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For immediate release

16 March 2017

## **Medica Group PLC**

### **Pricing of Initial Public Offering**

**Offer to raise gross proceeds of £121 million at 135 pence per Ordinary Share**

**Admission to the Official List and to trading on the Main Market of the London Stock Exchange**

Medica is the UK market leader by revenue in the provision of teleradiology services

Strong track record of double digit growth

Market capitalisation on listing £150 million

Medica Group PLC (LSE:MGP, "Medica" or the "Company" and, together with its subsidiary undertakings, the "Group"), the UK market leader by revenue in the provision of teleradiology services, is pleased to announce the successful pricing of its initial public offering (the "IPO") and the placing of 89,977,091 new and existing ordinary shares of 135 pence per ordinary share by Investec Bank plc ("Investec") (the "Offer"). The Company has applied for the admission of its ordinary shares ("Ordinary Shares" or "Shares") to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange plc. It is expected that unconditional dealings in the Ordinary Shares will commence at 8.00 a.m. on 21 March 2017.

Teleradiology is the electronic transmission of radiological patient images from one location to another for the purposes of diagnostic interpretation and reporting. Medica provides outsourced interpretation and reporting on MRI (Magnetic Resonance Imaging), CT (Computerised Tomography) and plain film (x-ray) images. The Company currently offers three primary services to hospital radiology departments: NightHawk, an out-of-hours service, routine cross-sectional (Routine CS) reporting on MRI and CT scans, and routine plain film (Routine PF) reporting on x-ray images.

**Commenting on today's announcement, John Graham, Chief Executive Officer of Medica, said:**

"We are delighted to have announced our IPO on the Main Market of the London Stock Exchange, marking an important next step in delivering on our growth plans. The listing provides an opportunity for Medica to extend its healthcare offering into new areas by leveraging the Company's key skill sets of high quality clinical governance and utilising technology to increase efficiency. Medica has a strong track record of delivering sustainable organic growth which has allowed us to invest heavily in building a scalable platform, positioning the business to continue to grow by introducing additional services to benefit our clients. Our business model is based on maintaining the highest clinical governance standards and a robust technical platform, which alongside the strong fundamentals in our sector, positions us well. Ultimately, our

differentiated service offering helps hospitals improve their efficiency and cope with ever-growing demands, leading to better patient outcomes.”

"We look forward to updating the market as we continue to grow and develop our high quality service in partnership with our customers."

#### Company highlights

- Medica is the largest teleradiology provider by revenue in the UK, contracting with the largest pool of consultant radiologists outside of the NHS.
- Medica has an experienced team that has delivered double digit growth, with revenues having grown by a CAGR of 27 per cent. between 2013 and 2015 and EBITDA by a CAGR of 20 per cent. over the same period. Over 90 per cent. of EBITDA was converted to operating cash flow in 2014 and 2015.
- Medica's management has invested to scale the business. The Group's IT and services platform gives it the scope to continue the growth in its existing service lines but also the ability to service different customer groups and to add new service lines.
- Medica has high quality repeat revenues. Over 77 per cent. of revenue in the financial year ended 31 December 2015 was derived from customers who had been with the Group for more than three years, with strong revenue growth even from customers who have been with the Group for over five years.

#### Offer Highlights

- The Offer Price has been set at 135 pence per Offer Share which equates to a market capitalisation of approximately £150 million on Admission.
- The Offer is expected to raise £121 million of gross proceeds, of which £15 million is for the Company and £106 is for Selling Shareholders. The Selling Shareholders comprise CBPE Nominees Limited and certain directors and senior management of the Company (the "Management Selling Shareholders").
- The £12.4 of net funds being raised by the Company will be used to partially repay debt to a level of approximately £10 million and to settle certain IPO costs.
- Following Admission:
  - CBPE Nominees Limited will hold approximately 11.1 per cent. of the issued ordinary share capital of the Company; and
  - The Management Selling Shareholders will hold approximately 7.9 percent. of the issued ordinary share capital of the Company.
- The Management Selling Shareholders and CPBE Nominees Limited have committed to 12 month and 6 month lock-up arrangements respectively with Investec as sponsor following Admission and to 12 month and 6 month orderly market arrangements respectively with Investec thereafter.
- On Admission, the Company will have 111,111,114 Ordinary Shares in issue.
- Admission and the commencement of unconditional dealings, are expected to take place at 8.00 am on 21 March 2017 under the TIDM "MGP", ISIN GB00BYV24996 and SEDOL number BYV2499.
- Subject to satisfying the necessary criteria, it is expected that the Company will be eligible for inclusion in the FTSE UK Index Series.
- In relation to Admission and the Offer, Investec is acting as the sole sponsor, bookrunner and broker.

