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If you have sold or transferred all your Ordinary Shares in Inspiration Healthcare Group plc, please pass this document, together with the accompanying Proxy Form, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document.

Cenkos Securities plc, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in relation to the Placing. The responsibilities of Cenkos Securities plc, as the Company's broker under the AIM Rules, are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, shareholder or other person, in respect of their decision to acquire shares in the Company in reliance on any part of this document, or otherwise. Cenkos Securities plc is not making any representation or warranty, express or implied, as to the contents of this document. Cenkos Securities plc will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the Placing or any acquisition of shares in the Company.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Placing Shares and the Initial Consideration Shares to be admitted to trading on AIM. Subject to, *inter alia*, the Resolutions being passed, it is expected that Admission will become effective and dealings in the Placing Shares will commence on AIM on 24 September 2019. The Placing Shares being issued pursuant to the Placing and the Initial Consideration Shares being issued in connection with the Acquisition will, on Admission, rank in full for all dividends and other distributions thereafter declared, made or paid on the Ordinary Shares of the Company and will rank *pari passu* in all other respects with the Existing Ordinary Shares, including as regards the right to receive all dividends or other distributions declared, made or paid after Admission.



Inspiration Healthcare Group plc

(Registered in England and Wales with registered number 03587944)

**Proposed placing of 7,327,500 Placing Shares at 58 pence per share
to raise £4.25 million**

Proposed acquisition of Vio Holdings Limited

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company, set out in Part I of this document, which includes a recommendation from the Board that you vote in favour of the Resolutions to be proposed at the General Meeting to be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Ln, London, EC4R 3TT at 14.00 p.m. on 23 September 2019.

Notice of the General Meeting is set out at the end of this document. A Proxy Form for use in connection with the General Meeting accompanies this document and should be completed by Shareholders and returned in accordance with the instructions contained in it as soon as possible and in any event to be received by no later than 14.00 p.m. on 19 September 2019. If you hold Ordinary Shares through CREST you may appoint a proxy by completing and transmitting a CREST proxy instruction to Link Asset Services (CREST participant ID RA10) so that it is received by no later than 14.00 p.m. on 19 September 2019. Completion and return of a Proxy Form or CREST proxy instruction will not prevent Shareholders from attending and voting in person at the General Meeting should they subsequently wish to do so.

This document does not constitute an offer to buy or subscribe for, or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is unlawful. The Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States nor do they qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Placing Shares may not, directly or indirectly, be offered, sold or taken up, delivered or transferred in or into the United States, Canada, Australia, the Republic of South Africa or Japan or any other territory outside the United Kingdom. The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document has come should inform themselves and observe any restrictions about the Placing or the distribution of this document.

A copy of this document is available at the Company's website: www.inspiration-healthcare.com. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including (but not limited to) the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear various places throughout this document and may include statements about the Directors' current intentions, beliefs or expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Group's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view of future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth, strategy and liquidity. While the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to release publicly the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

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DIRECTORS AND ADVISERS

Directors	Mark Abrahams (<i>Non-executive Chairman</i>) Neil Campbell (<i>Chief Executive Officer</i>) Mike Briant (<i>Chief Financial Officer</i>) Toby Foster (<i>Commercial Director</i>) Brook Nolson (<i>Non-executive Director</i>) Bob Beveridge (<i>Non-executive Director</i>)
Company Secretary	Mike Briant
Registered Address	Unit 2 Satellite Business Village Crawley West Sussex England RH10 9NE
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Legal advisers to the Company	Fieldfisher LLP Riverbank House 2 Swan Ln London EC4R 3TT
Legal advisers to Cenkos	Rosenblatt Group plc 9-13 St Andrew St Holborn London EC4A 3AF
Registrar	Link Asset Services 34 Beckenham Road Beckenham Kent BR3 4TU

