

Advanced Medical Solutions
Group plc

CREATING A SURGICAL POWERHOUSE

Annual Report &
Accounts 2024

Company number: 2867684

EMPOWERING CLINICIANS

WITH

INNOVATIVE SOLUTIONS



Our vision

A world where the outcome of every patient can benefit from our products and a Company where every employee feels invested and valued.

Our mission

To develop | To make a real difference | To add value

What's inside



p8-15

Creating the Foundations of a Surgical Powerhouse



p28-33

Focusing on Sustainability and our ESG Strategy

p12-13

Expanding our geographical reach



> **Strong underlying growth and excellent progress with integration of recent acquisitions.**

Chris Meredith
Chief Executive Officer

Read more on Page 21

For more info visit:
https://admedsol.com/investor-relations/

Overview
02 Highlights
04 At a Glance

Strategic Report
06 Chair's Statement
07 Timeline of Strategic Progress
08 Creating a Surgical Powerhouse –
  08 Overview
  10 Through our Enlarged Portfolio
  12 Through our Expanding Geographic Footprint
  14 Through our Key Drivers
16 Our Business Model
18 Chief Executive's Q&A (Chris Meredith)
20 Strategic Framework
21 Strategy in Action
26 Our Key Performance Indicators
28 Environmental, Social and Governance
45 Climate-Related Financial Disclosures
58 Section 172
62 Operating Review
66 Financial Review
71 Risk Management

Governance
78 Corporate Governance at a Glance
80 Board of Directors
82 Executive Committee
83 Corporate Governance Report
90 Nomination Committee Report
94 Audit & Risk Committee Report
98 Remuneration Committee Report
112 Directors' Report

Financial Statements
115 Independent Auditor's Report
123 Consolidated Income Statement
124 Consolidated Statement of Comprehensive Income
125 Consolidated Statement of Financial Position
127 Consolidated Statement of Changes in Equity
128 Consolidated Statement of Cash Flows
129 Notes Forming Part of the Consolidated Financial Statements
165 Company Statement of Financial Position
166 Company Statement of Changes in Equity
167 Notes to the Company Financial Statements
173 Five-Year Summary
174 Alternative Performance Measures
175 Advisors

Highlights

AMS is pleased to report strong financial progress in 2024 as well as beginning its transformation into a larger, more diverse tissue-healing specialist with a broader geographic reach following the acquisitions of Peters Surgical and the business and assets of Syntacoll.

Revenue

£177.5m

↑ **41%** (2023: £126.2m) (Change at constant currency[1] +43% or 10% excluding acquisitions[5])

ADJUSTED MEASURES

Adjusted[2] EBITDA

£40.2m

↑ **35%** (2023: £29.7m)

Adjusted[2] EBITDA margin

22.6%

↓ **0.9pp** (2023: 23.5%)

Adjusted[2] profit before tax

£29.4m

↑ **14%** (2023: £25.9m)

Adjusted[2] profit before tax margin

16.6%

↓ **3.9pp** (2023: 20.5%)

Adjusted[3] diluted earnings per share

10.45p

↑ **16%** (2023: 9.05p)

Net debt/(Net cash[4])

£55.8m

↓ **193%** (2023: (£60.2m))

REPORTED MEASURES

Profit before tax

£9.8m

↓ **54%** (2023: £21.2m)

Profit before tax margin

5.5%

↓ **11.2pp** (2023: 16.8%)

Diluted earnings per share

3.25p

↓ **55%** (2023: 7.25p)

Net operating cash flow

£19.5m

↑ **58%** (2023: £12.3m)

Proposed full year dividend per share

2.60p

↑ **10%** (2023: 2.36p)

1. Constant currency removes the effect of currency movements by re-translating the current year's performance at the previous year's exchange rates.
2. Reconciled on page 67 in the Financial Review. Additional information on adjusted performance measures is available on page 174.
3. Reconciled in Note 12 of the Financial Information.
4. Net debt consists of cash and cash equivalents of £17.0 million and £72.8 million of borrowings, excluding the impact of IFRS 16 as reconciled in Note 7 of the financial information (2023: £60.2 million of cash and £nil debt).
5. Growth excluding acquisitions excludes the impact of acquisitions in the year on a constant currency basis.

Highlights continued

BUSINESS HIGHLIGHTS (INCLUDING POST PERIOD END):

AMS is pleased to report Full Year 2024 results in line with consensus forecasts having made excellent progress in integrating the recent acquisitions of Peters Surgical and the business and assets of Syntacoll.

