substantially from estimates available from other sources.

## **Information**

In arriving at an Estimated Value, we have held discussions with members of the investment advisory team of Permira and we have, among other things, reviewed or otherwise taken the following into account:

- (a) the standalone financial projections of the Topco Group prepared by the investment advisory team of Permira;
- (b) certain publicly available financial statements as well as certain other publicly available business and financial information relating to Ergomed, including financial projections prepared by research analysts;
- (c) certain information provided by Ergomed to Bidco relating to the business, operations, financial condition and prospects of Ergomed;

- (d) the commercial assessments of Permira and the Bidco Directors with respect to the business, operations, financial condition and prospects of the Topco Group;
- (e) the rights and restrictions attached to the Topco Units as summarised and contained in the Scheme Document, the Topco Shareholders' Agreement and the Topco Articles (as applicable), although we are not lawyers and our review should in no way be construed as constituting legal advice;
- (f) the terms of the Acquisition and its proposed financing; and
- (g) such other financial analyses and such other information as we deemed appropriate for the purposes of this letter.

In performing our analyses, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or which was furnished to or discussed with us by or on behalf of Bidco or Permira or otherwise reviewed by or for us, and we have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness.

With respect to the Topco Group financial projections reviewed by us, we have assumed that they have been reasonably and properly prepared by Bidco or Permira on the basis of its current estimates and judgements of the future financial performance of the Topco Group. We express no view as to such analyses, projections or forecasts or the assumptions on which they were based.

We note that these Topco Group financial projections are the sole responsibility of Bidco and the Bidco Directors and were not prepared for the purposes of Rule 24.11 of the Takeover Code or the giving of our views on the Estimated Value as set out in this letter. We also note that these Topco Group financial projections can differ significantly from financial projections prepared by research analysts and incorporate certain assumptions regarding future growth and value creation initiatives. The ability of the Bidco board to generate future value is inherently uncertain and subject to market conditions and other factors outside the control of the Topco Group and accordingly we have also taken into account the financial projections prepared by research analysts in giving of our views on the Estimated Value.

We have not conducted or been provided with any valuation or appraisal of any assets or liabilities of the Topco Group, nor have we evaluated the solvency of the Topco Group under any applicable laws relating to bankruptcy, insolvency or similar matters. We have assumed for the purposes of this letter that the Acquisition will become effective in accordance with its terms with no modification or delay.

If any of the information or assumptions relied upon prove to be incorrect, the actual value of a Topco Unit may be different from, including potentially considerably less than or more than, the Estimated Value.

Our view on the Estimated Value as expressed in this letter is necessarily based on economic, market and other conditions, the prospects of the Topco Group and other factors which generally influence the valuation of companies and securities, in each case as they exist at the date hereof and on the information made available to us as of the date of this letter. It should be understood that subsequent developments and/or changes to prevailing financial, economic and market conditions, the financial condition and prospects of the Topco Group and other factors which generally influence the valuation of companies and securities may affect the views provided in this letter and that we assume no obligation to update, revise or reaffirm the views expressed in this letter, unless otherwise required to by the Takeover Code.

## **Methodology**

In arriving at the Estimated Value, we have, among other things:

- (a) undertaken a discounted cash flow analysis based on both the standalone financial projections as prepared by the investment advisory team of Permira and on publicly available financial projections prepared by research analysts;
- (b) considered a range of other widely accepted valuation methods including, inter alia, trading and precedent transaction multiples and applying appropriate target returns rates under leveraged buyout analysis;
- (c) referenced the historical trading prices and the implied trading valuations of the Ergomed Shares on the AIM market of the London Stock Exchange;

- (d) taken into account the proposed financing structure for the Topco Group, costs and expenses payable in respect of the Acquisition and additional capital provided by the Permira Funds to fund such costs and expenses and support the ordinary course operations and near-term growth requirements of Ergomed following completion of the Acquisition; and
- (e) considered the lack of both a liquid market and non-transferability for the Topco Units and the risk factors pertaining to the Topco Units as summarised and contained in the Scheme Document, the Topco Shareholders' Agreement and the Topco Articles (as applicable).