STATISTICS

Number of Existing Ordinary Shares in issue as at the date of this document	30,667,548
Number of Placing Shares to be issued pursuant to the Placing	7,327,500
Placing Price per Placing Share	58.0 pence
Gross proceeds of the Placing	£4.25 million
Reference Price for the Consideration Shares	64.8 pence
Number of Initial Consideration Shares to be issued pursuant to the Acquisition Agreement	385,802
Value of the Initial Consideration Shares at the Reference Price	£0.25 million
Number of Deferred Consideration Shares to be issued pursuant to the Acquisition Agreement*	1,157,407
Value of the Deferred Consideration Shares at the Reference Price*	£0.75 million
Number of New Ordinary Shares to be issued pursuant to the Placing and the Acquisition Agreement*	8,870,709
Number of Ordinary Shares in issue immediately following Admission**	38,380,850
New Ordinary Shares as a percentage of the Enlarged Share Capital	20.1 per cent.

EXPECTED TIMETABLE

Announcement of the Placing and Acquisition	5 September 2019
Posting of this document and Proxy Form to Shareholders	5 September 2019
Latest time and date for receipt of Proxy Forms for the General Meeting	14.00 p.m. on 19 September 2019
General Meeting	14.00 p.m. on 23 September 2019
Admission of the New Ordinary Shares and completion of the Acquisition	24 September 2019
CREST accounts credited in respect of the New Ordinary Shares	24 September 2019
Dispatch of share certificates in respect of the New Ordinary Shares	Within 10 days of Admission

Note: Each of the dates and times in the above timetable are subject to change. All times stated are BST.

* Assumes that all of the Deferred Consideration Shares are issued.

** Prior to admission of the Deferred Consideration Shares.

DEFINITIONS

These definitions apply throughout this document:

“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of Vio Holdings Limited pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional share sale and purchase agreement dated 5 September 2019 between the Vendors and the Company in respect of the Acquisition
“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies, as published by the London Stock Exchange, as amended
“Board” or “Directors”	the directors of the Company whose names are set out on page 4 of this document
“Cenkos”	Cenkos Securities plc
“certificated” or “in certificated form”	an Ordinary Share which is not in uncertificated form (that is, not in CREST)
“Closing”	the closing of the Acquisition in accordance with the terms of the Acquisition Agreement, expected to occur on 24 September 2019 (conditional upon, <i>inter alia</i> , the passing of the Resolutions)
“Companies Act”	the Companies Act 2006, as amended
“Company” or “Inspiration” or “Inspiration Healthcare” or the “Group”	Inspiration Healthcare Group plc and its subsidiary undertakings (as defined in the Companies Act)
“Consideration”	the aggregate consideration payable to the Vendors under the Acquisition Agreement, as described in more detail in paragraph 6 of Part I of this document
“Consideration Shares”	the Initial Consideration Shares and Deferred Consideration Shares
“CREST”	the relevant systems (as defined in the Uncertificated Securities Regulations 2001, as amended) for paperless settlement of share transfers and the holding of shares in uncertificated form of which Euroclear is the operator as defined by such regulations
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
“Deferred Consideration Shares”	up to 1,157,407 new Ordinary Shares to be issued and allotted to the Vendors pursuant to the Acquisition Agreement on or about 31 January 2020
“EBITDA”	Earnings before interest, tax, depreciation, amortisation and share based payments
“Enlarged Share Capital”	the entire issued Ordinary Share capital of the Company immediately following completion of the allotment and issue of the New Ordinary Shares
“Euroclear”	Euroclear UK & Ireland Limited
“Existing Ordinary Shares”	the 30,667,548 Ordinary Shares in issue as at the date of this document
“FCA”	the Financial Conduct Authority