OPERATIONAL

- Successful implementation of the new route to market strategy in late 2023 has resulted in strong growth from US LiquiBand® throughout 2024.
- Transformational acquisition of Peters Surgical SAS ('Peters Surgical') at an enterprise value of €132.5 million (£113 million) was completed on 1 July 2024. The acquisition added £37.2 million of revenue from the July acquisition date.
- Acquisition of the business and assets of Syntacoll GmbH ('Syntacoll') for €1 million on 1 March 2024, a specialist manufacturer of drug-eluting collagens has significantly strengthened the capacity and capability of the Group's existing Biosurgical business. The acquisition added £5.6 million of revenue from the March acquisition date.
- The full in-market launch of LIQUIFIX™, the first atraumatic hernia fixation device in the US, resulted in better-than-expected initial orders. On the back of major Group Purchasing Organisation ('GPO') approvals, accelerated in-market growth is expected in 2025 and record monthly end user sales were recorded in January, February and March 2025.

FINANCIAL

- Group revenue increased by 43% at constant currency to £177.5 million (2023: £126.2 million), driven by strong growth in US LiquiBand®, other key surgical product categories and the acquisitions of Peters Surgical and the business and assets of Syntacoll. Excluding both acquisitions, Group revenue increased by 10% at constant currency.
- Adjusted profit before tax increased by 14% to £29.4 million (2023: £25.9 million) and reported profit before tax decreased by 54% to £9.8 million (2023: £21.2 million) as a result of acquisition and integration costs.
- Net debt at 31 December 2024 stood at £55.8 million (2023: Net cash of £60.2 million) following the acquisition of Peters Surgical.
- Investment in R&D increased to £12.9 million (2023: £12.6 million), representing 7% of revenues (2023: 10%). Whilst the gross investment in R&D has increased following the addition of Peters Surgical, R&D expenditure as a proportion of revenue has been diluted by the acquisition and by reduced Medical Device Regulation ('MDR') related investment.
- Surgical Business Unit revenues (excluding Peters Surgical) increased to £98.6 million (2023: £79.1 million), an increase of 28% at constant currency, driven by strong performances from all key product categories.



- Woundcare Business Unit revenues decreased to £41.8 million (2023: £47.1 million), a decrease of 11% at reported and constant currency due to a number of factors. Strategic initiatives within the Woundcare business are being successfully implemented, which are expected to positively impact margins in 2025.
- Reflecting management's ongoing confidence in the Group's outlook, the Board proposes an increased final dividend of 1.83p per share (2023: 1.66p) bringing the total proposed dividend to 2.60p per share (2023: 2.36p).

I am very pleased to report such a strong set of results during a year where AMS went through such a significant transformation. The integration of both Peters Surgical and Syntacoll has established the Group as a larger, more diverse tissue-healing specialist with a broader geographic reach. 2025 has started well and we remain confident that the strong, underlying momentum of our core business, combined with the broader portfolio, synergies and benefits from the acquisitions, will drive future strong topline growth and greater profitability.

Chris Meredith,
Chief Executive Officer of AMS



At a Glance

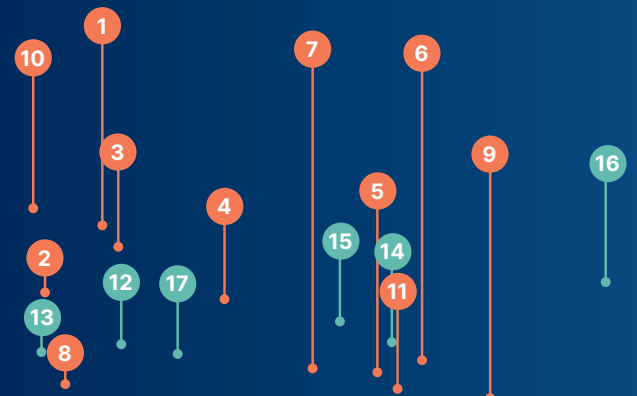
Headquartered in the UK, we are a world-leading specialist in tissue-healing technologies employing over 1,600 people in 24 locations.

EUROPEAN OPERATIONS

1	Winsford, UK HQ	▲ ■ ●	
2	Plymouth, UK	▲ ■ ●	
3	Stafford, UK	▲ ■ ●	
4	Etten Leur, Netherlands	■ ●	
5	Nuremberg, Germany	▲ ■ ●	
6	Domazlice, Czech Rep'	■ ●	
7	Neustadt, Germany	■	
8	Nantes, France	▲ ■ ●	
9	Teesdorf, Austria	●	
10	Dublin, Ireland	▲ ●	
11	Saal an Der Donau, Germany	▲ ■ ●	
12	Boulogne-Billancourt, France HQ	●	
13	Domalain, France	▲ ■	
14	Markneukirchen, Germany	■ ●	
15	Wachsenburg, Germany	■ ●	
16	Warsaw, Poland	●	
17	Weiswampach, Luxembourg	●	

Key for Map:

▲ R&D ■ Manufacturing ● Sales ● AMS sites ● Peters Surgical sites



OUR CULTURAL VALUES:

CARE

Respect colleagues, encourage and value all contributions. Focus on the bigger picture. Open-minded and take appropriate action.