Full details of the Offer will be included in the Prospectus, which will be published and available on the Group's website ([www.medicagroup.co.uk](http://www.medicagroup.co.uk)) later today. Unless otherwise defined herein, all capitalised terms used in this announcement shall have the meaning given to them in the Prospectus.

**For further information, please contact:**

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## **ADDITIONAL INFORMATION**

### ***Company Overview***

Medica is the UK market leader by revenue in the provision of teleradiology services.

Teleradiology is the electronic transmission of radiological patient images, including plain film x-rays (PF), Computerised Tomography (CT) scans and Magnetic Resonance Imaging (MRI) scans, from one location to another for the purposes of diagnostic interpretation and reporting. Through teleradiology, images can be transmitted from the hospital setting, where the images are created, to a radiologist who can review and report on the images remotely. In the case of Medica, these are Consultant Radiologists specialising in the relevant field, who typically report on the image from their own home or from one of Medica's dedicated reporting centres. Teleradiology improves patient care by enabling radiologists to provide their services remotely, thereby facilitating the rapid availability of trained specialists 24 hours a day, 365 days a year.

Medica has a bespoke IT platform that provides market-leading linkage between a hospital's Radiology Information System (RIS) and Consultant Radiologists who contract with Medica, comprising over 240 Medica Radiologists as at 31 December 2016 and representing the largest cohort of Consultant Radiologists in the UK outside the NHS. Through accessing this resource, Medica is able to provide reporting on more than 1.3 million examinations annually across its large and diversified customer base of more than half the 190 NHS Acute Trusts in England and Scotland (accounting for more than 100 NHS hospitals), and various private hospital groups and diagnostic imaging companies. Over 77 per cent. of Medica's revenue in the financial year ended 31 December 2015 was derived from customers who had been utilising Medica's services for at least three years.

Medica currently offers three primary services to hospital radiology departments: NightHawk, Routine cross-sectional (Routine CS) and Routine plain film (Routine PF).

NightHawk is an out of hours emergency reporting service which is focused on short turnaround times and represented approximately 48.1 per cent. of the Group's revenues in the financial year ended 31 December 2015. NightHawk typically provides reporting on CT scans.

Routine CS and Routine PF are both designed to assist hospital radiology departments in managing their demand / supply imbalance for less urgent daytime reporting, as well as access to expertise in particular sub-specialisms. Routine CS covers a combination of CT and MRI scans (both forms of cross-sectional scan) while Routine PF covers plain film images and both services typically have a 48 hour turnaround time. Routine CS accounted for approximately 33 per cent. of the Group's revenues in the financial year ended 31 December 2015 and Routine PF accounted for approximately 16 per cent. of the Group's revenues in the financial year ended 31 December 2015.

Across all three of its services, Medica offers hospital radiology departments, amongst other benefits, the ability to manage their workflow more efficiently and flexibly and provides rapid access to specialist Consultant Radiologists, which may not be available to that hospital at the relevant time or at all. Medica's pool of Medica Radiologists provides clients with access to Consultant Radiologists who the Directors believe are able to operate with equivalence to radiologists operating in an NHS setting.

The radiology market, in which the NHS is the largest participant both in terms of diagnostic imaging and image reporting, has been growing for a number of years, primarily through the increased growth in cross-sectional scans (CT, MRI), as technical advances in the quality of imaging have meant that more conditions are suitable for diagnostic reporting and there has also been a clear move in the healthcare sector more generally towards earlier diagnosis and preventative care. In contrast, hospitals have been unable to add sufficient specialist Consultant Radiologist capacity, particularly in certain areas within the UK. The national shortage of Consultant Radiologist capacity to meet rising demand, which can be exacerbated at a local level, gives rise to the need to use existing capacity within the market more efficiently and Teleradiology is a key element in achieving this objective.