“FSMA”	the Financial Services and Markets Act 2000, as amended
“General Meeting”	the general meeting of the Company to be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Ln, London, EC4R 3TT at 14.00 p.m. on 23 September 2019, or any adjourned meeting, notice of which is set out in Part II of this document
“Initial Consideration Shares”	the 385,802 new Ordinary Shares to be issued and allotted to the Vendors pursuant to the Acquisition Agreement on Admission
“nCPAP”	nasal continuous positive airway pressure
“New Ordinary Shares”	the Placing Shares and the Initial Consideration Shares
“Notice”	the notice of the General Meeting contained in Part II of this document
“OEM”	original equipment manufacturer
“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company
“Placing”	the proposed placing of the Placing Shares at the Placing Price by Cenkos, as agent for the Company
“Placing Agreement”	the conditional agreement dated 5 September 2019 between the Company and Cenkos, relating to the Placing
“Placing Price”	58 pence per Placing Share
“Placing Shares”	the 7,327,500 new Ordinary Shares to be placed with institutional and certain other investors at the Placing Price pursuant to the Placing
“Proxy Form”	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting
“Reference Price”	the 30-day weighted average closing price ending 2 September 2019 of 64.8 pence used to calculate the number of Consideration Shares to be issued to the Vendors
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice
“Shareholders”	holders from time to time of Ordinary Shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US” or “United States”	the United States of America
“Vendors”	Christine Leeding, Clive Brunnsden and Stephen Howard
“VIO Holdings Ltd”	VIO Holdings Limited the holding company of VIOMEDEX as described in paragraph 5 of Part I of this document
“VIOMEDEX”	VIOMEDEX Limited the wholly owned trading subsidiary of VIO Holdings Limited as described in paragraph 5 of Part I of this document

All references in this document to “Sterling”, “£”, “pence” or “p” are to the lawful currency of the United Kingdom.

PART I

LETTER FROM THE CHAIR OF THE COMPANY

(Incorporated and registered in England and Wales with registered number 03587944)

Directors

Mark Abrahams (*Chairman*)
Neil Campbell
Mike Briant
Toby Foster
Brook Nolson
Bob Beveridge

Registered Office
Unit 2 Satellite Business Village
Crawley
West Sussex
England
RH10 9NE

5 September 2019

Dear Shareholder

PROPOSED PLACING OF UP TO 7,327,500 PLACING SHARES AT 58 PENCE PER SHARE TO RAISE £4.25 MILLION, PROPOSED ACQUISITION OF VIO HOLDINGS LIMITED AND NOTICE OF GENERAL MEETING.

1. Introduction

The Company is pleased to announce that it has today entered into a conditional agreement to acquire the entire issued share capital of Vio Holdings Limited, the holding company of VIOMEDEX Limited, for an aggregate consideration of £4.0 million, on a cash free debt free basis.

VIOMEDEX, designs, manufactures and supplies single use respiratory products and sterile medical consumables, principally for the respiratory care market. VIOMEDEX is the wholly owned trading subsidiary of Vio Holdings Ltd, which is being acquired by Inspiration Healthcare. VIOMEDEX's products are sold across the world through a distribution network built over the last 40 years. Of their OEM partners, Inspiration Healthcare is their biggest, accounting for more than 60 per cent. of total turnover. Based on unaudited proforma financial statements for the year ended 31 March 2019, VIOMEDEX generated EBITDA of £0.7 million from revenues of £2.5 million.

Strategic Rationale for the Acquisition

The Directors believe that the Acquisition will:

- improve margins on Inspiration Healthcare's products by retaining sub contract manufacturers' margins;
- add expertise in manufacturing through the retention of key management within the business and facilitate the transfer of new ideas to manufacturing process reducing the time taken to introduce new products;
- leverage Inspiration Healthcare's well-established route to market, as well as its sales and marketing resource, to drive sales of VIOMEDEX's products and generate greater brand awareness;
- broaden Inspiration Healthcare's product portfolio in neonatal intensive care through VIOMEDEX's new nCPAP products, breathing circuits and associated products, generating significant cross-selling opportunities;
- achieve greater economies of scale in regulatory affairs, thereby reducing the regulatory burden; and
- the Acquisition is earnings enhancing in the first full year of ownership, with significant financial and commercial synergies.

