

**THIS DOCUMENT AND ITS APPENDICES ARE IMPORTANT AND EXPLAIN THE IMPACT OF THE ACQUISITION ON YOUR NIL-COST US OPTIONS. PLEASE READ THIS DOCUMENT CAREFULLY AS IT REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO YOUR TAX POSITION, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 IF YOU ARE IN THE UNITED KINGDOM, OR FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER IF YOU ARE TAKING ADVICE IN A TERRITORY OUTSIDE THE UNITED KINGDOM.**

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22 September 2023

Dear participant

**RECOMMENDED CASH ACQUISITION OF ERGOMED PLC (“ERGOMED”) BY EDEN ACQUISITIONCO LIMITED (“BIDCO”)**

**LETTER TO HOLDERS OF NIL-COST US OPTIONS OVER ORDINARY SHARES IN ERGOMED UNDER THE ERGOMED PLC LONG TERM INCENTIVE PLAN (THE “LTIP”) (THE “NIL-COST US OPTIONS”)**

On 4 September 2023, the boards of Ergomed and Bidco (a newly incorporated company controlled and indirectly wholly owned by the Permira funds advised by Permira Advisers LLP (“**Permira**”)) announced that they had agreed the terms of a recommended cash acquisition pursuant to which Bidco will acquire the entire issued and to be issued share capital of Ergomed (the “**Acquisition**”). The Acquisition is intended to be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the “**Scheme**”).

The purpose of this letter is to explain how the Acquisition affects your Nil-Cost US Options.

**You may need to take action to realise value from any Nil-Cost US Options you hold if such Nil-Cost US options vest earlier than the Court Sanction Date.**

Appendix 1 to this letter provides details of the principal financial advisers to Ergomed on the Acquisition. Appendix 2 contains a brief informational summary of the US federal income and employment tax consequences applicable to Nil-Cost US Options. If you are not resident in the US or if you are in any doubt about your tax position, you should consult an appropriately qualified independent professional adviser immediately.

Words and expressions defined in the LTIP and the document sent to Ergomed Shareholders at the same time as this letter (the “**Scheme Document**”) have the same meanings in this letter unless otherwise stated.

**1. INTRODUCTION**

**1.1 Details of the Acquisition**

Under the Scheme, Ergomed Shareholders are entitled to receive:

**for each Ergomed Share                      1,350 pence in cash (the “Cash Offer”)**

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 in cash plus unlisted securities issued in the capital of Eden Topco Limited (the “**Partial Securities Alternative**”).

The Scheme has to be approved by the Ergomed Shareholders and the Court (the date of such approval by the Court being the “**Court Sanction Date**”). Assuming approval is obtained from Ergomed Shareholders and the Court, the Scheme will become effective upon delivery of the Court Order to the Registrar of Companies (the “**Effective Date**”), at which point the Acquisition will complete. It is expected that the Effective Date will be during Q1 2024.

More information about the Acquisition is set out in the Scheme Document, which is available, together with this letter, to download from Bidco’s website at <https://www.permira.com/news-and-insights/news/permira-offer-for-ergomed> and from Ergomed’s website at <https://ergomedplc-disclaimer.co.uk/>.

## **2. THE EFFECT OF THE ACQUISITION ON YOUR NIL-COST US OPTIONS**

### **2.1 *Position under the LTIP***

If the Acquisition completes, it will change the usual treatment of your Nil-Cost US Options.

Normally, your Nil-Cost US Options would:

- in respect of a Nil-Cost US Option which is not subject to a Performance Target, vest on the third anniversary of the Grant Date subject to your continued service, and be exercised on 15 March of the following calendar year (provided that all applicable conditions to exercise have been satisfied); and
- in respect of a Nil-Cost US Option which is subject to a Performance Target, vest based on the Board’s determination of the achievement of the Performance Target over a three-year performance period and your continued service through such period, and be exercised on a date that is no earlier than the day after the Board has made its determination of the Performance Target and no later than 15 March of the calendar year following the end of the three-year performance period (provided that all applicable conditions to exercise have been satisfied).

However, as a result of the Acquisition, your vested Nil-Cost US Options will be exercised and your unvested Nil-Cost US Options will vest and be exercised as set out below (in each case, unless they lapse earlier in accordance with the terms of the LTIP).

