

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

InnovaDerma plc

(incorporated and registered in England and Wales under number 09226823)

NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of the Company to be held as a virtual meeting (details for joining the meeting are set out below) on the 11th November 2020 at 10 am (GMT) is set out at the end of this circular.

Please complete and submit a proxy form appointing the Chairman as proxy in accordance with the instructions printed on the enclosed form. The proxy form must be received not less than 48 hours before the time of the holding of the Annual General Meeting.

PART I
InnovaDerma plc

(incorporated and registered in England and Wales under number 09226823)

Registered Office:

27 Old Gloucester Street
London
WC1N 3AX
United Kingdom

09 October 2020

To the holders of the Ordinary Shares in InnovaDerma plc

Notice of Annual General Meeting

Dear Shareholder,

I am pleased to be writing to you with details of our Annual General Meeting (**AGM**) which we are holding as a virtual meeting on the 11 November 2020 at 10 am (GMT). The formal notice of Annual General Meeting is set out on page 4 of this document.

COVID – Virtual AGM

Given current measures around the COVID-19 situation and the desire of the Company to protect the health and safety of Shareholders, the AGM will be run as a virtual meeting.

As shareholders cannot attend in person, the Company encourages all shareholders to vote by submitting a proxy form in advance of the AGM. Please fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible. **Shareholders should appoint the Chairman of the AGM as their proxy. Under the current meeting arrangements, if a shareholder appoints someone else as their proxy, that proxy will not be able to attend the AGM or cast the shareholder's vote at the virtual meeting. All resolutions at the AGM will be decided on a poll.**

Alternatively, you may submit votes electronically, if you hold your shares in CREST, through the CREST system. The registrars must receive your votes by 10 am (GMT) on 9th November 2020.

Shareholders are invited to submit any questions for the Board to consider in respect of the business of the AGM. Questions should be submitted by email by sending them to agminnovaderma@tbcardew.com by 5.00 pm on 27 October 2020 under the title "InnovaDerma Shareholder Questions" and should include any shareholder's full name. A selection of key questions (relating to the business of the AGM) and the Company's responses will be posted on the Company's website by close of business on 3 November 2020 so that shareholders may review these before confirming their proxy vote.

In order to ensure that shareholders are able to follow the proceedings of the AGM, the Company will provide access to an online audio and presentation link, accessible via the online Investor Meet Company platform. Shareholders that wish to attend the AGM should register for the event in advance via the following link: <https://www.investormeetcompany.com/innovaderma-plc/register-investor>.

The online presentation link will be opened at approximately 9.55 a.m. on 11 November 2020. However, please note that shareholders will not be able to vote at the AGM via the online presentation link.

The Company believes these measures are necessary and appropriate in light of the current pandemic, to protect the health and wellbeing of the Company's employees, shareholders and the wider communities in which we operate.

Business of the meeting

Explanatory notes on all the business to be considered at this year's AGM appear on pages 11 and 12 of this document.

Recommendation

The Board considers that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Bayer', followed by a period.

Joseph Bayer
Chairman

PART II
InnovaDerma plc

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of InnovaDerma Plc (the **Company**) will be held as a virtual meeting on the 11 November 2020 at 10 am (GMT) to consider and, if thought fit, pass the resolutions below. **Shareholders will not be able to attend the AGM at a physical location.**

Covid-19 Update

Given current measures around the COVID-19 situation in the UK and the desire of the Company to protect the health and safety of Shareholders, the Board has decided that the AGM will now be run as a virtual meeting. Shareholders will not be able to attend the AGM at a physical location.

Shareholders are therefore requested to submit their votes, in respect of the business to be considered at the AGM, via proxy, as early as possible. Shareholders should appoint the Chairman of the AGM as their proxy. **Under the current meeting arrangements, if a shareholder appoints someone else as their proxy, that proxy will not be able to attend the AGM or cast the shareholder's vote at the virtual meeting. All resolutions at the AGM will be decided on a poll.**

We have arranged to conduct the virtual AGM through an online platform called the Investor Meet Company Platform. In order to ensure that shareholders are able to follow the proceedings of the AGM, the Company will provide access to an online audio and presentation link, accessible via the online Investor Meet Company platform. Shareholders that wish to attend the AGM should register for the event in advance via the following link:

<https://www.investormeetcompany.com/innovaderma-plc/register-investor>.