2. Proposed Placing and Notice of General Meeting

The Company proposes to fund the cash component of the Acquisition consideration of £3.0 million by way of the Placing. The Company has conditionally raised approximately £4.25 million (before

expenses) by way of a placing of 7,327,500 Placing Shares at a price of 58 pence per share with certain institutional and other investors. Certain of the Directors also intend to subscribe for Placing Shares. The Placing Price represents a 2.5 per cent. discount to the closing middle market price of 59.5 pence per Ordinary Share on 4 September 2019, being the latest practicable date prior to the announcement of the Placing and the Acquisition.

The Placing is conditional, *inter alia*, on the Resolutions being approved at the General Meeting and Admission becoming effective and the Placing Agreement and the Acquisition Agreement each becoming unconditional in all respects by no later than 24 September 2019, or such later date (being no later than 7 October 2019) as the Company and Cenkos may determine.

The purpose of this document is to explain the background to and reasons for the Acquisition and the Placing, why the Directors are seeking authority from Shareholders to issue the Placing Shares for cash on a non pre-emptive basis and to recommend that you vote in favour of the Resolutions.

3. Current Trading and Outlook

As confirmed by the Company in the Trading Update dated 15 August 2019, the Company's current financial year started well. The Board anticipates that the results for the six months to 31 July 2019 will be in line with expectations, and that the Company expects to achieve double-digit growth over the full year.

Post the Acquisition and given the growing maturity of the business, the Board expects the Company to be capable of paying a nominal dividend for the fiscal year ended 31 January 2021, alongside achieving its significant growth aspirations.

4. Summary of Inspiration Healthcare

Inspiration Healthcare is a global provider of medical technology for critical care and operating theatre as well as home healthcare applications in the UK. The Company's strategy is to become a world leader in neonatal intensive care, a sub-sector of the critical care market. The Company intends to strengthen its competitive positioning in this niche through new product development and acquisitions of small to medium sized assets to complement the Company's existing product portfolio, described in more detail below.

The Company sells a range of innovative branded critical care solutions, spanning numerous applications including non-invasive respiratory management and patient warming for newborns and adults. The majority of Inspiration Healthcare's branded products are used in the first few days of life, providing technology to premature and sick babies that could have a profound effect on their outcome. Inspiration Healthcare complements its branded products with distributed products to offer a more comprehensive product range, adding value to the customer proposition. The Company sells its products in over 50 countries, principally within the EU, North America and the Middle-East. The Company's distributed products are mainly sold in the UK and Ireland to support specialised surgical procedures, infusion therapies and neonatal intensive care.

Core Neonatal Branded Products:

AlphaCore⁵ Patient Warming System – provides safe and controlled warming to assist in the maintenance of normothermia. The system combines more effective thermal transfer with simplicity of use, which, the Directors believe, make it superior to other warming methods currently available. The patented warming technology has applications in neonatal, paediatric and perioperative environments.

Inspire nCPAPTM – is an effective solution for supporting a respiratory compromised infant. The Inspire nCPAPTM reduces the amount of effort required for infants to breathe, ensuring they do not tire quickly allowing them to use energy to grow. The Inspire nCPAPTM uses established fluidic principles and is well established in the market, having been launched in 2010.

Inspire rPAPTM system – is a non-invasive device for the initial stabilisation and resuscitation of babies. Its innovative, patented design combines the ability to administer inflation breaths with all the clinical benefits of the gold standard fluidic flip nCPAP technology. Consisting of two parts, a 'driver' that controls the flow of fresh gas and the pressure the baby receives, and a 'generator' (patented) that sits on the nose and allows the gas to flow to and from the baby in synchronisation with their breathing pattern and can be used to inflate the lungs should the baby need assistance.

LifeStart™ – facilitates optimal cord clamping. The infant is supported on a warm platform whilst leaving the umbilical cord intact as the clinician accesses the infant. This can allow improved placental transfusion and smoother cardiovascular transition, along with allowing resuscitation to take place next to the mother giving a more holistic approach to newborn resuscitation.