#### *Vested Nil-Cost US Options*

If you have Nil-Cost US Options which vest and are exercised in accordance with the terms of the LTIP prior to the Court Sanction Date, you will be issued your resulting Ergomed Shares prior to the Court Sanction Date, provided that you have delivered to the Company such form of notice as the Board may from time to time prescribe (if any) and paid Ergomed the aggregate Exercise Price of those Nil-Cost US Options and any tax liability due, or entered into arrangements acceptable to Ergomed for such payment.

If you are issued your resulting Ergomed Shares prior to the Scheme Record Time and you retain your Ergomed Shares, then these will be acquired by Bidco under the Scheme for the Cash Offer. You may also elect for the Partial Securities Alternative (in respect of all, but not only part, of your Ergomed Shares) in accordance with the requirements set out in the Scheme Document but only if you receive your Ergomed Shares, and you submit the election for the Partial Securities Alternative by the Election Return Time, which will be earlier than the Scheme Record Time.

If you are issued your resulting Ergomed Shares prior to the Scheme Record Time, but you choose to sell your Ergomed Shares in the market (rather than pursuant to the Scheme), then you will incur dealing costs and may not receive the Cash Offer.

If you have Nil-Cost US Options which vest prior to the Court Sanction Date but would otherwise be exercised in accordance with the terms of such Options and the LTIP after the Court Sanction Date, they will be exercised on the Court Sanction Date.

### *Unvested Nil-Cost US Options*

Your unvested Nil-Cost US Options will continue to vest normally in accordance with the terms of the LTIP until the Court Sanction Date. Ergomed's Board has determined that your unvested Nil-Cost US Options shall be accelerated so that they will vest and be exercised in full upon the Court Sanction Date and any Performance Targets in respect of a Nil-Cost US Option which is subject to a Performance Target shall be treated as satisfied in full on the Court Sanction Date.

#### **2.2 Earlier lapse of Nil-Cost US Options**

If your employment or engagement with a member of the Ergomed Group ceases, this may affect your Nil-Cost US Options and the date on which your Nil-Cost US Options may lapse in accordance with the terms of the LTIP. This date may be different from, and earlier than, the dates given above.

Your Nil-Cost US Options may also lapse for other reasons in accordance with their terms and the terms of the LTIP. Lapse of your Nil-Cost US Options as a result of the terms of the LTIP may occur at a date different from, and earlier than, the dates given above.

If your Nil-Cost US Options lapse for any reason prior to the Court Sanction Date, you will not receive any payment for such lapsed option.

### **3. UNEXERCISED NIL-COST US OPTIONS**

Conditional on the Court's approval of the Scheme, your unexercised Nil-Cost US Options (whether vested or unvested) will be exercised on the Court Sanction Date and you will receive Ergomed Shares in accordance with the terms of the LTIP (unless your Nil-Cost US Options lapse before that time in accordance with the terms of the LTIP). All Ergomed Shares which you receive as a result of the exercise of your Nil-Cost US Options will be automatically transferred to Bidco in accordance with the Scheme on the Effective Date for the Cash Offer, less:

- income tax and any employee's social security and Medicare taxes which your employer is required to withhold; and
- the aggregate Exercise Price.

The payment will be made to you through the next reasonably practicable payroll following the Effective Date.

If you receive your salary in a currency other than Pounds Sterling, the Cash Offer will be paid to you in the currency in which you receive your salary through payroll, applying a reasonable rate of exchange as determined by Ergomed within a reasonable period of time prior to the payment being made through payroll.

Ergomed, Bidco and their advisers considered offering the Partial Securities Alternative to holders of unexercised Nil-Cost US Options but, after due deliberation, decided that this was not in the best interest of holders of unexercised Nil-Cost US Options. This is because electing for the Partial Securities Alternative may not leave you with sufficient cash to fund payments of tax, employee's social security and Medicare taxes and the aggregate Exercise Price due on the exercise of your Nil-Cost US Options and because of the disadvantages of electing for the Partial Securities Alternative highlighted in paragraph 12 of Part 2 of the Scheme Document. By contrast, the Cash Offer permits such amounts to be deducted from the Cash Offer, such that you should not be required to fund the liability from your own resources.

