



ERGOMED plc

Preliminary Results 2020
23 March 2021

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Presenters

Dr Miroslav Reljanović

Executive Chairman

Richard Barfield

Chief Financial Officer

OUR VISION

Global specialised leadership
in Orphan Drug Development,
Oncology and Patient Safety



At a Glance - Global Platform

Full service specialist

16

offices
worldwide

£86.4m

2020 total revenue
up 26.5%

20%+

revenue CAGR
last six years

>100

countries
supported by
our products

82%

US revenue growth
in 2020

1,150

employees and
300+ contract
staff

125k+

clinical patients
enrolled

250k+

pharmacovigilance
case versions
processed pa

>60

countries with
active trials

Our geographic reach



North America

- 4 offices strategically placed in Boston, Houston and North Carolina (x2), that employ over 200 people
- Ergomed USA revenue growth 2020: 82%



Europe

- Robust infrastructure throughout Europe
- Comprehensive network of PV and CRO specialists with in-depth knowledge of EU and country specific regulatory requirements



MENA

- Ergomed is one of the few CRO companies that offers clients access to patients in the Middle East and North Africa region



Asia-Pacific

- The Asia-Pacific region is one of the fastest growing regions in the CRO industry
- Ergomed works with partners throughout Asia-Pacific

Market Update

Ergomed focused on high growth sectors

Global CRO market

\$42.3bn

6.6% p.a. growth (2020 - 2026)

ERGOMED

target markets in
high growth areas

Oncology

\$15.6bn

↑ 9.2% p.a. growth (2020 - 2026)

Rare disease (non-oncology)

\$5.6bn

↑ 10.8% p.a. growth (2020 - 2026)

Pharmacovigilance

\$5.1bn

↑ 15.8% p.a. growth (2020 - 2026)

USA focus

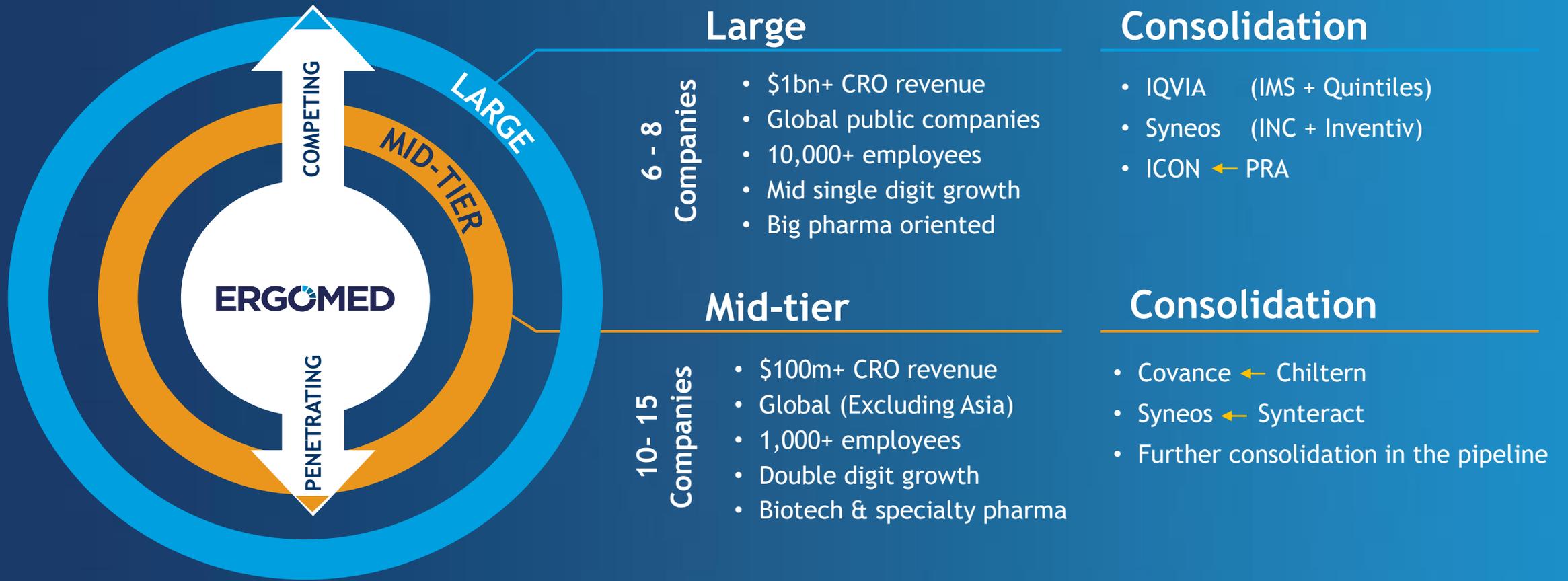
> 50%

Clinical trials need US presence

Sources: GrandView Research, clinicaltrials.gov, GM Insights, Global Genes

Market Opportunity

Competition and consolidation



Ergomed is a competitive mid-tier CRO well positioned for consolidation

2020 Headlines

Continuing growth through challenging times

Service Fee Revenue

32%

North America Revenue Growth

82%

Adjusted EBITDA

55%

Employees

35%

1 Jan 2020	850
Ashfield PV	+ 65
MedSource	+ 110
Organic	+ 125
31 December 2020	>1,150

2020 Highlights

Resilience and continued momentum

- Excellent financial performance in 2020
- Strategic transition
 - Transition to services business model completed
 - Resilient response to COVID-19 pandemic
 - Successful acquisition and integration of Ashfield PV and MedSource
- Starting 2021 with solid and robust financial base for future growth