Resolutions 9 and 10 will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

ORDINARY RESOLUTIONS

1. To receive the Company's annual report and accounts for the financial year ended 30 June 2020 (the **"Annual Report"**), together with the directors' report and the auditors' report on those accounts.
2. To receive and approve the directors' remuneration report for the financial year ended 30 June 2020 together with the auditor's report on it, as set out on page 14 of the Annual Report.
3. To approve the Directors' Remuneration Policy as set out on pages 15 to 18 of the Annual Report.
4. To reappoint Elderton Audit UK (formerly known as Greenwich & Co UK) of Level 2, 267 St George's Terrace, Perth, WA 6000, Australia as auditors to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
5. To authorise the directors to fix the remuneration of the auditors.
6. To reappoint Ross Andrews as a director.
7. To reappoint Mark Michael Ward as a director.
8. **THAT:**
 - 8.1 the directors of the Company be generally and unconditionally authorised under section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (**"Rights"**):
 - 8.1.1 up to an aggregate nominal amount of €724,831.60; and

- 8.1.2 comprising equity securities (as defined in section 560(1) of the Companies Act 2006), up to a further aggregate nominal amount of €724,831.60 in connection with an offer by way of a rights issue to:
- 8.1.2.1 ordinary shareholders in proportion (as nearly as may be) to their existing holdings; and
- 8.1.2.2 of other equity securities, if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities,
- but subject to such exclusions and other arrangements as the directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter; and
- 8.2 such authority shall expire (unless previously revoked by the Company) on the earlier of 31 December 2021 and the conclusion of the next Annual General Meeting of the Company and in each case the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after the authority has expired and the directors may allot shares or grant Rights in pursuance of any such offer or agreement notwithstanding that this authority has expired; and
- 8.3 all previous authorities to allot shares or grant Rights, to the extent unused, shall be revoked.

SPECIAL RESOLUTIONS

9. THAT:

- 9.1 subject to the passing of resolution 8, the directors of the Company shall have the power to allot equity securities (within the meaning of section 560 of the Companies Act 2006) for cash under the authority conferred by resolution 8 as if section 561 of the Companies Act 2006 did not apply to the allotment and this power shall be limited to:
- 9.1.1 the allotment of equity securities in connection with an offer or issue of equity securities (but in the case of the authority granted under paragraph 8.1.2 of resolution 8, by way of a rights issue only) to or in favour of:
- 9.1.1.1 ordinary shareholders in proportion (as nearly as may be) to their existing holdings; and
- 9.1.1.2 holders of other equity securities, if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities,
- but subject to such exclusions and other arrangements as the directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter; and
- 9.1.2 the allotment of equity securities (otherwise than under paragraph 9.1.1 of this resolution) up to an aggregate nominal amount of €362,415.80; and
- 9.2 this power shall expire when the authority given by resolution 8 is revoked or expires but the Company may before expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of that offer or agreement notwithstanding that the power has expired; and
- 9.3 this power applies in relation to a sale of treasury shares which constitutes an allotment of equity securities by virtue of section 560(3) of the Companies Act 2006 as if the words "under the authority conferred by resolution 8" were omitted from the introductory wording to resolution 9.1.

10. THAT:

10.1 the Company be, and it is hereby, generally and unconditionally authorised for the purpose of sections 693 and 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of €0.10 each in the capital of the Company upon such terms and in such manner as the directors of the Company shall determine, provided that:

10.1.1 the maximum aggregate number of ordinary shares authorised to be purchased is 2,500,000;

10.1.2 the minimum price which may be paid for such ordinary shares is €0.10 per share (exclusive of expenses);

10.1.3 the maximum price (exclusive of expenses) which may be paid for an ordinary share cannot be more than an amount equal to 105 per cent of the average market value of the ordinary shares for the five business days immediately prior to the day the purchase is made;

10.1.4 unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or 31 December 2021, whichever is the earlier; and that

10.1.5 the Company may make a contract or contracts to purchase ordinary shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

09 October 2020

By order of the Board



Joseph Bayer
Chairman

Registered Office: 27 Old Gloucester Street, London WC1N 3AX
Registered in England and Wales No. 09226823

Notes

Covid-19 update – Attendance at meeting

Given current measures around the COVID-19 situation and the desire of the Company to protect the health and safety of Shareholders, the AGM will be run as a virtual meeting.

