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If you have sold or otherwise transferred all of your Existing Ordinary Shares, please immediately forward this Document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors (other than Gordon Wright), whose names appear on page 4 of this Document, and the Company accept responsibility, collectively and individually, for the information contained in this Document. To the best of the knowledge and belief of such Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**This Document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (in its capacity as the UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 of FSMA.** Application will be made for the Consideration Shares to be admitted to trading on the AIM market of the London Stock Exchange. 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 UK Listing Authority. 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.

**This Document does not comprise an admission document under the AIM Rules and neither the London Stock Exchange nor the UK Listing Authority has examined or approved the contents of this Document. Prospective investors should read this Document in its entirety. This Document does not constitute a recommendation regarding securities of the Company. The AIM Rules are less demanding than those of the Official List.**

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# AorTech International plc

*(incorporated and registered in Scotland under number SC170071)*

## **Proposed Acquisition of RUA Medical Devices Limited Change of Name to RUA Life Sciences plc and Notice of General Meeting**

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Your attention is drawn to the letter from the Chairman of the Company which is set out in this Document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

**Notice of a General Meeting to be held at the offices of Davidson Chalmers Stewart LLP, 163 Bath Street, Glasgow G2 4SQ at 10.00 a.m. on 31 March 2020 is set out at the end of this Document. To be valid, the accompanying Form of Proxy for use in connection with the meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Equiniti, by not later than 10.00 a.m. on 27 March 2020. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish. For full details on proxy appointments, see the notes to the Notice of General Meeting and the Form of Proxy.**

Shore Capital and Corporate Limited, which is authorised and regulated in the UK by the FCA, is acting as nominated adviser to the Company in connection with the matters described in this Document and is not acting for any other persons in relation to the Acquisition and Admission. Shore Capital and Corporate Limited is acting exclusively for the Company and for no one else in relation to the contents of this Document and persons receiving this Document should note that Shore Capital and Corporate Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital and Corporate Limited or for advising any other person on the arrangements described in this Document. The responsibilities of Shore Capital and Corporate Limited as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers 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 his decision to acquire shares in the capital of the Company in reliance on any part of this Document, or otherwise.

Shore Capital Stockbrokers Limited, which is authorised and regulated in the UK by the FCA, is acting as broker to the Company in connection with the matters described in this Document and is not acting for any other persons in relation to the Acquisition and Admission. Shore Capital Stockbrokers Limited is acting exclusively for the Company and for no one else in relation to the contents of this Document and persons receiving this Document should note that Shore Capital Stockbrokers Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital Stockbrokers Limited or for advising any other person on the arrangements described in this Document. The responsibilities of Shore Capital Stockbrokers Limited as the Company's broker under the AIM Rules for Companies 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 his decision to acquire shares in the capital of the Company in reliance on any part of this Document, or otherwise.

Shore Capital has not authorised the contents of, or any part of, this Document and no liability whatsoever is accepted by Shore Capital for the accuracy of any information or opinions contained in this Document or for the omission of any information.

## **FORWARD-LOOKING STATEMENTS**

This Document may contain statements about AorTech International plc that are or may be “forward-looking statements”. All statements, other than statements of historical facts, included in this Document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, “would”, “could”, “continue”, “potential” or words or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements include matters which are not facts. They appear in a number of places throughout this Document and include (without limitation) statements regarding the Directors’ intentions, understanding, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth and strategies. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Shareholders should not construe the contents of this Document as legal, tax or financial advice, and should consult with their own advisers as to the matters described herein.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2020</i>
Announcement of the Acquisition	11 March
Publication and posting of this Document and Form of Proxy	11 March
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 27 March
General Meeting	10.00 a.m. on 31 March
Announcement of result of General Meeting	31 March
Admission of and commencement of dealings in the Consideration Shares to trading on AIM	8.00 a.m. on 1 April
Completion of the Acquisition	1 April
Name change expected to be effective	2 April

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### Notes:

- (i) References to times in this Document are to London time (unless otherwise stated).
- (ii) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.
- (iii) The timing of the events in the above timetable and in the rest of this Document is indicative only.