2020 Income Statement

Excellent financial performance

(£ millions, unless stated)	2020	2019
Total Revenue	86.4	68.3
Gross Profit	39.7	29.5
<i>Gross Margin</i>	<i>45.9%</i>	<i>43.3%</i>
Adjusted EBITDA	19.4	12.5
Net Cash at 31 December	19.0	14.3
Order book at 31 December	193.0	124.1
Retained Earnings (consolidated)	45.4	(5.5)
Basic adjusted earnings per share (pence)	25.8p	19.9p

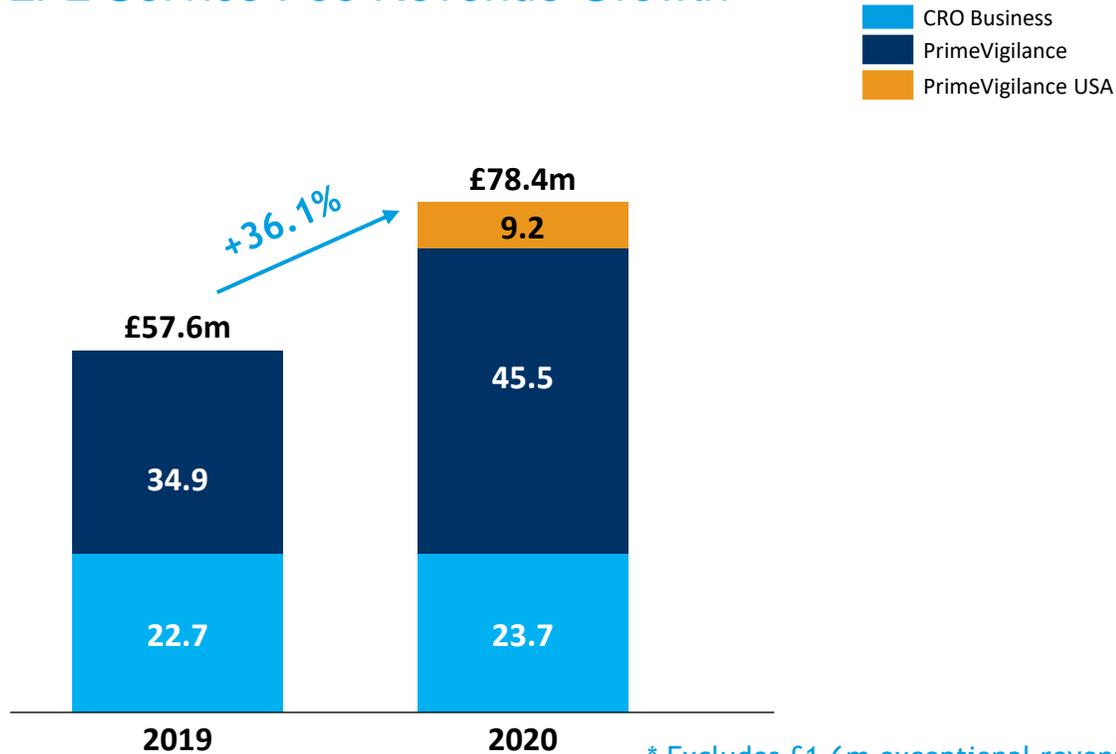
Transition to services model concluded

- Revenue up 26.5%
 - Service Fee revenue up 32.4%
 - Like-for-like Service Fee revenue growth 19.1%
- Gross profit up 34.6% / Gross Margin % up 2.6 ppts
- Adjusted EBITDA up 55.2%
- Cash up £4.7m after £12.0m net outflows on acquisitions
- Order book of contracted future revenue up 55.5%
- Retained Earnings increased due to capital reduction and profits
- Basic adjusted eps up 29.6%