Tecotherm Neo – is a thermo-regulating device that can be used to cool a baby that has suffered from a lack of oxygen at birth (perinatal asphyxia), and gently re-warm them. Its predecessor (the TS med 200) was used on the TOBY trial (published in the New England Journal of Medicine October 2009) that showed a reduction in brain injury (cerebral palsy) in a group of babies that had suffered from perinatal asphyxia. It is now sold throughout the world and has helped thousands of babies. In order to secure continuity of supply of product the Company has committed to purchase approximately an additional two years' worth of inventory which is expected to be delivered by January 2020 with payment and utilisation over the following two years.

Unique+ CFM – cerebral function monitoring (“CFM”) of critically ill newborns has been used in diagnosis of brain injury for many years and is routinely used for babies that are suspected of injury that can be treated with the Tecotherm Neo. The Unique+ CFM can be set-up easily and quickly, allowing the neonatologist to diagnose as early as possible.

5. Background and information on VIOMEDEX

VIOMEDEX has developed a range of disposable medical devices primarily in the area of non-invasive respiratory support to treat premature and sick babies in Neonatal Intensive Care Units. VIOMEDEX has a range of nCPAP disposables and associated ancillary and accessory products, which will be complementary to the Company's existing nCPAP portfolio.

Importantly, VIOMEDEX has developed a number of new products, including the newly launched First Breath™ nCPAP. VIOMEDEX has applied for a patent for the First Breath™ nCPAP, which, the Directors believe, has a competitive advantage over existing products that are considered generic by most users. The First Breath™ nCPAP is deemed by the Directors to offer advantages over Inspiration's Inspire nCPAP™ that was launched in 2010. The Directors believe that the First Breath™ nCPAP in conjunction with Inspiration's route to market and investments into marketing and engineering resource, has the potential to significantly increase market share over the medium term.

VIOMEDEX also generates revenue from contract manufacturing and has expertise in the assembly and packaging of single use medical devices. Products in this area include neonatal respiratory products as well as other products that are used in the acute hospital setting. VIOMEDEX has over 20 years' experience in clean room manufacture and packing of sterile and non-sterile medical consumables, with a Class 8 Cleanroom and 8,300sqft factory in Hailsham Sussex. VIOMEDEX can provide a flexible solution, including from development of design, prototyping and full production.

Financial Information on VIOMEDEX (Pro-forma Unaudited)

	Fiscal Year ended 31 March 2017	Fiscal Year ended 31 March 2018	Fiscal Year ended 31 March 2019
Turnover	£2.7m	£2.4m	£2.5m
Gross Margins	58.6%	56.6%	53.3%
EBITDA	£1.0m	£0.7m	£0.7m
EBITDA margin	36.9%	30.2%	28.0%
Profit before tax*	£1.1m	£0.7m	£0.6m
Gross assets*	£2.2m	£2.2m	£2.4m

* Statutory accounts

VIOMEDEX derives approximately 60 per cent. of their total turnover from Inspiration Healthcare from sales of single use medical devices and contract manufacturing. Excluding Inspiration Healthcare, VIOMEDEX has a well-diversified customer base with no single customer accounting for more than 5 per cent. of total turnover. These customers include NHS Supply Chain, multi-national healthcare companies as well as larger customers in Austria, Germany and Ireland.

VIOMEDEX's sales have been broadly flat over the last three years due to a fall in sales of generic products to Inspiration Healthcare. Whilst sales of generic products have decreased, sales of VIOMEDEX's own branded products have increased despite not having any sales or marketing resources to promote their own products. The Board has identified clear synergies in leveraging Inspiration's distribution network and sales and marketing teams and is excited by the opportunity to significantly increase sales of VIOMEDEX's products.

VIOMEDEX's proforma EBITDA margin has decreased as a result of declines in gross margins due to pricing pressures, increased expenditure on regulatory compliance and increased occupancy costs from adding an extra building ahead of new product launches. The Board has identified clear synergies from retaining the sub contract manufacturers' margins thereby improving margins on Inspiration's products. The Board also sees clear strategic benefits from acquiring manufacturing capability, which is expected to improve Inspiration's product development capability for potential disruptive technology.