### **4. THE ACTIONS REQUIRED BY YOU IN RELATION TO YOUR NIL-COST US OPTIONS EXERCISABLE AT THE COURT SANCTION DATE**

**You do not need to take any action in relation to your Nil-Cost US Options which are exercisable at the Court Sanction Date (whether vested or unvested) as they will be exercised on your behalf and income tax, employee's social security and Medicare taxes and the aggregate Exercise Price will be deducted from the Cash Offer.**

**5. PERSONAL DATA**

It is a condition of any Nil-Cost US Options that you agree and consent to the collection, holding and processing of your personal data by any member of the Ergomed Group (within or outside the European Economic Area) as appropriate for the purposes of administering the LTIP, and discharging any related legal obligations. You acknowledge and agree that such permissions now extend to the collection, holding and processing of your personal data by Bidco and its affiliates, as appropriate for legal and LTIP-related administrative and compliance purposes.

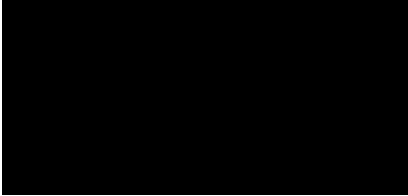
**6. IMPORTANT NOTES**

Nothing in this letter or its appendices constitutes tax, legal or financial advice from Ergomed, Bidco or Permira.

If you have any questions about this letter and its appendices, please contact cosec@ergomedplc.com or Shareworks on the relevant number listed at <https://www.morganstanley.com/atwork/support/contact-us1>. However, please note that they will not be able to give you any legal, financial or tax advice. Please note that calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate.

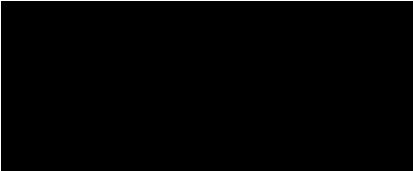
If there is a conflict between the information in this letter and its appendices, the LTIP or any notification made to you under the LTIP, or applicable legislation, the LTIP, notification, or the legislation will prevail.

Yours faithfully



for and on behalf of  
**Ergomed plc**

Yours faithfully



for and on behalf of  
**Eden AcquisitionCo Limited**

## APPENDIX 1

Neither this letter nor its appendices do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This letter is not a prospectus.

The release, publication or distribution of this letter and its appendices (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this letter and its appendices comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Jefferies, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as joint financial adviser and Rule 3 adviser to Ergomed and no one else in connection with the matters described in this letter and its appendices and will not be responsible to anyone other than Ergomed for providing the protections afforded to clients of Jefferies nor for providing advice in connection with the matters referred to herein. Neither Jefferies, nor any of its subsidiaries, branches or affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Jefferies in connection with this letter and its appendices, any statement contained herein, any offer or otherwise. Apart from the responsibilities and liabilities, if any, which may be imposed on Jefferies by the Financial Services and Markets Act 2000, or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Jefferies nor any of its affiliates accepts any responsibility or liability whatsoever for the contents of this letter and its appendices, and no representation, express or implied, is made by it, or purported to be made on its behalf, in relation to the contents of this letter and its appendices, including its accuracy, completeness or verification of any other statement made or purported to be made by it, or on its behalf, in connection with Ergomed or the matters described in this letter and its appendices. To the fullest extent permitted by applicable law, Jefferies and its affiliates accordingly disclaim all and any responsibility or liability whether arising in tort, in delict, contract or otherwise (save as referred to above) which they might otherwise have in respect of this letter and its appendices or any statement contained herein. Jefferies has given, and not withdrawn, its consent to the inclusion in this letter and its appendices of the references to its name and the advice it has given to Ergomed in the form and context in which they appear.