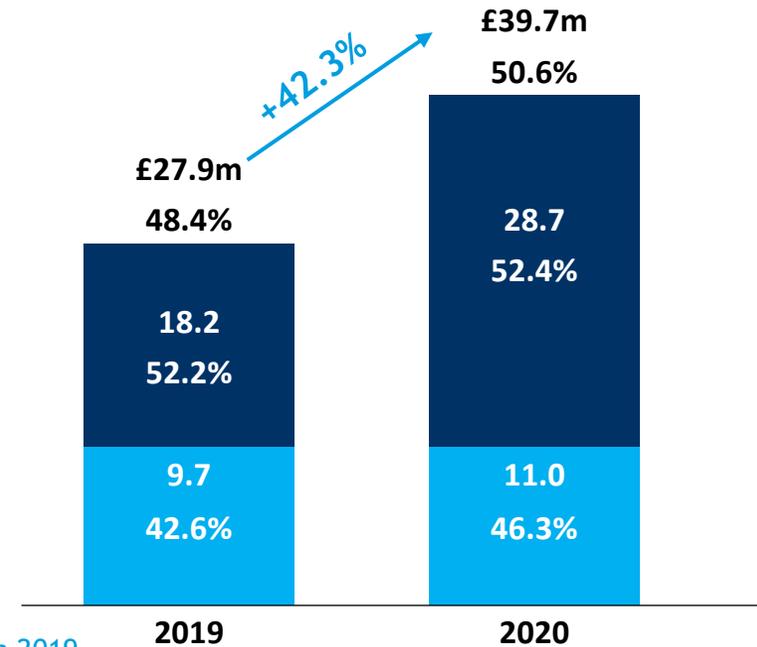
Focus on Services Business Model

Strong service fee revenue and gross margin

LFL Service Fee Revenue Growth*



LFL Service Fee Gross Margin*

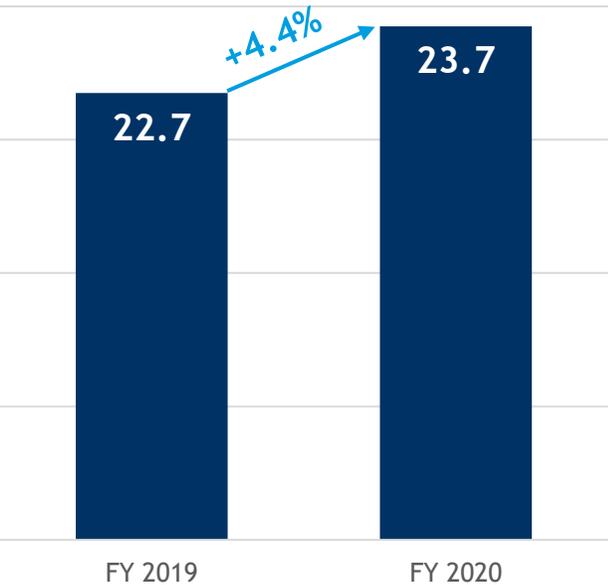


* Excludes £1.6m exceptional revenues in 2019

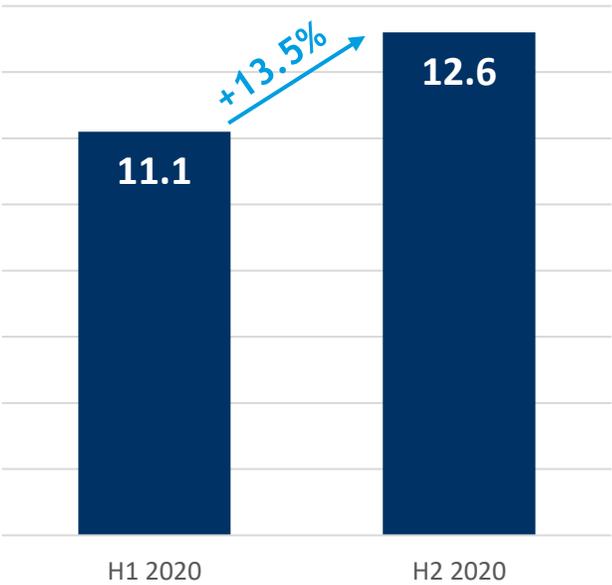
CRO Returns to Growth