FAIR

Take accountability and responsibility. Transparent and open in communication and actions. Act as a team player to deliver outcomes.

DARE

Demonstrate determination and persistence. Use critical thinking and creativity to find solutions. Find value-added improvements.

At a Glance continued



AMS IN NUMBERS

16
Manufacturing sites

11
R&D centres

>100
Countries distributed into

>1,600
Employees

£177.5m
Group sales

REST OF WORLD OPERATIONS

1. Haifa, Israel
2. Moscow, Russia[1]
3. Gurugram, India
4. Bangkok, Thailand
5. Plymouth, Massachusetts, US

Key for Map:

R&D · Manufacturing · Sales · AMS sites · Peters Surgical sites

1. Small legacy sales office contributing less than 1% of operating profit.

CLEAR PATH FOR GROWTH

WITH INNOVATIVE SOLUTIONS

"It's an honour to be part of AMS's success story as it continues to make a real difference to patient outcomes."

Grahame Cook
Chair



Dear Shareholder,

I am very pleased to have been appointed as Chair of AMS at a particularly exciting time in the Group's development. I would like to express the Board's collective gratitude to Liz Shanahan for her contribution. I would also like to extend a warm welcome to Susan Searle as Senior Independent Director. Susan has extensive board and healthcare experience and we very much look forward to working with her. As AMS continues on its growth trajectory we will look to strengthen the Board still further to ensure that we have the appropriate mix of skills, experience and diversity to support the delivery of the Group's strategy.

AMS delivered strong financial results in 2024 and continued to strengthen our competitive position with the transformative acquisition of Peters in mid 2024. The Group delivered impressive organic growth across all Surgical product categories. The Woundcare business came under pressure in 2024, mainly from changing market dynamics. The leadership team successfully stabilised the business and increased its competitiveness, and the outlook is positive for 2025.

The acquisition of Peters has strengthened our position as a leading specialist globally in tissue repair and skin closure. The integration programme is well under way under the leadership of an experienced and talented integration team drawn from AMS's key functions and territories. This team has developed a road map to deliver all the cost and commercial synergy benefits which were identified prior to the acquisition and those synergies are now beginning to be delivered as planned.

We are of the view that the backdrop of the ongoing challenged of AIM and the Government's lack of prioritisation of this important market for growing UK headquartered companies have been significant contributory factors to AMS's increasing profitability not being reflected in satisfactory share price progression.

However, with the current instability of many global economies and markets since last year's US elections, and current uncertainties around tariffs, the healthcare sector offers relative resilience. Our record of unbroken profitability and cashflow generation remain attractive to our investors, especially in volatile markets.