Medica is currently majority-owned by CBPE, which led a management buyout of Medica from Nuffield Health in 2013. The Group has grown strongly for a number of years, driven by a combination of underlying growth in the number of examinations undertaken as well as an increasing level of outsourcing by its customers. Between 2013 and 2015, Medica grew its annual revenues at a compound rate of 27 per cent. and EBITDA at a compound rate of 20 per cent. In the nine month period to 30 September 2016, revenues and EBITDA were ahead of the same period in 2015 by 29 per cent. and 37 per cent., respectively.

The benefits of scale from being the largest Teleradiology provider by revenue in the UK delivers clear benefits for hospitals (and therefore patients) and Consultant Radiologists. Medica has sought to maintain its market leadership through a combination of continual innovation and improvements to its IT interface with customers, providing a high quality clinical service, wrapped within a strong clinical governance structure and offering Consultant Radiologists the best opportunities and framework in which to provide their service. The market-leading quality of its service offering has been a key factor for the Group in maintaining its EBITDA margins.

### **Key Strengths**

- **Largest scale Teleradiology provider.** The Group contracts with the largest pool of Consultant Radiologists outside of the NHS, enabling the Group to provide increased capacity for its customers and a breadth of specialisms that an individual customer may not be able to employ.
- **Strong clinical governance.** The Group has established a highly experienced clinical governance function. The quality of its own internal clinical oversight has led to some customers approaching the Group to audit their own internal radiology departments.
- **Experienced team.** The senior management team has been with the business for an average of more than five years and includes a previous president of the British Institute of Radiology.
- **Robust technical platform.** The Group has invested in its bespoke IT platform to provide a robust and secure connection with its customers that can deliver a simple and quick service with enhanced functionality, ultimately improving patient outcomes, and providing a bespoke linkage between the Group's customers and Medica Radiologists.
- **Scalable platform.** The Group's IT and services platform gives it the scope to continue the growth in its existing service lines but also the ability to service different customer groups and to add new service lines.
- **Strong financial performance.** The Group has grown its revenues by a CAGR of 27 per cent. between 2013 and 2015 and EBITDA CAGR of 20 per cent. over the same period. For the nine months ended 30 September 2016, revenues increased by 29 per cent. and EBITDA increased by 37 per cent. compared to the same period in 2015.
- **Cash generation.** The Group is highly cash generative, with operating cash conversion (defined as cash generated from operations before capital expenditure and tax) of more than 90 per cent. of EBITDA for the twelve months ended 31 December 2014 and 2015.
- **High levels of repeat revenues.** Over 77 per cent. of revenue in the financial year ended 31 December 2015 was derived from customers who had been with the Group for more than three years, with strong revenue growth even from customers who have been with the Group for over five years.

### **Strategy**

The Directors have to date focused on building a platform that can deliver a high quality Teleradiology service to the Group's core customer base of NHS hospitals, centred on its NightHawk and Routine offerings.

The Group's core strategy is to continue to grow its business by adding additional Medica Radiologist capacity, maintaining the highest clinical standards and continuing to win new work for its existing service lines. Having invested in the Group's IT and services platform, both in terms of the technical and clinical aspects and the ongoing recruitment of Medica Radiologists, the Directors believe that the business can continue to grow strongly within its existing service lines, including the Radiographer Reporting service, as well as some of the speciality services that have recently been launched, such as mammography and DXA, a scan often used in diagnosing osteoporosis.

In addition, the Directors believe that there are a number of growth opportunities that the Group can pursue, many of which are a logical extension of its existing platform and feature in the Director's current business plan. The Directors consider these opportunities as follows:

- **Expansion into new reporting lines.** There are a number of diagnostic reporting services such as PET CT and cardiology which the Group currently does not undertake but which the platform is enabled to do and which could be provided to existing and new customers. Once these services have been piloted with a small group of customers and patients, in order to be in a strong position to commence operational roll-out, the Group will first look to invest in recruiting the right clinical lead to provide internal expertise, in line with its strategy of providing a high quality, clinician-led service.
- **Non-NHS.** Currently substantially all of the Group's revenues are derived from NHS Trusts. However, there are opportunities to grow further revenue with the private hospital groups and independent diagnostic imaging companies, utilising capacity within the Group as its Medica Radiologist base continues to grow.
- **Clinical audit.** As described above, the Group has a strong clinical governance structure, including an internal audit function focussed on maintaining the high clinical standard and service standards of Medica Radiologists. Having been approached by customers to audit their own in-house radiology departments, there is a clear opportunity to market this service to existing and new clients.
- **Radiographer reporting.** Medica has already launched its Radiographer Reporting service which utilises highly skilled and qualified radiographers to conduct PF reporting. Although a relatively recently launched service, the Directors believe that the Group is well-positioned to benefit from the growth opportunity arising from Radiographer Reporting, underpinned by the Group's reputation for clinical excellence. The Group launched this service in August 2016 and has received strong interest from a number of existing clients.