LFL Service Fee Revenue

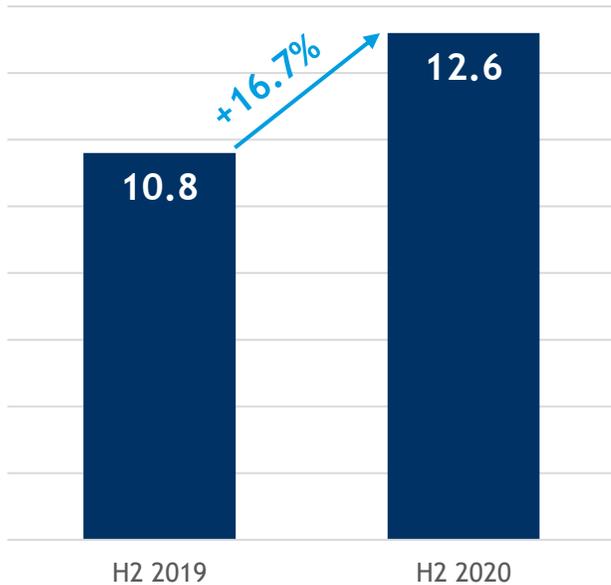
Annual Service Fee Growth



H2 2020 over H1 2020 Service Fee Growth



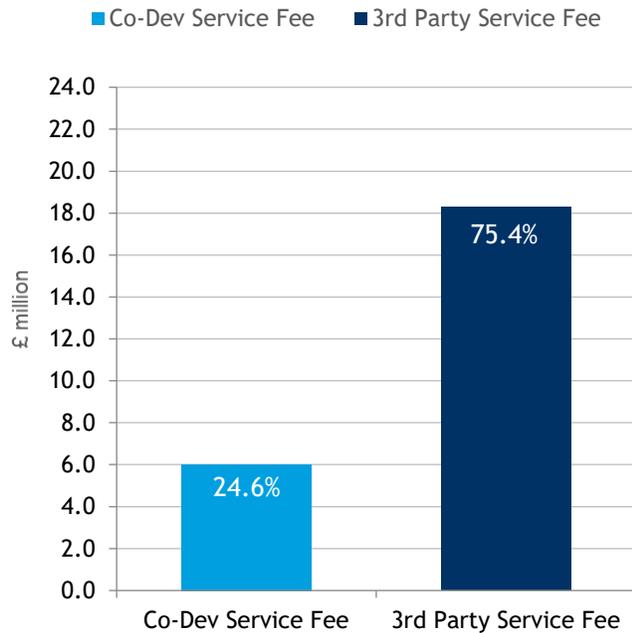
H2 2020 over H2 2019 Service Fee Growth



Strategic Transition to Full Service revenue

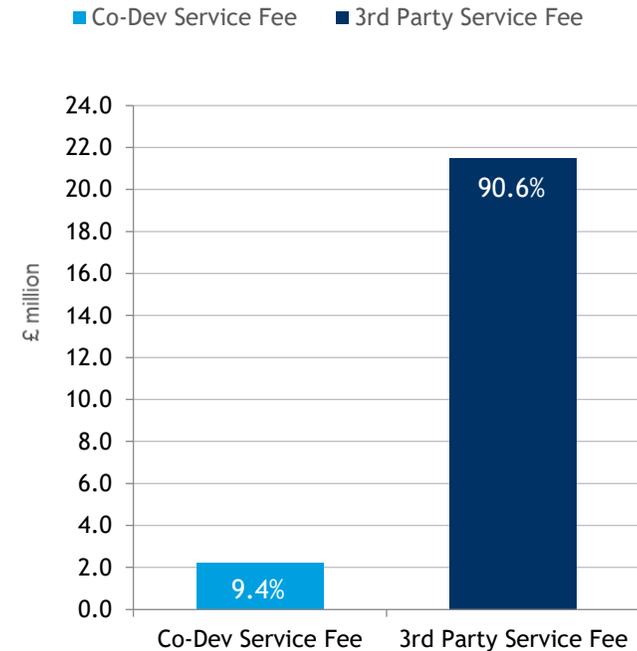
3rd party Service Fees up 17% 2019 to 2020