## LETTER FROM THE CHAIRMAN

# AorTech International plc

*(incorporated and registered in Scotland under number SC170071)*

*Directors:*

William Brown *(Chairman)*  
John McKenna *(Director of Clinical Marketing)*  
Gordon Wright *(Non-Executive Director)*  
John Ely *(Non-Executive Director)*  
Geoffrey Berg *(Non-Executive Director)*  
David Richmond *(Non-Executive Director)*

*Registered Office:*

C/o Davidson Chalmers Stewart LLP  
163 Bath Street  
Glasgow  
G2 4SQ

11 March 2020

Dear Shareholder

**Proposed Acquisition of RUA Medical Devices Limited  
Change of Name to RUA Life Sciences plc  
and  
Notice of General Meeting**

### **1. Introduction**

The Company announced today that it had entered into a conditional agreement with David Richmond, a Non-Executive Director of the Company, to acquire RUA Medical Devices Limited, an Ayrshire-based innovative and experienced implantable fabric specialist and full service contract medical device developer and manufacturer, subject to, amongst other things, Shareholders' approval.

The purpose of this Document is to set out the background to and reasons for the Acquisition, to give details of the Acquisition and to recommend that you vote in favour of both of the Resolutions. The Acquisition is conditional on, amongst other matters, the passing of the Resolutions at the General Meeting, and is expected to complete on 1 April 2020. The Notice of General Meeting is set out at the end of this Document.

Following Completion, the Company intends to change its name to RUA Life Sciences plc. It is expected that the change will become effective on 2 April 2020.

Due to ill health, Gordon Wright, a Director of the Company, has not been able to participate in the preparation and issue of this Circular. He is, therefore, excluded from the responsibility taken by directors and from the Recommendation by the Independent Directors set out in section 12 (Recommendation) below.

### **2. Background to and reasons for the Acquisition**

#### ***Background***

In May 2018, AorTech undertook a fundraising to accelerate the development of the Company and to transition from an IP licensing model to a developer and manufacturer of cardiovascular devices enabled by the Company's Elast-Eon™ polymer. A lean business model was adopted and agreements with third parties were entered into to enable the design, development and manufacture of those products in a cost-effective manner.

One of those agreements, as announced on 28 June 2018, was with RUA Medical. Under this agreement, RUA has undertaken design and development work on the Company's Elast-Eon™ sealed patches and grafts. Progress has been good, and it is anticipated that animal trials for large bore vascular grafts will commence in the coming months as part of the regulatory testing necessary to obtain approval to market those devices. Since the agreement was signed, AorTech and RUA have worked together on the development of soft tissue patches and grafts combining RUA's expertise as an implantable fabric specialist and full-service contract device developer and manufacturer with Elast-Eon™'s biostable and biocompatible properties. In carrying out this work, RUA has been provided with, and developed, a substantial amount of know-how relating to the

varied manufacturing processes for Elast-Eon™, which include extrusion, dip processing (casting and coating), spray coating (including electro spinning and ultrasonic) and moulding (including compression, injection and reaction injection moulding).

RUA is becoming an expert in the manufacture of Elast-Eon™ enabled devices and components and AorTech has recently identified a number of opportunities where third-party medical device companies are looking for both a polymer and manufacturing solution to address current design problems. In order to satisfy these market requirements, the Company has agreed with RUA that it can offer device design and manufacturing services, incorporating both Elast-Eon™ polymer and processing know-how, to third party customers.

The working relationship between the two businesses has deepened since the original agreement was entered into more than 18 months ago and, from the Company's perspective, the relationship is proving beneficial and working better than anticipated. At the end of last year, I started discussing with David Richmond, a Non-Executive Director of the Company and the owner of RUA, whether a closer collaboration might be to the mutual benefit of both organisations and, if so, how that could best be structured. We both agreed that the opportunities were potentially very exciting and, as a result, the discussions have led to the Acquisition Agreement, further details of which are set out below, being entered into.

### ***Reasons for the Acquisition***

The Company currently comprises a business which licenses Intellectual Property related to the Elast-Eon™ polymer together with Research and Development activities to create medical devices, such activities being subcontracted. The Directors consider that the Acquisition is strategically a good fit in that it vertically integrates the business, by providing the people, premises and processes necessary to convert the Elast-Eon™ polymer into Elast-Eon™ products.