6. Key Terms of the Proposed Acquisition

The total consideration payable to acquire the entire issued share capital of Vio Holdings Ltd and its subsidiaries is £4.0 million on a cash free debt free basis and subject to adjustment for normalised working capital, of which £3.0 million will be payable in cash upon completion and up to £1.0 million will be paid in Consideration Shares to the Vendors. The Reference Price for the Consideration Shares of 64.8 pence equates to the 30-day weighted average closing price ending 2 September 2019. The proceeds used for the Acquisition will be earnings enhancing in the first full year of ownership.

The payment of the Consideration Shares will be split, with the 385,802 Initial Consideration Shares being issued on Admission, and up to 1,157,407 Deferred Consideration Shares being issued within 35 Business Days (assuming that no dispute notice is received from the sellers) after 31 January 2020. The Deferred Consideration Shares are subject to the satisfaction of certain conditions by Vio Holdings Limited, including the receipt of new MDD CE certificates for each of VIOMEDEX's products from a new notified body and confirmation from the UK MHRA that it no longer considers Vio Holdings Limited to be an "orphaned manufacturer" and that it is no longer required to submit reports and provide any other information / documentation in relation to the maintenance of its orphaned manufacturer status. If either of the conditions are not satisfied on or about 31 January 2020, the Deferred Consideration Shares will not be issued, thereby mitigating the potential downside from not having the regulatory approvals in place. The number of Deferred Consideration Shares that will be issued will depend on the loss in revenue suffered by the target group as a direct consequence of the failure by the new notified body to issue the new MDD CE certificates in relation to any of the products in the UK or the EU by 31 January 2020. The Vendors have agreed not to dispose (save in certain limited circumstances) of any interest in the Consideration Shares for a period of 12 months from Closing and have agreed to certain orderly market restrictions for a further 12 month period thereafter. The Consideration Shares will rank in full for all dividends with a record date on or after the date of Admission and otherwise equally with the Existing Ordinary Shares and Placing Shares in issue from the date of Admission.

The terms of the Acquisition are contained in the Acquisition Agreement which includes certain warranties from the Vendors relating to, *inter alia*, the business and operations of Vio Holdings Limited and indemnities in favour of the Company and the limitations on liability under the warranties are set at a market standard level for such a transaction. The Vendors have agreed to procure that Vio Holdings Limited shall carry on its business in the ordinary course between the date of signing the Acquisition Agreement and Closing and during such period shall not take certain decisions or carry out certain actions without the prior consent of the Company. The Acquisition Agreement contains termination rights between signing and Closing in favour of the Company in the event of a material breach of the Acquisition Agreement including of these warranties or operational covenants by the Vendors.

7. Use of proceeds

The Directors intend that the net proceeds of the Placing receivable by the Company will be used primarily for the following purposes:

- i. to fund the cash element of the Consideration and related expenses; and

- ii. to strengthen the Company's balance sheet to support the continued growth of the Company's business.

8. The Placing

Subject to the satisfaction of the conditions under the Placing Agreement, the Company will issue 7,327,500 Placing Shares which will raise approximately £3.98 million after the expenses of the Placing. The Placing Shares have been conditionally placed by Cenkos, acting as the bookrunner and as agent for the Company, with institutional and other investors. Application will be made for the New Ordinary Shares to be admitted to trading on AIM, and, on the assumption that, among other matters, the Resolutions are passed, dealings in the New Ordinary Shares are expected to commence on 24 September 2019 (or such later date as is agreed between the Company and Cenkos, being not later than 8.00 a.m. on 7 October 2019).

The New Ordinary Shares will represent approximately 20.1 per cent. of the Enlarged Share Capital. The New Ordinary Shares will, following Admission, rank in full for all dividends and distributions declared, made or paid in respect of the issued Ordinary Share capital of the Company after the date of their issue and will otherwise rank equally in all other respects with the Existing Ordinary Shares. The Placing Price represents a discount of 2.5 per cent. to the closing mid-market price of 59.5 pence per Ordinary Share as at 4 September 2019 (being the latest practicable date before the date before the announcement of the Acquisition and Placing).