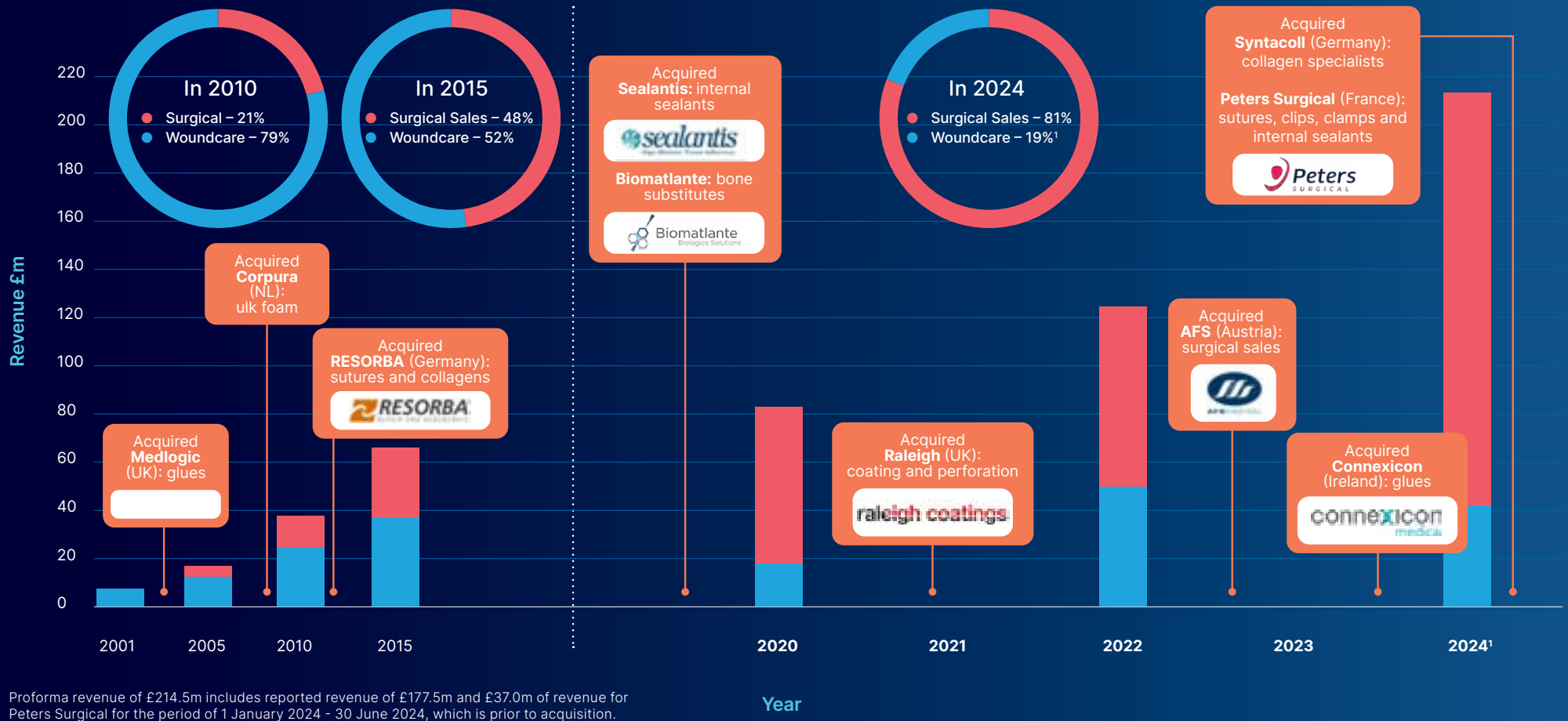
We made further progress during the year in nurturing an engaging, inclusive and high performing culture. I would like to thank each of our c.1,600 employees for their contribution and efforts in 2024.

We look forward with enthusiasm to delivering for all stakeholders in 2025 as we make further progress towards becoming a Surgical powerhouse.

Grahame Cook
Chair
27 May 2025

Timeline of Strategic Progress

AMS has benefited from multiple acquisitions over the last twenty-five years, culminating in the acquisition of Peters Surgical which doubles the faster growing and more profitable Surgical business.



1. Proforma revenue of £214.5m includes reported revenue of £177.5m and £37.0m of revenue for Peters Surgical for the period of 1 January 2024 - 30 June 2024, which is prior to acquisition.

CREATING A SURGICAL POWERHOUSE

THROUGH

Expanding our reach through our Enlarged Portfolio

Read more on Pages 10-11

Expanding our reach through our Global Presence and Expanded Geographical Footprint

Read more on Pages 12-13

Empowering clinicians and achieving excellence through Innovative Solutions + products

Read more on Pages 15 and 22

Creating a clear path to growth through Substantial Cross-selling opportunities

Read more on Pages 19, 61 and 64

Maximising operational synergies created by the integration with Peters Surgical

Read more on Pages 19, 23, 61 and 64

Underpinned by:

Strong Governance and Risk Management

Read more on Pages 71-77

Creating a diverse Board with the skills to drive growth

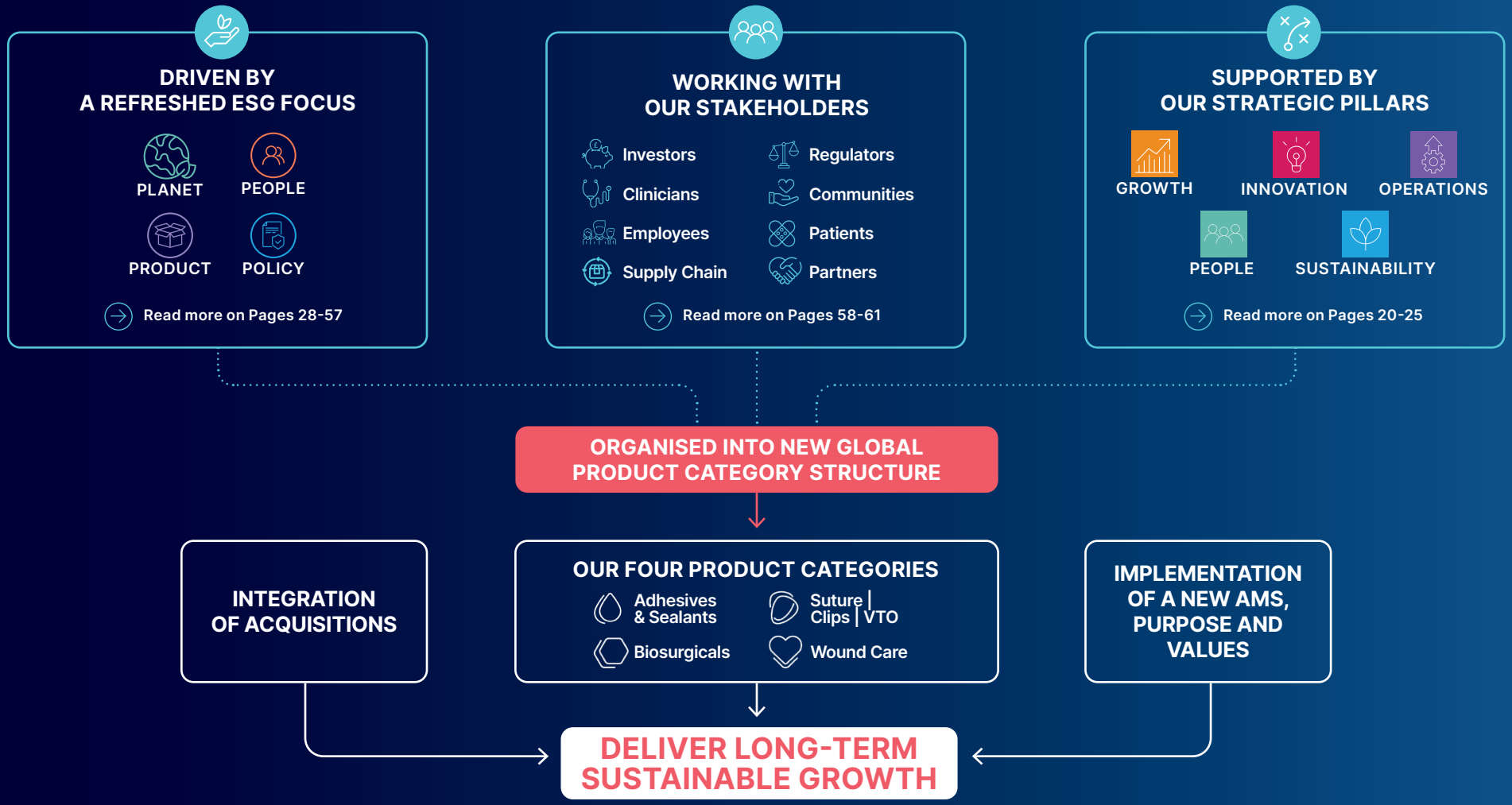
Read more on Pages 78-81, 83-84

Strong financial performance and Balance Sheet

Read more on Pages 18, 123-173

A focus on being a Sustainable Business

Read more on Pages 25, 28-37


DRIVEN BY
A REFRESHED ESG FOCUS
PLANET
PEOPLE
PRODUCT
POLICY
Read more on Pages 28-57
WORKING WITH
OUR STAKEHOLDERS
Investors
Regulators
Clinicians
Communities
Employees
Patients
Supply Chain
Partners
Read more on Pages 58-61
SUPPORTED BY
OUR STRATEGIC PILLARS
GROWTH
INNOVATION
OPERATIONS
PEOPLE
SUSTAINABILITY
Read more on Pages 20-25
ORGANISED INTO NEW GLOBAL
PRODUCT CATEGORY STRUCTURE
INTEGRATION
OF ACQUISITIONS
OUR FOUR PRODUCT CATEGORIES
Adhesives
& Sealants
Suture |
Clips | VTO
Biosurgicals
Wound Care
IMPLEMENTATION
OF A NEW AMS,
PURPOSE AND
VALUES
DELIVER LONG-TERM
SUSTAINABLE GROWTH

CREATING A SURGICAL POWERHOUSE

THROUGH OUR ENLARGED PORTFOLIO

AMS is a global specialist in developing, manufacturing and distributing innovative tissue-healing technology.

Acquisitions and organic growth nearly doubled the size of the surgical business in 2024, with the addition of a complementary range of products to the surgical portfolio.

The portfolio is now divided into four product divisions:

Adhesives | Suture | Clips | VTO | Biosurgicals | Wound Care

Proforma revenue split



By division

- Adhesives – 24%
- Suture & Clips – 38%
- Biosurgical – 11%
- Wound Care – 19%
- Traded Products – 8%

1. Proforma revenue of £214.5m includes reported revenue of £177.5m and £37.0m of revenue for Peters Surgical for the period of 1 January 2024 - 30 June 2024, which is prior to acquisition.