The Independent Directors believe that the Acquisition will bring the following benefits for the Company:-

- integrate the infrastructure built up within RUA, which includes its management team with a background in developing and manufacturing medical devices, ISO accreditation and associated quality procedures and two FDA registered facilities with Class 7 and Class 8 cleanrooms;
- provide further diversification within the medical device value chain with a cash generative manufacturing business targeting high gross margins (more than 75 per cent.);
- the 2018 agreement with RUA to produce the patches and grafts provided for RUA to be paid 50 per cent. of the gross margin on these products; all gross margin will now be retained within the Group, increasing future profit potential if and when the products are approved and available for sale;
- will allow the manufacture of heart valves to be undertaken in RUA's Irvine facilities bringing this function within the control of the Enlarged Group;
- builds and grows the senior management team and reduces reliance on key individuals;
- provides an opportunity to support and grow the core RUA business of developing and manufacturing implantable textiles for third party customers;
- provides an opportunity to build a business providing manufacturing expertise related to incorporating Elast-Eon™ into medical devices or components of medical devices; and
- provides an opportunity to consolidate all Enlarged Group entities under the RUA brand allowing greater marketing focus and adoption of the RUA brand values.

The Company will not only be acquiring a profitable, cash generative business, but effectively internalising its manufacturing process, obtaining a large amount of manufacturing know-how and will be able to increase the gross margin potential of its patches and graft products. Furthermore, the Enlarged Group will have access to the engineers, facilities and quality management systems necessary to manufacture its own synthetic heart valves, which should serve to minimise any risks of having to rely on third parties.

**3. Information on RUA**

RUA is a full-service medical device developer and manufacturer based in Prestwick and Irvine, Ayrshire. It provides sub-contract manufacturing, assembly, packing and services to the medical device sector from its Class 7 and 8 cleanroom suites. It is an expert in the development and introduction of processes with valid and demonstrable quality control methodologies. RUA holds ISO 13485:2016 certification and occupies two FDA registered facilities. It works with a number of businesses in the commercial application of implantable fabrics. RUA has invested for future growth through people, property and processes and has 26 staff members. While one customer currently accounts for approximately 90 per cent. of its revenue, the intention is to seek to reduce this over time to less than 50 per cent. through both Enlarged Group related projects and third-party revenues.

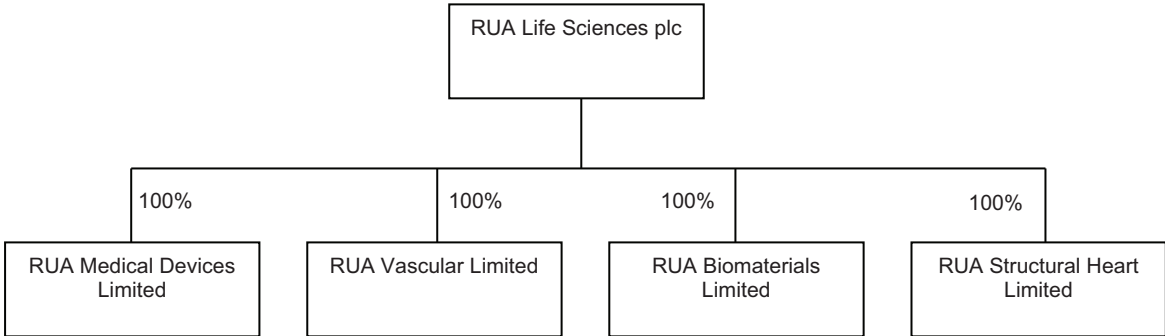
RUA owns its premises in Irvine and currently leases premises in Prestwick from Glenavon Estates (a partnership of David Richmond’s wife and daughter). RUA has agreed to purchase this leased property after Admission; further details of this purchase are set out below in section 5 (Principal terms of the Acquisition).