The Placing (which is not being underwritten) is conditional, *inter alia*, upon:

- the Placing Agreement becoming unconditional in all respects as regards the Placing and not having been terminated in accordance with its terms prior to Admission;
- the Acquisition Agreement not having been terminated and having become unconditional in all respects (subject only to Admission);
- the Resolutions set out in the Notice of General Meeting being approved by the Shareholders; and
- Admission of the Placing Shares and the Initial Consideration Shares becoming effective on or before 24 September 2019 or such later date as the Company and Cenkos may agree, being no later than 7 October 2019.

9. Related Party Transaction

The participation in the Placing by Miton Group plc, an existing substantial shareholder in the Company, for 3,448,000 Placing Shares at the Placing Price is deemed to be a related party transaction pursuant to Rule 13 of the AIM Rules. Having consulted with Cenkos, the Company's Nominated Adviser, the Directors consider that the terms of Miton's participation in the Placing are fair and reasonable insofar as the Company's shareholders are concerned.

10. Directors' participation in the Placing

As part of the Placing, certain Directors intend to subscribe for an aggregate of 154,693 Placing Shares at the Placing Price. Details of the Placing Shares for which the Directors intend to subscribe are displayed below:

Name	Title	Number of Existing Ordinary Shares held	Number of Placing Shares intended to be subscribed for	Value of Placing Shares intended to be subscribed for	Resultant shareholding following proposed subscription	Percentage of enlarged share capital following proposed subscription
Mark Abrahams	Non-executive Chairman	155,154	86,047	£49,907	241,360	0.6%
Mike Briant	Chief Financial Officer	0	34,323	£19,907	34,323	0.1%
Brook Nolson	Non-executive Director	0	34,323	£19,907	34,323	0.1%

11. General Meeting

The Directors do not currently have authority to allot all of the Placing Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the Placing Shares at the General Meeting, together with approval to disapply pre-emption rights in respect of the proposed Placing.

In Part II of this document Shareholders will find the Notice convening the General Meeting which is to be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Ln, London, EC4R 3TT at 14.00 p.m. on 23 September 2019. At the General Meeting the following resolutions of the Company will be proposed:

Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot relevant securities up to an aggregate nominal value of £887,070.90.

Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1, disapplies statutory pre-emption rights, with the authority limited to, among other things, the allotment of equity securities having an aggregate nominal value of £732,750.00.

These Resolutions are in addition to the authorities granted to Directors at the last Annual General Meeting held on 27 June 2019. Resolution 1 authorises the allotment of such number of new Ordinary Shares as are necessary for the Placing and the issue of the Consideration Shares pursuant to the Acquisition Agreement. Resolution 2 authorises the disapplication of statutory pre-emption rights in respect of such number of new Ordinary Shares as are necessary for the Placing.

12. Action to be taken

Shareholders should be aware that if the Resolutions are not passed, the Placing and, therefore, the Acquisition will not proceed.

Shareholders will find enclosed with this document a Proxy Form for use at the General Meeting. Whether or not they propose to attend the General Meeting in person, Shareholders are requested to complete and return the Proxy Form to the Company's registrars, Link Asset Services, in accordance with the instructions printed on it and return it by post or (during normal business hours only) by hand as soon as possible and, in any event, so as to be received by no later than 14.00 p.m. on 19 September 2019. Completion and return of a Proxy Form will not prevent Shareholders from attending the General Meeting and voting in person if they wish to do so.

For those Shareholders that hold their Ordinary Shares through CREST, they may alternatively appoint a proxy by completing and transmitting a CREST proxy instruction to Link Asset Services (CREST participant ID RA10) so that it is received no later than 14.00 p.m. on 19 September 2019. Completion and return of a CREST proxy instruction form will not prevent Shareholders from attending and voting in person at the General Meeting should they subsequently wish to do so.

13. Recommendation

The Directors believe that the Acquisition and the Placing, as described in this document, are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings amounting to, in aggregate, 8,591,332 Ordinary Shares, which represent approximately 28.0 per cent. of the Existing Ordinary Shares.