As shareholders cannot attend in person, the Company encourages all shareholders to vote by submitting a proxy in advance of the AGM. Please fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible. Alternatively, you may submit votes electronically, if you hold your shares in CREST, through the CREST system. The registrars must receive your votes by 10 am (GMT) on 9th November 2020.

Shareholders are therefore requested to submit their votes, in respect of the business to be considered at the AGM, via proxy, as early as possible. **Shareholders should appoint the Chairman of the AGM as their proxy. If a shareholder appoints anyone other than the Chairman of the meeting as their proxy, the proxy will not be able to physically attend the AGM and will not be able to vote at the virtual meeting.**

Shareholders are invited to submit any questions for the Board to consider in respect of the business of the AGM. Questions should be submitted by email by sending them to agminnovaderma@tbcardew.com by 5.00 pm on 27 October 2020 under the title "InnovaDerma Shareholder Questions" and should include any shareholder's full name. A selection of key questions (relating to the business of the AGM) and the Company's responses will be posted on the Company's website by close of business on 3 November 2020 so that shareholders may review these before confirming their proxy vote.

In order to ensure that shareholders are able to follow the proceedings of the AGM, the Company will provide access to an online audio and presentation link, accessible via the online Investor Meet Company platform. Shareholders that wish to attend the AGM should register for the event in advance via the following link: <https://www.investormeetcompany.com/innovaderma-plc/register-investor>.

The online presentation link will be opened at approximately 9.55 a.m. on 11 November 2020. However, please note that shareholders will not be able to vote at the AGM via the online presentation link.

Please note that the Company is holding the AGM virtually using the provisions provided for under the Corporate Insolvency and Governance Act 2020.

1. Shareholders are entitled to appoint the Chairman as their proxy to exercise all or any of their rights to vote on their behalf at the meeting. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. **If a shareholder appoints anyone other than the Chairman of the meeting as their proxy, the proxy will not be able to physically attend the AGM and will not be able to vote at the virtual meeting.**
2. To be valid the completed proxy form appointing the Chairman as the proxy must be received by post or (during normal business hours only) by hand at SLC Registrars, Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey, KT13 0TS or by scanning a signed copy of the proxy form and emailing this to office@slcregistrars.com, by no later than 10 am (GMT) on 9th November 2020.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 6 below) will not prevent a shareholder attending the Annual General Meeting virtually if he/she wishes to do so, but they will not be able to vote via the virtual meeting or change their proxy instruction.
4. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.30 pm (GMT) on 9th November 2020 (or, in the event of any adjournment, at 6.30 pm (GMT) on the date which is two days before the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. As at 8 October 2020, being the last practicable date prior to issuing this notice, the Company's issued share capital consists of 14,496,633 ordinary shares of €0.10 each, carrying one vote each.

6. CREST members who wish to appoint Chairman as their proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be viewed at www.euroclear.com. 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.
7. 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 instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 the issuer's agent (ID 7RA01) by 10 am on 9th November 2020. 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 issuer'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.
8. 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 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(s) take(s)) 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 sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. 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.
10. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares. **If a corporate representative is appointed they will not be able to physically attend the AGM and will not be able to vote at the virtual meeting.**
11. Shareholders are invited to submit any questions for the Board to consider in respect of the business of the AGM. Questions should be submitted by email by sending them to agminnovaderma@tbcardew.com by 5pm (GMT) on 27 October 2020 under the title "InnovaDerma Plc Shareholder Questions" and should include any shareholder's full name. A selection of key questions (relating to the business of the AGM) and the Company's responses will be posted on the Company's website by close of business on 3 November 2020 so that shareholders may review these before confirming their proxy vote. The company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so 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 that the question be answered.
12. A copy of this notice, and other information required by s.311A of the Companies Act 2006, can be found at <https://www.innovaderma.com/company-publications/>.
13. Shareholders may not use any electronic address provided in either this notice of meeting or any related documents (including the chairman's letter and the proxy form) to communicate with the Company for any purposes other than those expressly stated.