**Historical Financial Information of RUA**

For the year ended 30 April 2019, RUA generated unaudited revenues of £1.61 million (2018: £1.56 million), and profit before tax of £0.15 million (2018: £0.45 million) after expensing eligible R&D costs of £0.28 million (2018: £0.20 million). Its net assets at 30 April 2019 were £1.17 million (2018: £1.12 million), which included a freehold property at a net book value of £0.30 million (2018: £0.31 million).

**4. Enlarged Group structure following Completion**

Following Completion, the Company intends to restructure its business into four distinct trading subsidiaries, with AorTech (to be renamed RUA Life Sciences plc) as the holding company. The new trading structure is intended to be as follows:-



A description of each of the above companies is detailed below, all of which will have trading and licence relationships with other companies within the Enlarged Group.

**RUA Life Sciences**

The holding company of the Enlarged Group, quoted on AIM, and 100 per cent. owner and controller of each of these four trading subsidiaries, RUA Medical, RUA Vascular, RUA Biomaterials and RUA Structural Heart.

**RUA Medical**

Following Completion, RUA Medical will become a wholly owned subsidiary of RUA Life Sciences. It will continue to focus on the development of medical textiles, including soft tissue patches and large bore vascular grafts using a substantial amount of know-how created during its working relationship with AorTech, relating to the multiple manufacturing processes for Elast-Eon™, which, as set out above, include extrusion, dip processing (casting and coating), spray coating (including electro spinning and ultrasonic) and moulding (including compression, injection and reaction injection moulding). It is intended that the business will retain its ISO 13485:2016 certificate and that both cleanroom sites will continue to be FDA registered.

The Board's strategy is to retain the RUA Medical business as a third-party design, development and manufacturing house for medical devices, but expand the areas of expertise and product offerings to include Elast-Eon™. RUA Medical will continue to service the requirements of its current and prospective client base whilst also developing and manufacturing devices for other group companies.

### ***RUA Vascular***

Following Completion, Cortech Medical Limited, which was acquired by the Company in June 2018, will be renamed RUA Vascular Limited and it is intended that it will hold the intellectual property relating to the Enlarged Group's cardiovascular and soft tissue patches and large bore vascular grafts. In future, RUA Vascular will purchase the completed grafts and patches from RUA Medical on commercial terms and market them to distributors for onward sale to hospitals and OEM customers for inclusion in other devices. It is planned that RUA Biomaterials will grant RUA Vascular an exclusive licence to incorporate the polymer material into the patches and grafts retaining exclusivity in this field and generating further licence income for RUA Biomaterials.

The currently available technology for soft tissue patches and large bore grafts comprises either animal tissue or textile (PTFE) material. Each material is compromised by either suffering from calcification or subject to tissue ingrowth leading to adhesion. Elast-Eon™ based products should avoid these problems and address a market that is suffering a lack of supply of animal sourced products.

The Company has identified device categories that currently rely on abattoir-sourced animal by-products or textile (PTFE) material. Replacing animal tissue with Elast-Eon™ will eliminate animal by-product sourcing risk and improve product sterilisation options and allow end-to-end control over the supply chain.

### ***RUA Biomaterials***

Following Completion, AorTech Biomaterials Limited, a non-trading subsidiary of AorTech, will change its name to RUA Biomaterials and it is planned that it will own the Intellectual Property related to Elast-Eon™ and that it will hold all patents and licence agreements relating to Elast-Eon™, thereby generating royalty income. It is also intended that it will enter into licence agreements with the other subsidiaries of the Enlarged Group; namely RUA Medical for manufacturing, RUA Vascular and RUA Structural Heart. RUA Biomaterials will work closely with RUA Medical and other licensees to promote the wider use of Elast-Eon™ in medical devices.

### ***RUA Structural Heart***

Following Completion, AorTech Heart Valve Technologies Limited, a non-trading subsidiary of AorTech, will change its name to RUA Structural Heart and it is planned that it will hold the intellectual property relating to the Company's synthetic heart valve. It is currently planned that RUA Biomaterials will exclusively license its intellectual property in this field to RUA Structural Heart on normal commercial terms, thereby generating royalty income.

In future, it is intended that RUA Structural Heart will enter into a commercial agreement with RUA Medical to manufacture the synthetic heart valve utilising a novel manufacturing process and valve design, the IP of which will reside in RUA Structural Heart.