2019 CRO Service Fee Revenue



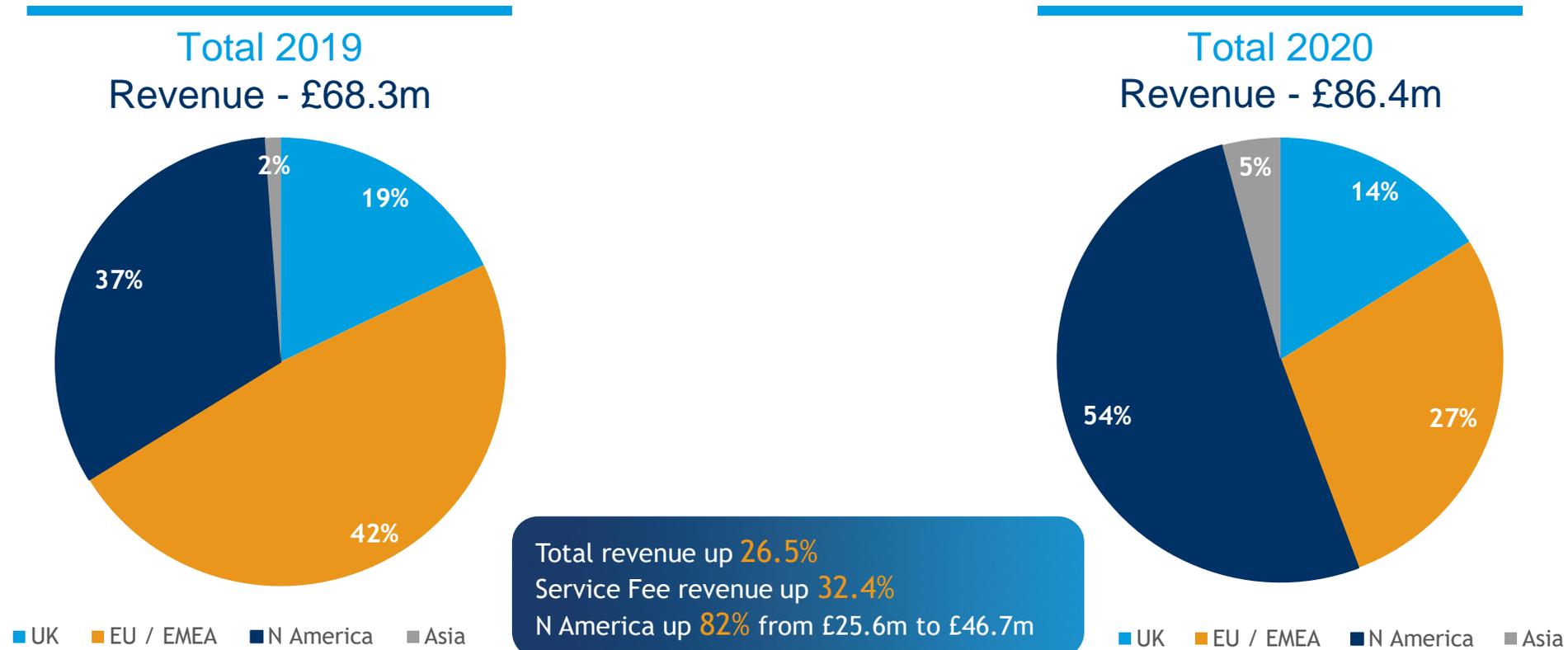
3rd party Service Fees
up 17% to £21.5m
Co-development Service Fees
down 63% to £2.2m

2020 CRO Service Fee Revenue



Geographic Analysis of Revenue by Client Location

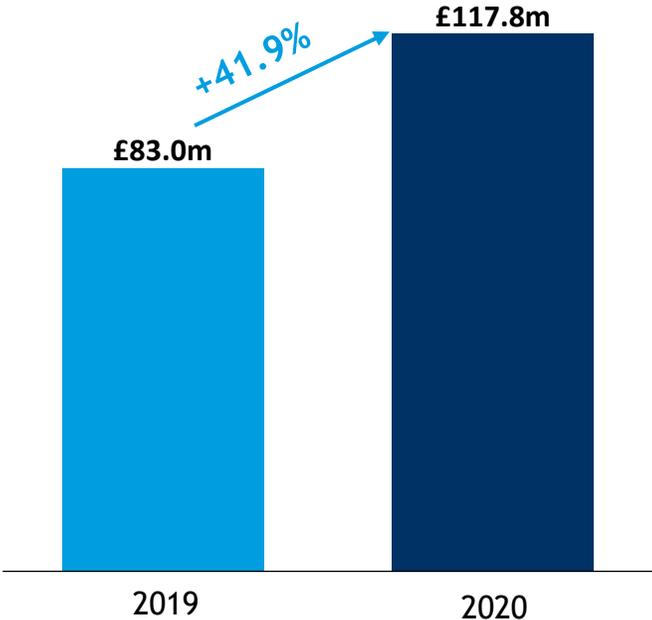
Significant client growth in North America