Beyond the opportunities listed above, there are other areas of growth that the Directors believe Medica would be well-placed to take advantage of, but are considered longer-term opportunities and would likely require additional expertise to augment that already in place and, in some circumstances, may be better achieved through acquisition. These opportunities would include reporting on the output from clinical trials, telepathology and international expansion of the Group's existing Teleradiology service.

### **Market Overview**

The UK radiology market can be broken down into two main categories: the entities that undertake diagnostic imaging itself and those entities that undertake reporting on the diagnostic images arising (whether or not they have undertaken the imaging). In both cases, the most significant market player is the NHS.

The overall market by number of examinations is growing, with cross-sectional CT and MRI scans growing significantly faster than PF examinations. The volume of PF examinations is much greater than cross-sectional scans; however between April 2003 and March 2014, CT image examinations grew at a compound annual growth rate of 10.1 per cent. and MRI at a compound annual growth rate of 12.3 per cent., while PF examinations grew at a compound annual growth rate of 1.4 per cent. The Royal College of Radiologists has forecast for England that CT scans will continue to grow at a compound annual growth rate of 10.1 per cent. between April 2014 and March 2023 and that MRI scans will continue to grow at a compound annual growth rate of 12.3 per cent. over the same period; PF examinations are projected to grow at a compound annual growth rate of 1.4 per cent. between April 2014 and March 2023 (in each case, according to "Information submitted to Health Education England workforce planning and education commissioning round – 2015/16" – RCR, 2016).

A combination of increased demand for reporting driven by the growth in the number of scans prescribed and undertaken and a shortfall in the supply of radiologists to meet that demand, means that Teleradiology solutions such as those offered by the Group, that provide a much more efficient means of reporting, are increasingly in demand.

### **Financial Highlights**

<b>Year end 31 December (£m)</b>	<b>FY13 (a)</b>	<b>FY14 (a)</b>	<b>FY15 (a)</b>
Revenue	13.8	17.9	22.2
Gross Profit	7.6	9.1	11.3

<i>margin %</i>	55.2%	51.0%	50.7%
EBITDA	4.7	5.5	6.8
<i>margin %</i>	34.1%	30.5%	30.6%
Adjusted Operating Profit	4.2	4.9	5.9
<i>margin %</i>	30.1%	27.2%	26.6%

Source:

1. 2014 – 2015 audited under IFRS. 2013 is a sum of 8 months audited under IFRS and 4 months unaudited management information.
2. EBITDA is a non-IFRS measure and is calculated as operating profit before depreciation, amortisation, exceptional items (including certain exceptional costs relating to refinancing) and amortisation in respect of assets acquired on acquisition.
3. Adjusted operating profit is a non-IFRS measure and is calculated as operating profit before exceptional items (including certain exceptional costs relating to refinancing) and amortisation in respect of assets acquired on acquisition.

### **Use of Proceeds**

The Company will receive approximately £12.4 million of net proceeds from the Offer (after deducting placing commissions, other estimated offering-related fees and other related expenses incurred by the Group of approximately £2.6 million).

The net proceeds to the Company from the Offer, being approximately £12.4 million, will be used to fund the repayment of the £6.9 million of outstanding loan notes held by CBPE as at the repayment date and the balance to pay down £5.4 million of the Group's £20.6 million outstanding indebtedness as at 31 December 2016 under the Group's existing term loan and revolving credit facilities, which the Directors believe will result in an appropriate level of gearing going forward given the size of the Group and the Company's status as a listed company. It is expected that, on Admission, the Group will have net debt of approximately £10 million.

The Company will not receive any of the proceeds from the sale of Existing Shares by the Selling Shareholders.

### **Dividend Policy**

The Board intends to adopt a progressive dividend policy for the Company from Admission which will seek to maximise shareholder value and reflect its strong earnings potential and cash flow characteristics, while allowing it to retain sufficient capital to fund ongoing operating requirements and to invest in the Group's long term growth. The Board intends to pay the dividend in an approximate one-third (interim dividend) and two-thirds (final dividend) split and expects the Company's first dividend as a listed company to be an interim dividend for the period ended 30 June 2017.