PRODUCT SPOTLIGHT



LiquiBandFix8® Laparoscopic® (LIQUIFIX™ in US)

is designed for laparoscopic hernia surgery allowing for the precise and controlled delivery of 40+ liquid anchors.

LiquiBand FIX8® Open is designed for open hernia surgery with precise placement of >45 liquid anchors. The innovative, atraumatic dual-tip can be used for strong mesh fixation and topical wound closure,reducing surgical procedure times by utilising a non-tissue penetrating mesh fixation and leading to lower chance of nerve, blood vessel and tissue damage.

LiquiBand FIX8® devices offer the following benefits:

- Improvement in pain from baseline to 6 months post-hernia repair.
- Lower risk of complications such as haematomas or seroma.
- Allows for mesh fixation over areas considered too sensitive for mechanical fixation.



ADHESIVES & SEALANTS

AMS has established itself as a leading global specialist in the topical and internal tissue adhesives market.

Advanced Closure

LiquiBand® is a range of surgical glues that use cyanoacrylate technology to close, seal and protect topical wounds. LiquiBandXL® is the recently launched version of the product used for long wounds up to 66cm, replacing more invasive staples.

Internal Fixation

LiquiBandFix8® (outside US) and LIQUIFIX™ (US) uses cyanoacrylate adhesive technology to fix mesh to the abdominal wall during open and laparoscopic hernia surgical repair.

IFABOND® uses a formulation of hexyl cyanoacrylate optimised for internal use, being more flexible and resorbable, currently approved in Europe for mesh and tissue fixation, prolapse repair and bariatrics.

SUTURE | CLIPS | VTO

Suture

AMS's Resorba sutures have an established position in the German market and more recently have successfully moved into other European markets. Peters Surgical sutures are a range of speciality products including cardiovascular, dental and ophthalmic applications that has a direct presence in France, Poland, Benelux, India and Germany.

Clips

Vitalitec® is a range of titanium clips designed to completely occlude vessels or tissue in a broad range of surgical procedures. The haemostatic devices are applied with specific instruments and complement AMS's range of Biosurgical, Sutures and Internal Fixation products.

VTO

Complementary Vascular Temporary Occlusion ('VTO') devices to complement sutures and haemostasis.



BIOSURGICAL

The Biosurgical portfolio includes collagen/haemostatic devices for use in surgical and dental reconstructive applications, and a range of synthetic bone substitutes which provide orthopaedic surgeons with void fillers for use in reconstructive surgery.

WOUND CARE

The Wound Care division includes a multi-product portfolio of advanced woundcare dressings sold under its partners' brands and the ActivHeal® label, with a range of specialist medical bulk materials including multi-layer woundcare and bio diagnostics products.



CREATING A SURGICAL POWERHOUSE

THROUGH OUR

EXPANDING GEOGRAPHIC FOOTPRINT

The acquisition of Peters Surgical in 2024 significantly expanded AMS's geographic reach, strengthening its direct sales and distribution capability in key markets.

+100

AMS's distribution network covers over 100 countries

AMS adopts four main modes of distribution to sell and market our products across our geographies:

- Direct sales – approximately half of AMS's surgical revenues are generated through direct sales forces, providing greater control over marketing and greater profit contribution.
- Hybrid – in the US, AMS uses a hybrid model where a direct marketing team on the ground supports a network of key commercial partners.
- Distributor led sales – about a third of surgical revenues are generated in partnership with key distributors, selected for their specialist knowledge and territorial presence.
- OEM partnerships – in part of the Wound Care category AMS supplies specialist bulk material and finished white-label product to a range of OEM partners globally.

PENETRATING FOUR KEY REGIONS

Europe

The integration of Peters Surgical has significantly increased AMS's direct sales presence in Europe, with direct sales teams now operating in:

- UK
- Germany
- Austria
- France
- Benelux
- Czech Republic
- Poland

In other European territories AMS works closely in partnership with distributors.

Americas

In the USA, AMS adopts a hybrid model where commercial partnerships are established with key, specialist players, which are supported directly by AMS marketing staff. LiquiBand®, the most established AMS brand in the US is distributed by four major partners while LIQUIFIX™ is marketed by TELA Bio, a specialist with the largest direct hernia sales force in the US. A network of other distributors and independent reps market other products such as clip technology and bone substitutes.

Middle East and Africa

An established hub of marketing partners within the Middle East and Africa developed by Peters Surgical has significantly strengthened AMS's potential within the region.

APAC

The integration of Peters Surgical's APAC hub, with a direct sales operation in India and distribution strength in Japan, China and South East Asia, complements AMS's established presence in Australia and South Korea.

STRATEGY FOR GROWTH

Greater focus on direct sales

The addition of new direct sales channels in key markets will result in a greater control over distribution, which will positively impact the Group's ability to penetrate key markets, the potential for growth and profitability.