RUA Structural Heart has the opportunity to transform the global treatment of heart disease by delivering a synthetic heart valve that will be durable, so reducing the need for future replacement, and should not require lifelong drug treatment. As well as these potential clinical advantages, the manufacturing costs of a synthetic valve are expected to be considerably less than those of current valve technology making this a potentially disruptive advance in heart valve surgery. When it initially developed a synthetic valve, AorTech was ahead of the market. The Directors believe that the global heart valve market (valued at some US\$4.8 billion in 2017<sup>1</sup> and forecast to reach US\$8.8 billion in 2022<sup>2</sup>) is now in need of new technology, enhancing the opportunities available to AorTech.

<sup>1</sup> marketsandmarkets.com, report code MD409

<sup>2</sup> marketsandmarkets.com, report code MD409

## 5. Principal terms of the Acquisition

Pursuant to the Acquisition Agreement, subject to Shareholders' approval, the Company has agreed to buy, and the Seller has agreed to sell, the entire issued share capital of RUA for an aggregate consideration of approximately £2.45 million which will be satisfied as to £0.95 million in cash and the balance by the allotment and issue of 1,500,000 new Ordinary Shares. The consideration is subject to a downward adjustment following preparation of completion accounts if RUA has net assets of less than the agreed target of £1.1 million. The cash element of the consideration will be satisfied from the Company's existing resources. The Consideration Shares are being issued at a price of £1.00 per share, a premium of 34.2 per cent. to the Closing Price on 10 March 2020. The Consideration Shares will, following issue, rank *par passu* with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

The Seller has given customary warranties to the Company, subject to certain conditions and financial limits.

The Seller has agreed with the Company and Shore Capital not to dispose of any interests in the Consideration Shares for a period of one year from Admission, save in certain limited circumstances, and thereafter is subject to an orderly market arrangement for a further period of one-year.

Shareholder approval is required for the Acquisition pursuant to section 190 of the Companies Act and, therefore, Resolution 1 will be proposed at the General Meeting as an ordinary resolution.

In terms of the Offer to Sell it is intended that, post Completion, RUA should purchase the property at 6 Skye Road, Shawfarm Industrial Estate, Prestwick from Glenavon Estates (a partnership of David Richmond's wife and daughter), for a consideration of £205,000 (excluding VAT), to be satisfied in cash. In addition, the Offer to Sell gives RUA the option, over a two year period from the date of transfer of title to RUA, for RUA to sell the property back to Glenavon Estates for a consideration of £203,980 (excluding VAT). Shareholder approval is also required for this transaction and, therefore, Resolution 2 will also be proposed at the General Meeting as an ordinary resolution.

## 6. Board and Senior Management

The current Board comprises myself, as Chairman, John McKenna as Director of Clinical Marketing, Gordon Wright as non-Executive Director, John Ely as non-Executive Director, Geoffrey Berg as non-Executive Director and David Richmond as non-Executive Director. Kate Full is the Company Secretary, and also acts as the Company's Chief Financial Officer. Immediately following Completion it is proposed that David Richmond will become Group Chief Executive Officer.

In addition, immediately following Completion, Caroline Stretton, currently RUA's Chief Executive Officer, will become Group Chief Operating Officer. Eilidh Callan, RUA's director of Operations. and Matthew Litton, RUA's director of R&D, will also become key members of the Enlarged Group's senior management team. Further details of the senior management team are set out below:-

**Kate Full, Company Secretary and Chief Financial Officer.** Kate is a qualified accountant with a broad range of experience and skills, whose direct experience includes professional practice (PwC and Tenon), venture capital, and financial leadership. She is a highly motivated professional with strong analytical and communication skills whose other current engagements include part-time CFO to Vascular Flow Technologies Ltd in Dundee and Sirakoss Ltd an Aberdeen based synthetic bone graft company.