The ability of the Company to pay dividends is dependent on a number of factors and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be.

### **Current outlook and prospects**

For the nine months ended 30 September 2016, Medica generated revenues of £21.0 million, EBITDA of £6.9 million and adjusted operating profit of £6.0 million. For the final quarter of 2016, the Group traded in line with the Directors' expectations. Total examination volumes for full year 2016 were 1,354,578, breaking down into 177,373 scans for NightHawk, 365,794 scans for Routine CS and 795,489 images for Routine PF, being 32.6 per cent., 48.7 per cent., and 3.4 per cent. respectively higher than the previous year. The balance of 15,922 examinations represents other reporting services (for example, to the independent sector).

The new financial year has begun well with Medica securing a number of new client contracts that are expected to commence in the coming weeks and months and a healthy pipeline of prospects. The pipeline for recruiting Radiologists in the new financial year also continues to be strong.

### **Board of Directors**

*Gordon Roy Davis (Independent Chairman)*

Roy Davis is the Company's chairman. Roy served as the chief executive officer of Optos plc, a leading ophthalmology medical device business, from 2008 until June 2016 when he stepped down following that

company's acquisition by Nikon. Before joining Optos, he served from 2007 as chief executive officer of Gyrus Group plc, a leading medical device company, prior to its acquisition by the Olympus Corporation of Japan in 2008, having previously served as Chief Operating Officer of Gyrus from 2003. Prior to this, Mr Davis was CEO of NTERA, a nanotechnology company, and spent almost ten years with Arthur D Little, the global management consulting company, where he was Vice President and Global Head of its operations management business. Roy has also held senior positions with Tricom, Reuters and Molex. Mr Davis holds a mechanical engineering degree from the University of Southampton and an MBA from the London Business School.

*John Michael Graham (Chief Executive Officer)*

John Graham joined Medica as Chief Executive in July 2011. John brings a wealth of experience from his previous healthcare role as Managing Director of Allied Respiratory, a subsidiary of Allied Healthcare group where he turned a loss making business into a successful company before leading the sale of Allied Respiratory to Air Liquide. He subsequently remained with Air Liquide, managing the stand alone Allied Respiratory business and then leading the integration of their UK acquisitions.

Prior to his time with Allied Respiratory, John held various chief executive and senior operational positions on boards of both public and private companies in sectors including consumer products, manufacturing and distribution.

*Anthony (Tony) Leonard Lee (Chief Financial Officer)*

Tony Lee joined Medica in 2009 and became Finance Director and Company Secretary in 2013. Prior to joining the Group, Mr Lee was an accounts manager at Sellens French Chartered Accountants where he worked for nine years. Tony is an FCCA and has a Politics degree from Lancaster University.

*Dr Stephen Griffith Davies MA, FRCP, FRCR (Medical Director and Responsible Officer)*

Stephen joined Medica in May 2013 as Medical Director. He has responsibility for Clinical Governance and oversight of the Clinical Strategy and is the Group's Responsible Officer under the GMC Designated Body Scheme.

Stephen is an NHS Consultant Radiologist at Cwm Taf University Health Board from 1991 until 2016. Stephen undertook pre-clinical studies at Cambridge and his clinical studies at The Royal London Hospital. He is a past President of both the British Institute of Radiology and the UK Radiology Congress. In October 2015, Stephen was awarded the Distinguished Service Medal by The British Institute of Radiology. Stephen has had Educational Leadership positions as Associate Dean in the University of Wales and with the Royal College of Radiologists.

*Stephen (Steve) Lee Whittern (Senior Independent Non-Executive Director)*

Steve currently serves as Finance Director of Dignity plc, the FTSE 250 provider of funeral-related services. He joined Dignity in 1999 from KPMG and was appointed Finance Director at the beginning of 2009, having spent the previous two years as Financial Controller, being responsible for the Group's finance function. During his time with Dignity, Steve has led various leveraged refinancings and returns of capital as well as managing the debt and equity funding for a £58 million acquisition in 2013. Steve is an FCA and holds a mathematics degree from Warwick University.