Broader geographic reach

The integration of Peters Surgical has expanded the geographic reach across key territories such as China, Japan, South-East Asia, the Middle East and Africa where AMS had previously not made significant in-roads, allowing easier access to these important markets.

Cross-selling

With relatively little overlap between the distribution networks of AMS and Peters Surgical, the cross-selling of both portfolios through new, but established marketing channels is expected to significantly enhance growth.

Read more on Pages 18, 19, 21



PRODUCT SPOTLIGHT



LiquiBand® Rapid™ the accelerated 2-octyl cyanoacrylate topical skin adhesive with reduced and consistent dry time regardless of application technique. Indicated for surgical incisions, punctures from minimal invasive surgery, and thoroughly cleansed, trauma induced laceration.

Unique signature LiquiBand® winged applicator allows easy to use along with safe activation and control throughout the application.

The intuitive highlighter shaped porous foam tip that incorporates the accelerant gives the control of the application of adhesive without dripping and giving the user the option of applying broad or thin lines.

Once polymerised LiquiBand® Rapid™ provides an effective microbial barrier to reduce the risk of surgical site infection with high strength to maximise durability and flexibility.

Key Benefits that help the user experience no matter the setting:

- Fast – consistent dry time
  - LiquiBand® Rapid™ offers consistent dry time regardless of application technique due to the precise combination of our chemical initiator and tip technology.
- Accurate – controlled application
  - LiquiBand® Rapid™ expresses a high viscosity adhesive through an innovative tip that provides drip free priming and even consistent application.
- Strong – flexible closure
  - LiquiBand® Rapid™ is formulated from 2-octyl cyanoacrylate adhesive to maximise the durability flexibility once dry.
- Protection – effective microbial barrier
  - LiquiBand® Rapid™ in vitro offers protection against gram positive, gram negative and fungal microbes.
  - The water-resistant microbial barrier offers protection for as long as the adhesive film remains intact.

Controlled application and reduced dry time make LiquiBand® Rapid™ a better solution for effective wound closure.

CREATING A SURGICAL POWERHOUSE

THROUGH OUR
KEY DRIVERS

AMS operates in growing, tissue-healing technology markets, which are driven by increasingly ageing populations and innovative technology. It plans to continue the expansion of its portfolio through new product launches and further acquisition. Specifically, we focus on key surgical markets with products that can improve clinical outcomes while providing overall cost savings in a range of healthcare settings.

ADHESIVES

Advanced Closure

AMS has established a leading position in the $300 million global topical, tissue adhesives market with LiquiBand® and LiquiBandXL®. Underlying momentum is expected to be sustained through:

- Greater incentives and more brand differentiation for our US partners following the recently signed new distribution agreements. Further global market expansion driven by the conversion of the use of sutures and staples to less invasive adhesives.
- Greater market penetration of LiquiBand®XL in the fast growing $70 million segment, for use in long wounds up to 66cm.
- Further expansion in the EU, LATAM and APAC regions.

Creating a Surgical Powerhouse continued

Market Overview + Key Drivers

Internal Fixation

The potential global market opportunity for LiquiBandFix8®/LIQUIFIX™, for the fixation of hernia mesh is estimated to be $400 million and growth is expected to be driven by:

- Conversion from the use of invasive tacks and staples to the less invasive LiquiBandFix8®/LIQUIFIX™.
- Penetration of the US market with LIQUIFIX™, following the full market launch in 2024, and approval from the three largest GPOs.
- Continued expansion in European markets.

Further penetration of the internal mesh and tissue fixation market is expected from IFABOND®, complementing LiquiBandFix8® and establishing AMS's adhesive internal fixation supplier through:

- Further development of improved applicators to enhance the efficacy of the device in a broader range of indications.

SUTURES

AMS and Peters Surgical have been successful as regional and specialist players in the global suture market. However the integration and rationalisation of these two brands is expected to enhance market penetration and overall growth through:

- The creation of one of the most diverse speciality sutures portfolios in the world, in a market with favourable conditions for growth.
- Cross-selling of both brands through an expanded network of distributors and direct marketing.
- US launch of Peters Surgical sutures in 2025.

BIOSURGICAL

AMS's range of collagen devices has been significantly enhanced by the recently acquired Syntacoll assets. Growth for these and other Biosurgical technologies are expected to be driven by:

- Integration of the former Syntacoll facility, providing greater manufacturing capacity and capability.
- New European approvals for antibiotic loaded collagen surgical dressings.
- US approvals of first collagen products expected in 2026.
- Approvals of FDBS (Freeze Dried Bone Substitute) product.