**Caroline Stretton, Group COO.** Caroline is a graduate of the University of Strathclyde and holds a PhD in Pure and Applied Chemistry. Caroline joined RUA Medical in 2018 from prosthetic hand manufacturer, Touch Bionics, where she was a key member of the leadership team responsible for Global Manufacturing, Operations, Quality and Customer Support. Touch Bionics was sold to Icelandic orthotic and prosthetic manufacturer Ossur in 2016. Between 1994 and 2013, Caroline was employed by a number of medical device and pharmaceutical companies in a variety of roles, most notably Teva Pharmaceuticals, Ocutec and Mpathy Medical, a surgical medical device company which achieved a multimillion-pound exit to Danish surgical medical device manufacturer Coloplast in 2010.

**Matthew Litton, RUA Director of Research and Development.** Matthew is a multi-skilled engineer with over twenty years' industrial experience in the design, development and manufacture



of technical, industrial and medical textiles and their associated manufacturing equipment. He brings a wealth of experience gathered across many industries including aerospace, automotive and medical. Graduating from Strathclyde University with a BEng (Hons.) in Computer & Electronics Engineering, Matthew joined the textile business, Culzean Fabrics, which specialised in developing innovative textiles and textile processes. Matthew's passion for innovation has driven him to extend and develop new machinery to realise his vision. This includes the development of bespoke sewing equipment for joining a vascular stent and graft together to create an innovative AAA (Aortic Abdominal Aneurysm) treatment device.

**Eilidh Callan, RUA Director of Operations.** Eilidh joined RUA Medical in 2015 from Giltech, a wound management company, where she was Operations Director and Company Secretary. With over 20 years' experience in the medical device industry, she has worked in the alginate, wound management, biodegradable, antimicrobial and urology sectors. Eilidh developed the project management office at RUA Medical which enables the company to better serve its clients and build solid, long-term partnerships.

## **7. Related Party Transaction**

David Richmond, a Non-Executive Director of the Company, is the sole shareholder of RUA. The Acquisition is therefore deemed a related party transaction under the AIM Rules by virtue of David Richmond being a Director.

The Independent Directors, consider, having consulted with the Company's nominated adviser, Shore Capital, that the terms of the Acquisition are fair and reasonable insofar as the Shareholders are concerned.

David Richmond will be allotted the Consideration Shares at Completion. Immediately following Admission, David Richmond will hold 1,533,334 Ordinary Shares, representing approximately 9.47 per cent. of the Enlarged Share Capital.

## **8. Service Agreement**

The Company has entered into a service agreement with David Richmond, conditional upon Admission, and will appoint him as Chief Executive Officer with effect from Admission. His annual salary will be £175,000; in addition, the Company will make an annual pension contribution of 10 per cent. of salary. The service agreement may be terminated by either party serving at least 12 months' notice in writing at any time after 31 December 2020.

## **9. Current trading**

On 29 November 2019, the Company announced its unaudited interim results for the 6 months ended 30 September 2019, the contents of which are available on the Company's website [www.aortech.net](http://www.aortech.net). Since 30 September 2019, the Company has continued to trade in line with management's expectations.

## **10. General Meeting**

You will find set out at the end of this Document a notice convening the General Meeting to be held at the offices of Davidson Chalmers Stewart LLP, 163 Bath Street, Glasgow G2 4SQ at 10.00 a.m. on 31 March 2020 at which the following resolutions will be proposed as an ordinary resolution:-

- (a) to approve the Acquisition;
- (b) to approve the purchase by RUA of the property at 6 Skye Road, Shawfarm Industrial Estate, Prestwick, Ayrshire, KA9 2TA from Glenavon Estates, and the possible future sale of that property to Glenavon Estates.

## **11. Action to be taken in respect of the General Meeting**

Shareholders will find accompanying this Document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Equiniti as soon as possible and in any event not later 10.00 a.m. on 27 March 2020. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the General Meeting should they wish.

## **12. Recommendation**

The Independent Directors believe that the Acquisition is in the best interests of the Company and its shareholders as a whole.

Accordingly, the Independent Directors unanimously recommend Shareholders to vote in favour of the Resolutions as they intend so to do in respect of their beneficial shareholdings amounting to 542,101 Existing Ordinary Shares, representing approximately 3.7 per cent. of the Company's issued share capital.

As explained above, Gordon Wright, a Director of the Company, has not been able to participate in the preparation and issue of this Circular. He is, therefore, excluded from this recommendation.