Numis, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as joint financial adviser, Rule 3 adviser and joint broker to Ergomed and no one else in connection with the matters described in this letter and its appendices and will not regard any other person as its client or be responsible to anyone other than Ergomed for providing the protections afforded to clients of Numis nor for providing advice in connection with the matters referred to herein. Neither Numis, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, in delict, under statute or otherwise) to any person other than Ergomed in connection with this letter and its appendices, any statement contained herein, any offer or otherwise. Apart from the responsibilities and liabilities, if any, which may be imposed on Numis by the Financial Services and Markets Act 2000, or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Numis nor any of its affiliates accepts any responsibility or liability whatsoever for the contents of this letter and its appendices, and no representation, express or implied, is made by it, or purported to be made on its behalf, in relation to the contents of this document, including its accuracy, completeness or verification of any other statement made or purported to be made by it, or on its behalf, in connection with Ergomed or the matters described in this letter and its appendices. To the fullest extent permitted by applicable law, Numis and its affiliates accordingly disclaim all and any responsibility or liability whether arising in tort, in delict, contract or otherwise (save as referred to above) which they might otherwise have in respect of this letter and its appendices or any statement contained herein. Numis has given, and not withdrawn, its consent to the inclusion in this letter and its appendices of the references to its name and the advice it has given to Ergomed in the form and context in which they appear.

The Ergomed Directors, whose names are set out in paragraph 2.1 of Part 7 of the Scheme Document, accept responsibility for the information contained in this letter and its appendices (including any expressions

of opinion) other than the information for which responsibility is taken by others pursuant to the following paragraphs of this Appendix 1. To the best of the knowledge and belief of the Ergomed Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this letter and its appendices for which they accept responsibility, is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Bidco Directors, whose names are set out in paragraph 2.2 of Part 7 of the Scheme Document, accept responsibility for the information contained in this letter and its appendices (including any expressions of opinion) relating to Bidco, the Wider Bidco Group, Topco, the Topco Group, the Bidco Directors, their immediate families, related trusts and other connected persons and persons acting in concert with Bidco (other than Permira and the Permira Funds) as well as for the information relating to the Topco Units and the Partial Securities Alternative. To the best of the knowledge and belief of the Bidco Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this letter and its appendices for which they accept responsibility, is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Permira Responsible Persons, whose names are set out in paragraph 2.3 of Part 7 of the Scheme Document, accept responsibility for the information and associated opinions contained in this letter and its appendices relating to Permira and the Permira Funds. To the best of the knowledge and belief of the Permira Responsible Persons (who have taken all reasonable care to ensure that such is the case) the information contained in this letter and its appendices for which they accept responsibility, is in accordance with the facts and does not omit anything likely to affect the import of such information.

Accidental omission to despatch this letter to, or any failure to receive the same by, any holder of Nil-Cost US Options, shall not invalidate the effect of the Acquisition on Nil-Cost US Options in any way.

This letter and its appendices shall be governed by and construed in accordance with English law and any dispute arising in connection therewith, including non-contractual disputes, is subject to the jurisdiction of the courts of England.

## APPENDIX 2

### SUMMARY OF TAX TREATMENT OF NIL-COST US OPTIONS FOR US EMPLOYEES

*Set out below is a brief informational summary of the US federal income and employment tax consequences applicable to Nil-Cost US Options under current US law for employees who are resident for tax purposes and liable to tax solely in the US. This summary does not address US state, US local or non-US tax consequences or tax consequences for non-employees. If this does not apply to you, or you are in any doubt about your tax position you should immediately seek your own financial advice before taking any action.*

*The below does not constitute legal or tax advice and does not purport to be a complete analysis of all relevant tax considerations relating to the Scheme and your Nil-Cost US Options.*

*This discussion below is based on the Company's understanding of how the US Internal Revenue Service ("IRS") would characterize the Scheme for purposes of US federal income and employment tax purposes. This characterization is not binding on the IRS or any court. This summary is not intended to advise you on your personal US tax obligations. You should consult with a professional tax advisor to discuss your personal tax situation.*

#### **On exercise of your Nil-Cost US Options**

You will be subject to US federal income tax and FICA (social security and Medicare) taxes at the time your Nil-Cost US Options are exercised on the difference between the market value of the Ergomed Shares you acquire on the date of exercise (i.e. the Cash Offer) and the exercise price you pay to acquire the Ergomed Shares.

The Cash Offer paid to you will constitute wages (as defined in Sections 3121 and 3401 of the US Internal Revenue Code) when it is paid to you. The applicable taxes will be withheld from the amount otherwise payable to you by the Company. The Cash Offer and applicable taxes will be reported on your Form W-2 for the year of exercise.