*Professor Michael (Mike) Bewick (Independent Non-Executive Director)*

Having started his career in hospital medicine (specialising in oncology), Mike became a General Practitioner in 1989 and was a partner in a local GP practice in Cumbria for 20 years until 2009. Alongside his general practice, Mike developed an interest in education and assessment and became a senior examiner and Chair of Assessment at the Royal College of General Practitioners. In 2008, he was recruited to be the Medical Director for the Cumbria Primary Care Trust, subsequently serving as Regional Managing Director for NHS England and in 2013 Mike became the national Deputy Medical Director for NHS England, reporting to Sir Bruce Keogh. Mike took early retirement from the NHS in 2015. Mike undertook his pre-clinical and clinical studies at St Mary's Hospital Medical School, London.

*Anand Jain (Non-Executive Director)*

Anand is a partner in CBPE Capital and a member of its investment committee. Since joining CBPE Capital in 2007, Anand has been involved in numerous investments, but has a particular focus on businesses in the healthcare and pharmaceutical sector. Prior to joining CBPE Capital, Anand qualified as a chartered accountant with Arthur Andersen in 2000, thereafter spending seven years in the Corporate Finance department of Arthur Andersen and then Deloitte. Anand has a degree in Mathematics from the University of Nottingham.

### Expected Timetable of Principal Events

<i>Event</i>	<i>Time and date</i>
Admission and commencement of dealings in the Shares on the	8.00 a.m. on 21 March 2017
CREST accounts credited in respect of uncertificated Shares	21 March 2017
Share certificates in respect of certificated Shares despatched	by 4 April 2017

### Offer Statistics

Offer Price (per Share)	135 pence
Number of Shares subject to the Offer	89,977,091
- to be sold by the Selling Shareholders (the Existing Shares)	78,865,979
- to be issued by the Company (the New Shares)	11,111,112
Percentage of the Existing Shares subject to the Offer <sup>1</sup>	78.9 per cent.
Number of Shares in issue immediately following Admission	111,111,114
Expected market capitalisation of the Company at the Offer Price	approximately £150 million
Estimated net proceeds of the Offer receivable by the Company	approximately £12.4 million
Estimated gross proceeds of the Offer receivable by the Selling Shareholders	approximately £106 million

(1) Excludes Shares to be transferred by CBPE Nominees Limited to the EBT at the Offer Price in order to satisfy the grant of awards under the All Employee IPO Award under the Performance Share Plan. To the extent that IPO Awards are granted prior to Admission, Existing Shares held by CBPE will be transferred to the trustee of the EBT and will be used to satisfy such IPO Awards. The All Employee IPO Award is capped such that the total awards thereunder may not exceed an amount of Shares representing £2 million in aggregate at the Offer Price, equating to 1,481,481 Shares.

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This announcement is directed only at persons whose ordinary activities involve them in acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of their business and who have professional experience in matters relating to investments and are: (i) if in a member state of the European Economic Area ("**EEA**"), Qualified Investors as defined in article 2.1(e) of Directive 2003/71/EC as amended, including by the 2010 Prospectus Directive amending Directive (Directive 2010/73/EC) and to the extent implemented in the relevant member state (the "**Prospectus Directive**"); (ii) if in the United Kingdom, are Qualified Investors and (a) fall within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (b) are persons who fall within article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order (all such persons together being referred to as "**Relevant Persons**").

This announcement must not be acted on or relied on by persons who are not Relevant Persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This announcement does not itself constitute an offer for sale or subscription of any securities in Medica Group plc.

The Ordinary Shares referred to in this Announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Ordinary Shares have not been and will not be approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offer or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

Any subscription for or purchase of Ordinary Shares in the proposed Offer should be made solely on the basis of the information contained in the Prospectus to be published by the Company in connection with the Offer and Admission. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed for any purposes whatsoever on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. However, the Company does not undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Offer or any transaction or arrangement referred to in this announcement. This announcement has not been approved by any competent regulatory authority.

In connection with the Offer, Investec and any of its affiliates, acting as investors for their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in the Prospectus, once published, to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt in should be read as including any offer to, or subscription, acquisition, placing or dealing by Investec and any of its affiliates acting as investors for their own accounts. In addition, Investec or its affiliates may enter into financing arrangements and swaps in connection with which it or its affiliates may from time to time acquire, hold or dispose of Ordinary Shares. Investec has no intention to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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