Yours faithfully

**William Brown**  
*Chairman*

## DEFINITIONS

The following definitions apply throughout this Document and the accompanying Form of Proxy, unless the context requires otherwise or unless it is otherwise specifically provided:

“Acquisition”	the proposed acquisition of RUA Medical by AorTech
“Acquisition Agreement”	the conditional agreement entered into on 10 March 2020 between the Company and the Seller in relation to the Acquisition
“Admission”	admission of the Consideration Shares to trading on AIM in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange
“Announcement”	the announcement of the Acquisition which was released by the Company on 11 March 2020
“Closing Price”	the closing middle market quotation of an Existing Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
“Company” or “AorTech”	AorTech International plc (registered number SC170071)
“Completion”	Completion of the Acquisition
“Consideration Shares”	the 1,500,000 Ordinary Shares to be issued to the Seller as part of the consideration for the Acquisition
“Directors” or “Board”	for the purposes of this Circular, William Brown, John McKenna, John Ely, Geoffrey Berg and David Richmond
“Document” or “Circular”	this document which for the avoidance of doubt does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
“Enlarged Group”	the Group as enlarged by the Acquisition
“Enlarged Share Capital”	the issued share capital of AorTech immediately following Admission
“Equiniti” or “Registrars”	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
“Existing Ordinary Shares”	the 14,686,608 Ordinary Shares in issue at the date of this Document
“FCA”	the Financial Conduct Authority of the UK
“FDA”	the U.S. Food and Drug Administration
“Form of Proxy”	the form of proxy accompanying this Document for use at the General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company as described in this Document, notice of which is set out at the end of this Document
“Glenavon Estates”	a partnership of Lorna Richmond and Caroline Richmond (respectively the spouse and daughter of David Richmond, a Director of the Company)
“Group”	the Company and its subsidiaries
“Independent Directors”	William Brown, John McKenna, John Ely and Geoffrey Berg
“London Stock Exchange”	London Stock Exchange plc
“Notice of General Meeting”	the notice of General Meeting set out at the end of this Document

“OEM”	Original Equipment Manufacturer
“Offer to Sell”	the offer to sell dated 9 March 2020 relating to 6 Skye Road, Shawfarm Industrial Estate, Prestwick from MacDonald Henderson Limited, Solicitors, (acting for Glenavon Estates) to Davidson Chalmers Stewart LLP, Solicitors, (acting for RUA)
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 5 pence each in the capital of the Company
“PTFE”	polytetrafluoroethylene
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
“RIS”	a regulatory information service as defined by the AIM Rules
“RUA Biomaterials”	RUA Biomaterials Limited
“RUA Life Sciences”	RUA Life Sciences Limited
“RUA Medical” or “RUA”	RUA Medical Devices Limited
“RUA Structural Heart”	RUA Structural Heart Limited
“RUA Vascular”	RUA Vascular Limited
“Seller”	David Richmond, a Director of the Company
“Shareholders”	holders of Ordinary Shares
“Shore Capital”	Shore Capital Stockbrokers Limited and/or Shore Capital and Corporate Limited, as the context permits
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority” or “UKLA”	the FCA in its capacity as competent authority for the purposes of Part VI of FSMA
“VAT”	value added tax

## NOTICE OF GENERAL MEETING

# AorTech International plc

*(Incorporated and registered in Scotland under number SC170071)*

NOTICE is hereby given that a General Meeting of AorTech International plc will be held at the offices of Davidson Chalmers Stewart LLP, 163 Bath Street, Glasgow G2 4SQ on 31 March 2020 at 10.00 a.m. to consider and, if thought fit, pass the following resolutions each of which will be proposed as an Ordinary Resolution.