The Estimated Value is based on theoretical valuation techniques and is highly sensitive to changes in assumptions about the future financial performance of the Topco Group and the terms agreed for any event resulting in a return of capital. This is particularly the case given the high leverage relative to the leverage utilised by Ergomed historically, as evidenced by the £200 million in debt to be provided under the Interim Facility Agreement compared to Ergomed's currently unutilised debt facilities. As a result, there can be no assurance that the actual value of a Topco Unit will not be higher or lower than the Estimated Value.

The valuation of non-publicly traded securities is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. Reasons for this inherent uncertainty, include, but are not limited to, the following factors:

- (a) the Topco Units are unquoted and there is no current expectation that they will be listed or admitted to trading on any exchange or market for the trading of securities;
- (b) the Topco Units will not be transferable for a period of five years, save in accordance with customary "drag-along" or "tag-along" provisions (and other very limited circumstances), and thereafter will be subject to a right of first refusal on the part of Eden SPV and certain other restrictions in respect of the identity of the proposed transferee;
- (c) the holders of Topco Units will not enjoy any minority protections or other rights save for those rights provided for in the Topco Shareholders' Agreement and the Topco Articles and those rights prescribed by applicable law;
- (d) payments in respect of Topco Units will not be guaranteed or secured and, for so long as the Topco Group has any secured debt outstanding, it is not anticipated that Topco will declare or pay any dividends on any of the Topco Units;
- (e) upon the Scheme becoming Effective, the Topco Group will be controlled by the Permira Funds and the Topco Units will not carry any right to attend or vote at any general meeting of Topco;
- (f) holders of Topco Units may be required in the future to sell Topco Units under the terms of a "drag along" provision contained in both the Topco Shareholders' Agreement and the Topco Articles;
- (g) Topco is not a company to which the Takeover Code applies and the protections of the Takeover Code will not be available to Ergomed Shareholders electing for the Partial Securities Alternative; and
- (h) the value of Topco Units will be subject to the same trading risks as are faced by Ergomed currently, including risk in the trading performance of Ergomed.

Rothschild & Co has made an assessment of a relevant percentage discount range to be applied to the value of a Topco Unit rate to reflect paragraphs (a) to (b) above and also considered alternative approaches of adjusting cost of capital and discount rates to reflect paragraphs (a) to (b) above. For the avoidance of doubt, whilst Rothschild & Co has considered the items above in assessing Estimated Value we have not attempted to apply any discount to reflect paragraphs (c) to (h) as we believe the eligible Ergomed Shareholders may each have a different view of the impact of these factors on their assessment of the value of Topco Units.

The taxation position of individual Ergomed Shareholders will vary and so we have not taken account of the effect of any taxation, exemptions, allowances or reliefs which may be available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy, notwithstanding that these may be of significance in the case of certain shareholders.

No account has been taken of any potential transaction costs that a holder of Topco Units may incur, including any associated dealing costs, or any potential costs that may be associated with a sale of Topco

to a third party or a liquidation of Topco and which might be expected to reduce any return to a holder of Topco Units upon the occurrence of such an event.

In performing this analysis, we have made numerous assumptions with respect to industry performance and general business, economic and market conditions, many of which are beyond the control of Bidco, Ergomed, and Permira. Consequently, the view expressed in this letter is not necessarily indicative of the amount which might be realised upon a sale of Topco Units.

### **The Estimated Value**

On the basis of and subject to the foregoing, it is our view as at the date of this letter that the Estimated Value of a Topco Unit is within a range of 499 pence – 889 pence (implying 950 pence – 1,340 pence for the Partial Securities Alternative per Ergomed Share, including 451 pence in cash). This Estimated Value implies an enterprise value of £456 million to £674 million at the bottom and top of the range respectively, after adjusting for the £200 million in debt to be provided under the Interim Facility Agreement and the Ergomed cash position and current and non-current lease liabilities as set out in the sources of information and bases of calculation in the Scheme Document.

In giving our view of the Estimated Value, we have applied consistent assumptions regarding discount rates, valuation multiple achieved at exit and illiquidity / non-transferability discount to a) the standalone financial projections as prepared by the investment advisory team of Permira, and b) the publicly available financial projections prepared by research analysts. Consequently, the range in the Estimated Value primarily reflects the difference in these underlying financial projections.