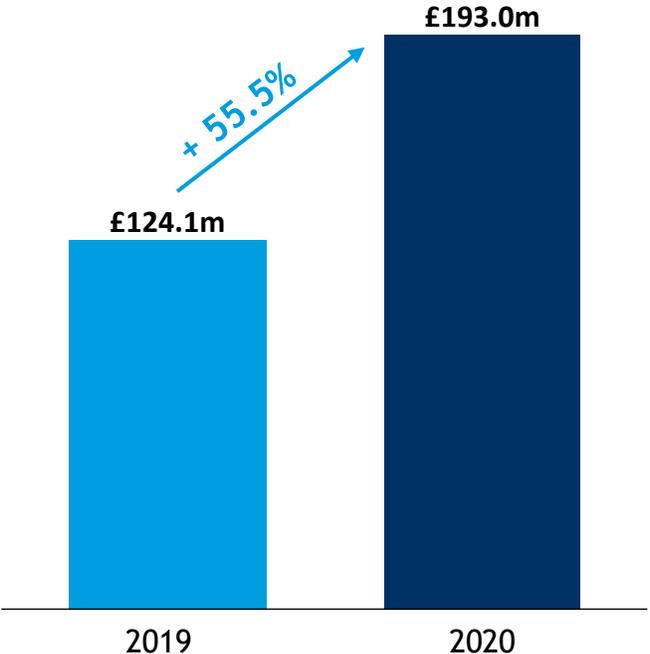
Sales and Order Book

2020 sales and order book underpin forward visibility

Sales New Awards Growth

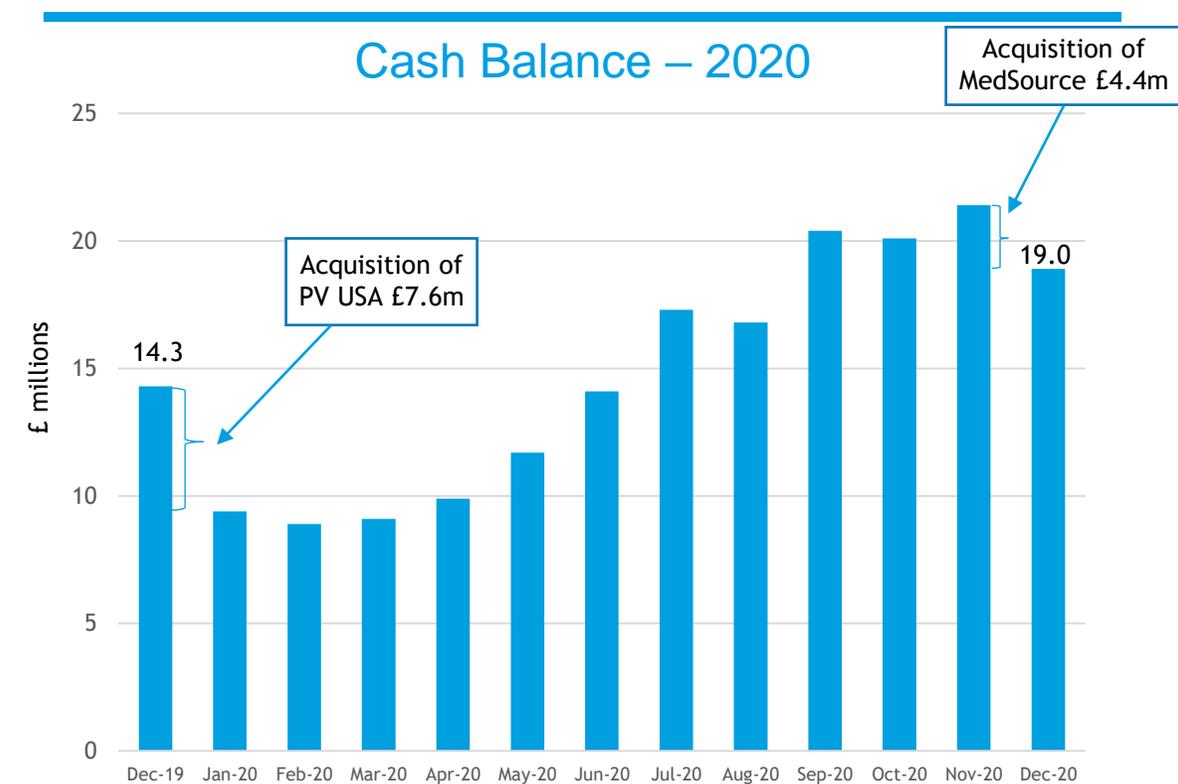
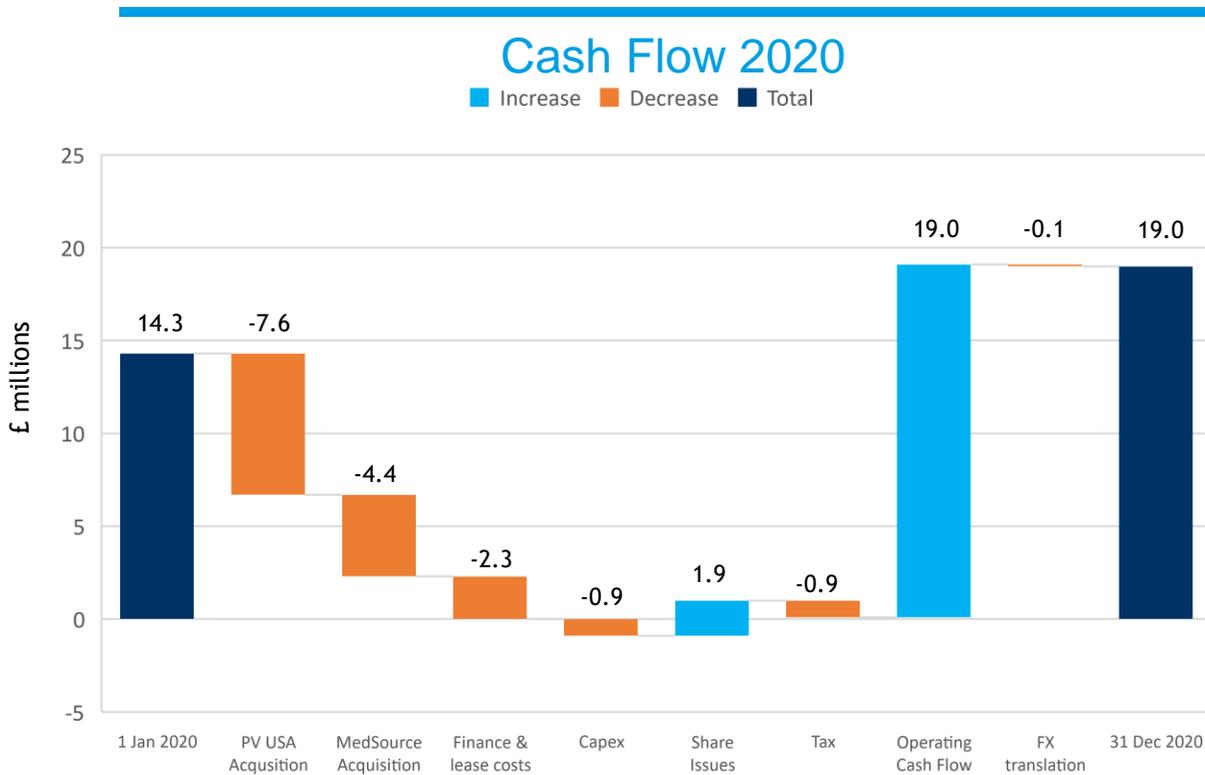