### ORDINARY RESOLUTIONS

1. **THAT** the acquisition of the whole of the issued share capital of RUA Medical Devices Limited (SC398109) from David Richmond (a director of AorTech International plc) in consideration for £2,450,000, satisfied by the payment of £950,000 in cash and the issue of 1,500,000 Ordinary Shares of £0.05 each, credited as fully paid, in the capital of the Company, all on the terms described in the Chairman's Letter in the Circular sent by the Company to its shareholders dated 11 March 2020 (the "Circular") and more particularly on the terms and conditions set out in the Acquisition Agreement (as defined in the Circular), be and is hereby approved for the purposes of and in accordance with section 190 of the Companies Act 2006.
2. **THAT**, conditional on the passing of resolution 1 set out in this Notice, both the acquisition by RUA Medical Devices Limited (SC398109) ("RUA") of the property at 6 Skye Road, Shawfarm Industrial Estate, Prestwick KA9 2TA from Glenavon Estates (a partnership of Lorna Richmond and Caroline Richmond, respectively the spouse and daughter of David Richmond, a director of AorTech International plc) for a consideration of £205,000 (excluding VAT), satisfied in cash, and the sale by RUA of that property to Glenavon Estates for a consideration of £203,980 (excluding VAT), satisfied in cash, all as described in the Chairman's Letter in the Circular sent by the Company to its shareholders dated 11 March 2020 (the "Circular") and more particularly on the terms and conditions of the Offer to Sell (as defined in the Circular), be and are hereby approved for the purposes of and in accordance with section 190 of the Companies Act 2006.

By Order of the Board

Kate Full  
*Company Secretary*

Dated 11 March 2020

AorTech International plc  
C/o Davidson Chalmers Stewart LLP  
163 Bath Street  
Glasgow  
G2 4SQ

Notes:

#### **Entitlement to attend and vote**

1. Only those members registered on the Company's register of members at 6.30 p.m. on 29 March 2020 or, if this General Meeting (the "Meeting") is adjourned, at 6.30 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

#### **Website giving information regarding the Meeting**

2. Information regarding the Meeting is available from [www.aortech.net](http://www.aortech.net).

#### **Attending in person**

3. If you wish to attend the Meeting in person, you will need to bring with you a form of formal identification which includes your photograph, such as a passport or a picture driving licence.

#### **Appointment of proxies**

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
5. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please complete and return the enclosed form of proxy and return it to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA in accordance with the instructions thereon.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

#### **Appointment of proxy using hard copy proxy form**

8. The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
  - completed and signed;
  - sent or delivered to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA in accordance with the instructions thereon; and
  - received by Equiniti (at the above address) no later than 10.00 a.m. on 27 March 2020.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

#### **Appointment of a proxy through CREST**

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual (available at <https://www.euroclear.com/site/public/eui>). CREST personal members or other crest sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST 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 must be transmitted so as to be received by the company's agent, Equiniti Limited (CREST participant ID RA19), no later than 10.00 a.m. on 27 March 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST application host) from which the company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsor or voting service provider 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 in relation 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 a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be 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 sponsor or voting service provider are referred in particular to those sections of the CREST manual concerning particular limitations of the CREST system and timings.

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.

#### **Appointment of proxy by joint members**

10. In the case of joint holders, 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 (the first-named being the most senior).

#### **Changing proxy instructions**

11. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Equiniti on 0371 384 2482 or, if calling from outside the UK, on +44 121 415 7047, between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) quoting the Shareholder Reference Number of your proxy form.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### **Termination of proxy appointments**

12. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Equiniti no later than 10.00 a.m. on 27 March 2020.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

#### **Corporate representatives**

13. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

#### **Issued shares and total voting rights**

14. As at 6.00 p.m. on 10 March 2020, the Company's issued share capital comprised 14,686,608 ordinary shares of 5 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 10 March 2020 is 14,686,608.

#### **Questions at the Meeting**

15. The Company will answer any question you ask relating to the business being dealt with at the Meeting unless:
- (a) answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
  - (b) the answer has already been given on a website in the form of an answer to a question; or
  - (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

#### **Communication**

16. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
- (a) in writing to the Company Secretary, AorTech International plc, C/O Davidson Chalmers Stewart LLP, 163 Bath Street, Glasgow, G2 4SQ;
  - (b) by telephone on 0371 384 2482 or, if calling from outside the UK, on +44 121 415 7047, between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Different charges may apply to calls made from mobile telephones. Calls may be recorded and monitored randomly for security and training purposes;
- to communicate with the Company for any purposes other than those expressly stated.