As noted above, eligible Ergomed Shareholders should note that the Estimated Value is highly sensitive to a number of assumptions, including amongst others the future financial performance of the Topco Group.

Any assessment of the value of the Partial Securities Alternative and the Topco Units needs to take into account an individual eligible Ergomed Shareholder's assessment of an appropriate discount given the factors outlined above. As noted above, the Estimated Value only incorporates an assumed level of discount for trading illiquidity and non-transferability of the Topco Units. The Estimated Value does not incorporate a discount for other governance-related and structural features and risk factors pertaining to the Topco Units; each eligible Ergomed Shareholder should individually take these factors into account.

The eligible Ergomed Shareholders who may be considering a continuing investment in the future of Bidco through the Topco Units should read carefully all the information relating to the Partial Securities Alternative and the Topco Units contained in the Scheme Document, including, without limitation, the section headed "Risk factors and other investment considerations to the Partial Securities Alternative" contained in paragraph 12 of Part 2 of the Scheme Document.

### **General**

Rothschild & Co is acting as financial adviser to Permira and Bidco and no one else solely for the purposes of providing this letter in accordance with Rule 24.11 of the Takeover Code in connection with the Acquisition and Rothschild & Co will not be responsible to anyone other than Permira and Bidco for providing the protections afforded to clients of Rothschild & Co, nor for providing advice in connection with the Acquisition or any matter referred to in the Scheme Document or this letter.

Rothschild & Co will receive fees from Permira and/or Bidco in respect of its services in connection with the provision of this letter. In addition, Permira and Bidco have agreed to indemnify Rothschild & Co for certain liabilities arising out of its engagement. During the two years preceding the date of this letter, we and our affiliates have had commercial or investment banking relationships with portfolio companies managed or advised by Permira for which we and such of our affiliates have received customary compensation.

Rothschild & Co has not provided, nor will they provide, legal, tax, regulatory, accounting or other specialist advice, and nothing herein should be taken to reflect any such advice. For the avoidance of doubt, Rothschild & Co express no opinion (whether as to the fairness or otherwise) of the financial terms of the Acquisition, the Cash Offer or the Partial Share Alternative. Any decision to elect for the Partial Share Alternative should be based on independent financial, tax and legal advice and a full consideration of the Scheme Document and the other documents in relation to the Acquisition.

Eligible Ergomed Shareholders should ascertain whether acquiring or holding the Topco Units is affected by the laws of the relevant jurisdiction in which they reside and consider whether Topco Units are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice before deciding whether to elect for the Partial Securities Alternative. In particular, Scheme Shareholders should note that the Topco Units are not transferable for a period of five years, save in accordance with customary drag-along or tag-along provisions (and other very limited circumstances), will not be listed and that no market exists or is expected to exist in them.

This letter is provided solely for the benefit and use of the Bidco Directors for the purpose of Rule 24.11 of the Takeover Code in connection with the Acquisition and for no other purpose. This letter is not addressed to, or provided on behalf of, nor shall it confer any rights or remedies upon, any shareholder, creditor or any other person other than the Bidco Directors for the aforesaid purpose. Without prejudice to the generality of the foregoing, this letter does not constitute a recommendation or opinion to, or for the benefit of, any Scheme Shareholder as to whether such Scheme Shareholder should vote in favour of the Scheme at the Court Meeting or the resolution to be proposed at the General Meeting in order to give effect to the Acquisition or whether any such Scheme Shareholder should accept the Cash Offer or make any election pursuant to the Partial Securities Alternative. Other than as required pursuant to the Takeover Code or as the Panel or the Court may otherwise require, this letter may not be disclosed, referred to, or communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written approval in each case. This letter may be reproduced in full in the Scheme Document to be sent to Scheme Shareholders on the basis that no duties or responsibilities are accepted by Rothschild & Co to any person, individually or collectively, but this letter may not otherwise be published or reproduced publicly in any manner without our prior written approval.

Yours very truly,  
for and on behalf of  
N.M. Rothschild & Sons Limited

**Julian Hudson**