EXPLANATORY NOTES TO RESOLUTIONS

Resolutions 1 to 8 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 9 and 10 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1 (annual report and accounts)

The directors of the Company must present to the meeting the audited annual accounts and the directors' and auditors' report for the financial year ended 30 June 2020 (the "Annual Report").

Resolution 2 (remuneration report)

The Company's shareholders will be asked to approve the remuneration report at the Annual General Meeting as set out on page 14 of the Annual Report.

Resolution 3 (remuneration policy)

The Company's shareholders will be asked to approve the remuneration policy at the Annual General Meeting as set out on pages 15 to 18 of the Annual Report. The Company's remuneration policy was last approved at the 2019 AGM, but there have been significant changes to the policy and therefore the shareholders are being asked to approve this again.

Resolutions 4 and 5 (appointment and remuneration of auditors)

The Company must appoint auditors at each general meeting at which accounts are presented to shareholders to hold office until the conclusion of the next such meeting. Resolution 4 seeks shareholder approval to re-appoint Elderton Audit UK (formerly known as Greenwich & Co UK) of Level 2, 267 St Georges Terrace, Perth WA 6000, Australia as the Company's auditors. In accordance with normal practice, Resolution 5 seeks authority for the Company's directors to fix their remuneration.

Resolutions 6 to 7 (re-appointment of directors)

The Company's articles of association do not require the directors to retire by rotation. However, one third of the directors are standing for re-appointment as directors. Ross Andrews is therefore standing for re-appointment as a director. Michael Ward was appointed since the last AGM and is therefore standing for appointment as it is the first AGM since his appointment.

The Board is satisfied that each director continues to make an effective and valuable contribution and that they each demonstrate excellent commitment to their respective roles. The Board is content that each non-executive director offering himself or herself for election or re-election is independent in character and judgment and there are no relationships, transactions or circumstances likely to affect his or her character or judgement. The Board therefore supports each director's election or re-election. More detail on their specific skills and experience can be found at www.innovaderma.com/board-of-directors/

Ross Andrews is standing for re-appointment as a director by resolution 6.

Mark Michael Ward are standing for re-appointment as a non-executive director by resolution 7.

Resolution 8 (authority to allot)

Resolution 8 would give the directors the authority to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal value of €724,831.60. This represents approximately 50% of the ordinary share capital of the Company in issue as at 08 October 2020.

Paragraph 8.1.2 of resolution 8 would give the directors the authority to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to a further aggregate nominal value of €724,831.60 in connection with a rights issue. This amount represents approximately 50% of the ordinary share capital of the Company in issue as at 08 October 2020 (being the latest practicable date prior to the publication of this notice).

The directors' authority will expire on the earlier of 31 December 2021 and the conclusion of the next Annual General Meeting. The Company does not have any intention at the moment to utilise this authority, but it is requested to maintain flexibility with respect to potential fundraising by the Company and for other matters.

Please also see the explanatory notes to proposed resolution 9 relating to the disapplication of statutory pre-emption rights.

Resolution 9 (statutory pre-emption rights)

Under company law, when new shares are allotted or treasury shares are sold for cash, they must generally first be offered to existing shareholders *pro rata* to their holdings. This special resolution gives the directors authority, for the period ending on 31 December 2021 or, if earlier, the date of the next Annual General Meeting, to allot shares of the Company, or sell treasury shares, for cash up to an aggregate nominal value of €362,415.80 (representing approximately 25% of the total share capital in issue as at 08 October 2020) as if the pre-emption rights in company law did not apply.

Resolution 10 (authority for market purchases of own shares)

Resolution 10 grants the Company authority to make limited market purchases of the Company's ordinary shares. The authority is limited to a maximum aggregate number of 2,500,000 ordinary shares) and sets out the minimum and maximum prices that can be paid, exclusive of expenses. The authority conferred by this resolution will expire at the conclusion of the Company's next Annual General Meeting or 31 December 2021, whichever is the earlier.