Contracted Order Book Growth

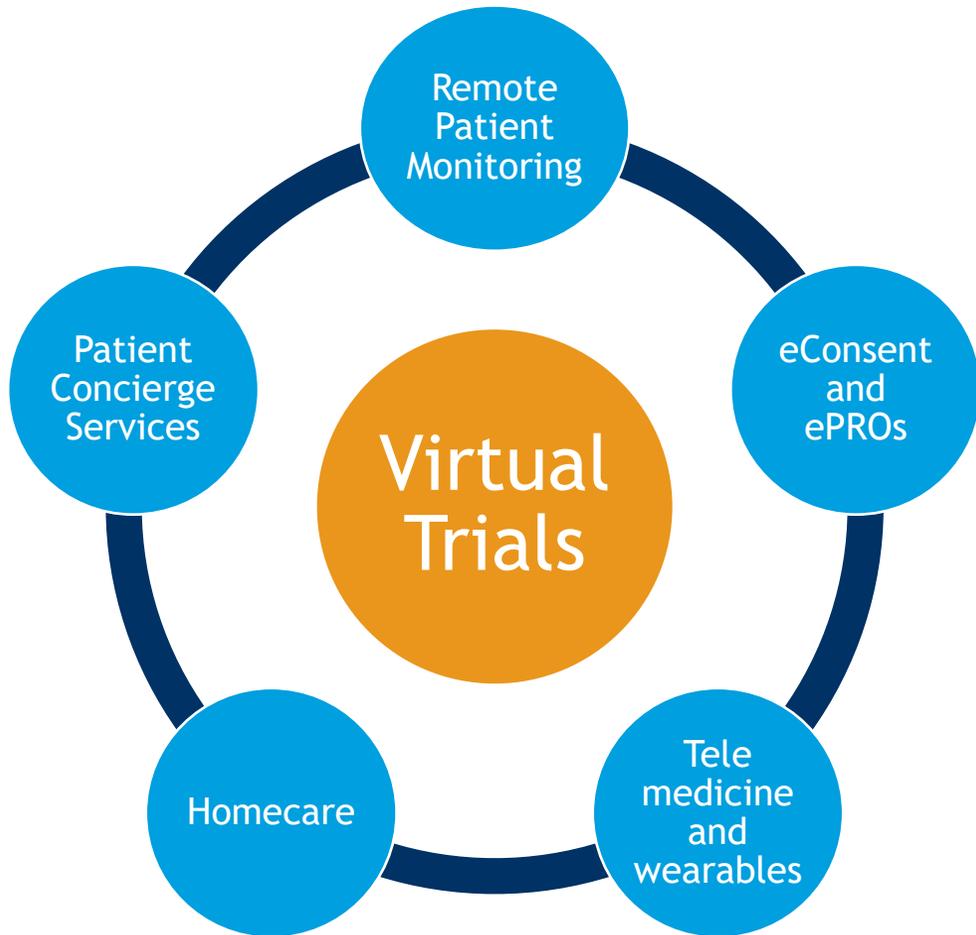


Cash Flow

Strong operating cash flow funds PrimeVigilance USA and MedSource acquisitions



COVID-19 Accelerates Technology Adoption



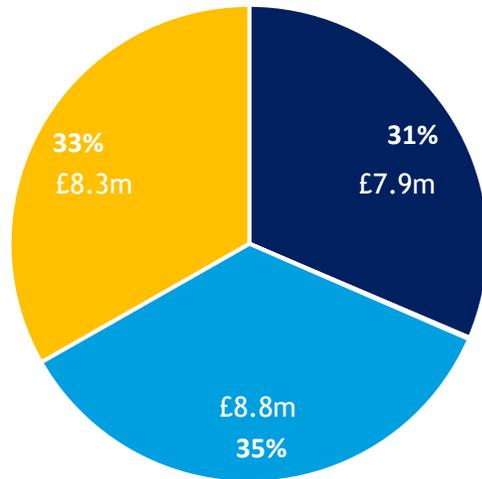
Our approach

- Regulators accepting a wider uptake of decentralized/virtual trials
- Robust solutions for Remote Patient Monitoring includes risk-based monitoring, remote data verification to ensure patient safety and data quality at all times
- Tailored data capture, using a combination of site- and patient-entered data, including eConsent, ePROs and wearable devices
- Site Management Model supporting decentralized and virtual trial models
- Efficient utilization of Patient Concierge and Homecare services for an enhanced patient recruitment and retention

CRO Therapeutic Area Focus

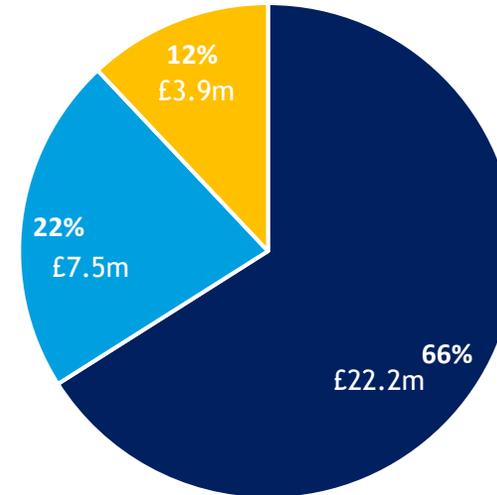
Oncology & Rare Disease Focus

2019 Oncology & Rare Focus –
New Business



■ Oncology ■ Rare ■ Other

2020 Oncology & Rare Focus –
New Business



■ Oncology ■ Rare ■ Other

MedSource

A key strategic acquisition

- Acquisition closed on 11 December 2020
- Complementary specialism in oncology and rare disease
- Over 200 oncology trials executed in the US over 20 years across all trial phases (I-IV)
- Expanded US presence in the CRO sector & grows Ergomed's CRO business by 70%
- Significantly increases Ergomed's customer base and order book
- Strong combined presence for Ergomed in North America, following the acquisition of Ashfield Pharmacovigilance (now PrimeVigilance USA)
- Added strong new operational leadership for North America business
- Integration to be completed throughout 2021 with Commercial integration completed



MedSource acquisition by numbers

Revenue (Mkt Exp to 31 December 2021)

\$30.0m

EBITDA (Mkt Exp to 31 December 2021)

\$1.8m

Contracted future revenues
(order book) (as at 31 December 2020)