Yours sincerely

Mark Abrahams
Chairman

PART II

Inspiration Healthcare Group plc

(incorporated and registered in England and Wales with Company number 03587944)

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a General Meeting of Inspiration Healthcare Group plc (the "Company") will be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Ln, London, EC4R 3TT on 23 September 2019 at 14.00 p.m. to consider, and if thought fit pass, the following Resolutions.

Resolution 1 is an ordinary resolution and, to be passed, will require the approval at the General Meeting of (on a show of hands) a simple majority of Shareholders, or (on a poll) Shareholders representing a simple majority of the total voting rights of Shareholders, who, being entitled to vote, do so in person or by proxy.

Resolution 2 is a special resolution and, to be passed, will require the approval at the General Meeting of (on a show of hands) at least 75 per cent. of Shareholders, or (on a poll) Shareholders representing at least 75 per cent. of the total voting rights of Shareholders, who, being entitled to vote, do so in person or by proxy.

In this notice words and defined terms shall have the same meanings as words and defined terms in the circular to the holders of Existing Ordinary Shares dated 5 September 2019 to which this notice is attached.

ORDINARY RESOLUTION

1. **THAT**, in addition to any other authorities already in existence and in accordance with section 551 of the Companies Act 2006 (the "Companies Act"), the Directors are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company in connection with the Placing and the issue of the Consideration Shares pursuant to the Acquisition Agreement up to a maximum aggregate nominal amount of £887,070.90, provided that this authority will expire on the date falling 12 months from the date of the passing of this Resolution (unless renewed, varied or revoked by the Company before or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this Resolution had not expired.

SPECIAL RESOLUTION

2. **THAT**, in addition to any other authorities already in existence and subject to and conditional upon the passing of Resolution 1, in accordance with section 571(1) of the Companies Act, the Directors are authorised to allot equity securities for cash (within the meaning of section 560 of the Companies Act) under the authority given by that resolution 1 as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to the allotment of equity securities in connection with the Placing up to an aggregate nominal amount of £732,750.00 such authority to expire on the date falling 12 months from the date of the passing of this Resolution (unless renewed, varied or revoked by the Company before or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this Resolution had not expired.

Registered Office
Unit 2 Satellite Business Village
Crawley
West Sussex
England RH10 9NE

By Order of the Board
Mike Briant
Company Secretary
Dated 5 September 2019

Notes:

1. You can appoint another person as your proxy to exercise all or any of your rights to attend and to speak and vote at the meeting. You may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you.
2. A proxy need not be a shareholder but must attend the meeting to represent you. If you wish to appoint someone other than the Chairman of the meeting, insert the name of the person you wish to appoint in block capitals in the space provided. Where you appoint someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments at the meeting on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
3. To appoint more than one proxy you may photocopy the proxy form. Please enter in the box next to the proxy holder's name, the number of shares in relation to which the proxy is authorised to act. If that box is left blank the proxy will be deemed to be authorised for your full voting entitlement. Please also indicate by ticking the box provided that the proxy appointment is one of multiple appointments being given. All proxy forms should be returned together in the same envelope.
4. To be effective, the proxy form, fully completed, together with the power of attorney or any other authority under which it is executed (or a notarially certified copy), must be lodged with Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 14.00 p.m. on 19 September 2019.
5. If the shareholder is a corporation, the proxy form should be executed under its common seal, or signed on its behalf by a duly authorised officer or attorney.
6. In the case of joint holders the signature on the proxy form of any one holder will suffice but where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding, with the first named being the most senior.
7. Any alteration to the proxy form should be initialled.
8. The completion and return of the proxy form will not prevent a shareholder from attending the meeting and voting in person.
9. Addresses (including electronic addresses) in this document are included strictly for the purposes provided and not for any other purposes.
10. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast at that meeting will be determined by reference to the register of members of the Company at 6:00 p.m. on 19 September 2019, or if the meeting is adjourned the register of members at the time which is two working days before the time for holding any adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.
11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by 14.00 p.m. on 19 September 2019 (ID RA10) by the latest time for receipt of proxy appointments set out in paragraph 10. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

