

21 DECEMBER 2020

**Dr Gareth Cave
Remote Monitored Systems PLC (“RMS” or the “Company”)**

**18% shareholder will vote against the issue of warrants to participants in the recently
announced placing to limit dilution of minority shareholders**

and

Proposes board changes to improve corporate governance

On 18 December 2020, RMS announced a placing of 400 million new shares at 1.25p per share (the “Placing”) and the proposed issue of 400 million warrants at 2p per share, the latter being subject to shareholder approval. The Board of RMS entered into the Placing without consulting Dr Cave, the largest shareholder, or informing him until after the event.

Dr Gareth Cave is a founder and a director of RMS’ principal subsidiary Pharm2Farm Ltd (“P2F”) and will vote against the issue of the warrants. Dr Cave owns 289,645,185 ordinary shares in RMS, representing approximately 18.3% of shares in issue prior to the Placing.

Dr Cave intends to lodge a requisition with RMS to convene a general meeting to consider board changes to improve corporate governance. His adviser, Egremont Capital Limited (“Egremont”), has written to the Board of RMS on behalf of Dr Cave indicating that he and Mr Alex Vergopoulos - who was appointed a Director of P2F on 6 December 2020 and whose involvement Dr Cave considers will be central to enabling P2F to deliver on its commercial business plan - are considering their positions in relation to P2F in the absence of substantial board changes.

Dr Cave has been concerned about the Company’s corporate governance for some time. Furthermore, under the terms of the relationship agreement between himself, the Company and SP Angel, Dr Cave is required to ensure that the Board has a majority of independent directors. Prior to the Placing, Egremont contacted the Company’s nominated adviser, SP Angel Corporate Finance LLP (“SP Angel”), to communicate Dr Cave’s concerns and seek SP Angel’s agreement to his involvement in the selection of new independent directors to rectify this matter and to provide proper independent oversight of the Company.

Dr Cave is not a director of RMS due to his position as an employee of Nottingham Trent University and he has not benefitted financially in any way from the activities of the Board other than on the same basis as minority shareholders. He therefore believes he is in a strong position to defend the interests of ordinary shareholders who now face significant and unnecessary dilution thanks to the actions of the board of RMS.

On 12 November, after Braveheart Investment Group PLC, a company of which Trevor Brown, a director of RMS is Chief Executive, had sold a significant proportion of its shareholding, the Company made the following announcement:

“The Company has noted speculation regarding a possible fundraising by the Company. The Company has as previously announced both settled its convertible loan note debts and completed the admission, following exercise, of all outstanding warrants save for a remainder of 10,000,000 warrants or 0.64% of its issued share capital following Admission of the Warrant Shares. The Company has thereby raised additional funds in excess of £900,000 via recent warrant exercises. As such the Directors do not foresee any current need to raise further funds.
”

Less than a week later on 17 and 18 November 2020, Braveheart and Paul Ryan, the non-executive Chairman of RMS took advantage of demand in the market to sell their remaining shareholdings for between 2.9p and 5.0p for an aggregate consideration of £18.4 million.

Then, on 11 December, the Company issued a statement, to which Dr Cave’s name was attached, indicating the possible need to raise working capital. This announcement was made without the approval or consent of Dr Cave, who questioned the need to raise such a substantial amount of capital.

The Placing price of 1.25 pence represents a discount of 26% to the closing price of an RMS Share prior to the placing being announced, a 40% discount to the price prior to the announcement on 11 December, and nearly 75% to the highest mid-price the highest mid-price of recent weeks, when the directors sold their shares.

If the Placing had raised £5m at these higher prices, less than half the number of new shares and no warrants would need to have been issued. Whilst growing companies can generally utilise additional cash, Dr Cave regards both the £5 million size of the issue and the level of discount to be excessive and the proposal to issue warrants to be unjustified.

On behalf of Dr Cave, Egremont has written to RMS, with a copy to its Nomad, SP Angel, confirming Dr Cave’s intention to convene a general meeting to appoint additional directors to the board of RMS, without which Dr Cave’s continued involvement in P2F and that of Mr Alex Vergopoulos, may come to a premature conclusion.

ENDS

Enquiries

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