\$63.5m

New CRO clients / studies added

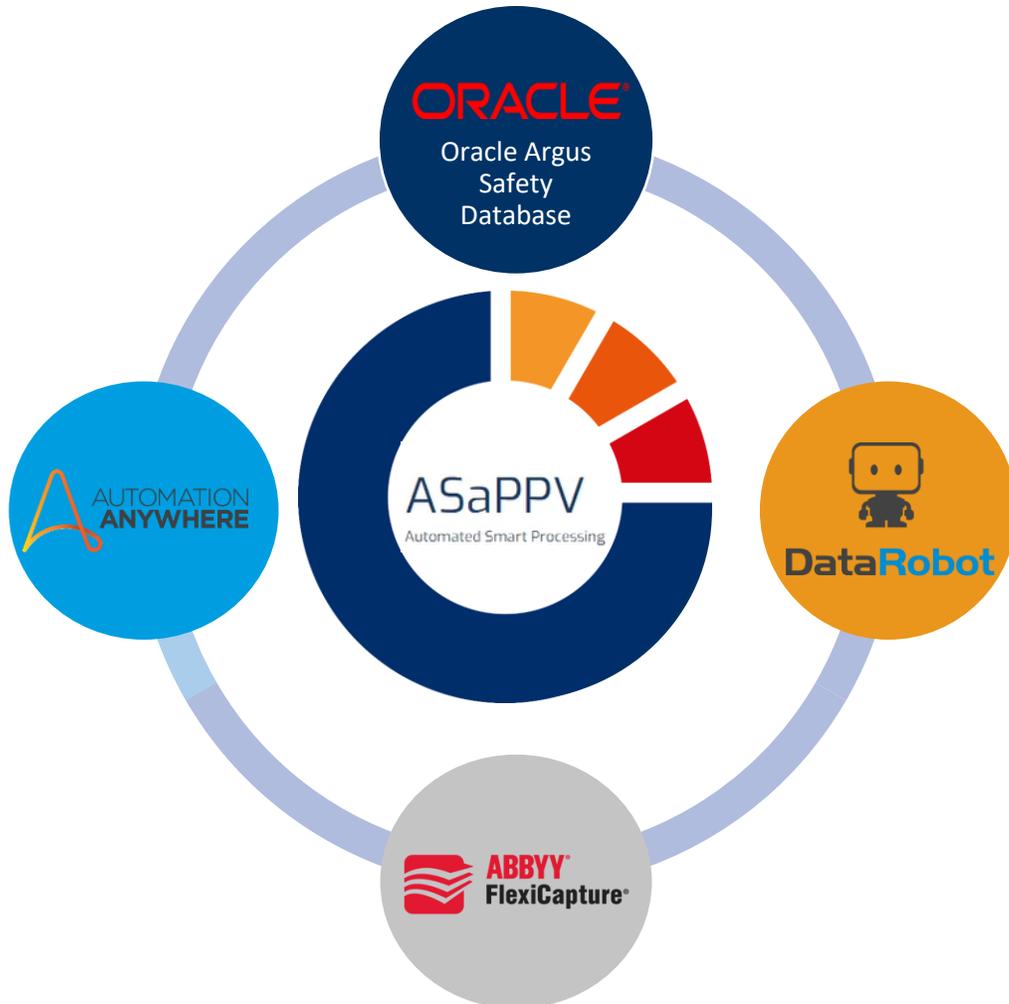
20+ clients / 40+ studies

Total consideration
(as announced by Ergomed on 14 December 2020)

\$16.2m cash / \$1.8m shares

PV Digital Transformation

Leveraging a portfolio of technologies to achieve state of the art PV Services



2020 Achievements

- Developed Automation Anywhere tool for the digitization of structured Adverse Event reports
- Continued development of the ASaPPV tool (Automated Smart Processing PV Platform) which automates case processing logistics
- Automated intake of over 40,000 reported Adverse Events

Next Target

- Consolidate several safety databases into Oracle ARGUS, and thereby unlock the built-in automation technology
- Deploy Automation Anywhere applications for large-scale case processing opportunities
- Continue to develop ASaPPV to service all case processing logistics
- Develop machine learning applications utilizing Data Robot

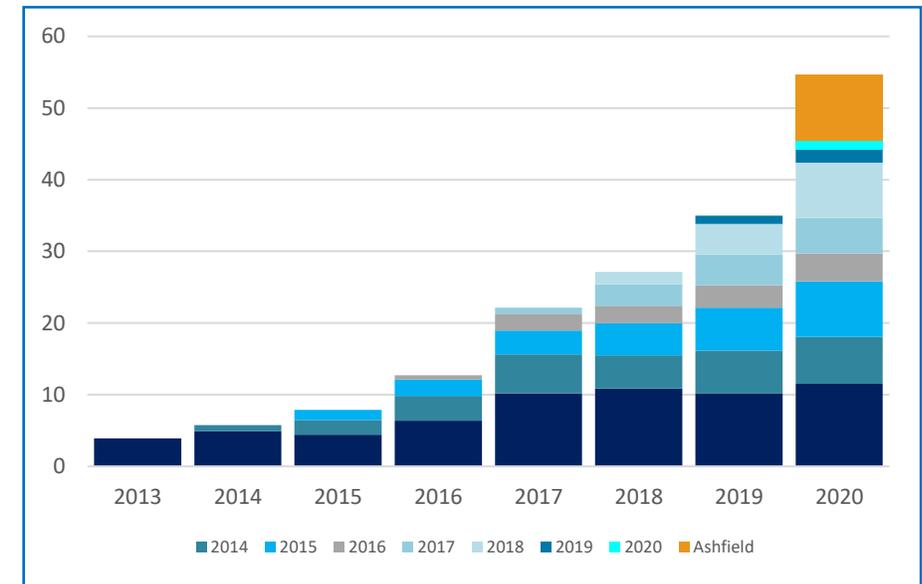
PrimeVigilance Resilience

Steady course held with continuing revenue growth through COVID-19

- Business Continuity Plan successfully executed
- Rapid and efficient transition of c. 700 staff to remote working
- Productivity increased with process improvement including automation as case volumes increased
- Significant new COVID-19 contracts added to volume and revenue

Excellent client retention

Revenues by customer cohort (£m)



PrimeVigilance USA Integration

Ashfield PV - acquired 10 January 2020

- ✓ Rebranded to PrimeVigilance USA Inc
- ✓ Operational integration complete
- ✓ Strong synergies from Management integration
- ✓ Ergomed Inc. registered office transferred to Cary, NC
- ✓ US presence drives substantial new awards & increased pipeline in PV and CRO

+£10.1m

Total 2020 Amount Contracted

+£17.5m

Total Pipeline Value 31 Dec 2020

Cross Selling Opportunities

CRO and PrimeVigilance

PrimeVigilance Sales to CRO Clients



CRO Sales to PrimeVigilance Clients



Summary

- Strategic focus in oncology and rare disease / orphan drugs and pharmacovigilance
- Focus on technology as a driver of future growth and differentiation in both CRO and PV

- Continued strong organic growth in revenues and profits
- Successful cross-selling between PV and CRO into enlarged customer base

ERGOMED

- Strategic acquisitions in key US market in CRO and PV
- Completed strategic transition from co-development strategy

- Demonstrated resilience and ability to contribute in COVID-19 crisis
- Robust basis for future organic and strategic M&A growth

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