PRODUCT SPOTLIGHT

CARDIOVASCULAR SUTURES

Wide range of high-quality sutures designed for specific cardiovascular procedures, ensuring optimal performance and reliability.



3 monofilaments for CABG & Mitral Plasty

1. Corolene® sutures, utilising Coropak® packaging, are designed for their reduced shape memory and ease of needle access. This feature ensures smooth handling and precision during delicate anastomosis procedures. Corolene is also thinner and stronger than most of its competitors.
2. Cardionyl® sutures are specifically designed to adapt to the unique constraints of the mitral valve, providing enhanced stretch and resistance during and after surgery. Cardionyl was developed in partnership with Pr Alain CARPENTIER to ease his technique of the Mitral valve repair (known as the "French Correction").
3. Premio® sutures (paediatric specific) provide great flexibility and maintain high knot strength over time. This makes them ideal for Cardiac repair which require higher biocompatibility and tissue growth capability. It's preloaded Weavenit® pledgets ensure the highest resistance even on soft tissues.

2 braids for cardiac valve surgery

1. Cardioxyl® Coated Polyester Braid, designed to offer great gliding capabilities, facilitate the 'parachuting' technique used in aortic valve replacement surgeries and ensures smooth and efficient suture placement.
2. Developed with Pr Alain CARPENTIER, Cardioflon® Evolution sutures feature a tighter braid than Cardioxyl®, providing strong knot holding capabilities. This enhanced strength makes it ideal for procedures requiring secure and reliable suture placement in a record operating time.

Our Business Model

AMS develops, manufactures and distributes innovative tissue-healing technology designed to improve clinical outcomes while providing overall cost savings in surgery, emergency rooms and other healthcare settings.

OUR ENABLERS

- Innovation and acquisitions
- Growing market opportunity
- Strong financials
- Technical expertise and specialist facilities

Read more on Page 17

OUR VALUE-CHAIN

Extensive investment in regulatory infrastructure ensures a smooth transition of new products into the market at a time of increasing global regulatory requirements.

Ongoing investment in innovation through specialist R&D centres located within our manufacturing facilities enables us to expand our portfolio.

11
R&D centres

7%
of sales invested in R&D



We invest funds generated by our business model back into the business through:

- Reinvestment for organic growth.
- Targeted acquisitions.

Almost all of our products are manufactured across 16 specialist, multi-national locations.

16
Manufacturing sites

We optimise our strategy for each product and territory, including direct sales forces, distributors, hybrid strategies and OEM partnerships to ensure a targeted and focused sales approach.

100+
countries covered by distribution network

VALUE FOR STAKEHOLDERS

- Our Patients
- Our Employees
- Our Investors
- Our Clinicians
- Our Partners
- Our Regulators
- Our Communities and Environment
- Our Supply Chain

Read more on Pages 58-61

UNDERPINNED BY OUR ESG PILLARS AND FOCUS

PLANET | PEOPLE | PRODUCT | POLICY

A ADVANCING SUSTAINABILITY
M MINIMISING ENVIRONMENTAL IMPACT
S SOCIALLY RESPONSIBLE

Read more on Pages 20 and 37-40

Our Business Model continued

OUR ENABLERS

Innovation and acquisitions

We develop, manufacture and distribute innovative tissue-healing technology, marketing through key brands: LiquiBand®, LiquiBandFix8®, LIQUIFIX™, Resorba®, Seal-G®, Peters Surgical, Vitalitec® and ActivHeal®. We continue to expand our portfolio through innovation and acquisitions, generating a robust and sustainable growth profile.

Growing market opportunity

We operate in global healthcare markets with consistent and rising demand. The products we offer are used on a daily basis, making our business highly cash-generative with recurring revenues. Additional growth is generated through penetration of new geographic territories.

Strong financials

A proven track record of top-line growth, good profitability and underlying cash generation, excluding non-recurring changes to inventory levels, after payment of dividend enables us to invest in long-term growth opportunities through organic growth and acquisitions.

Technical expertise and specialist facilities

Our high level of technical expertise, lean manufacturing practices and quality processes throughout our specialist facilities allows us to delivery top-quality products and excellent service to our range of customers.



OUR STRATEGIC PILLARS

Our strategic priorities drive consistent long-term growth through innovation and acquisition, supported by our people, operational excellence and sustainability commitments:

Growth | **Innovation** | **Operational Excellence** | **People and Culture** | **Sustainability**

Read more on Pages 20-25

VALUE FOR STAKEHOLDERS

Our Patients

Delivering excellent outcomes for our patients

Our Employees

Being a great place for our employees to work

Our Investors

Delivering long-term sustainable growth and value for our investors.

Our Clinicians

Delivering effective, efficient and safe technologies for our clinicians.

Our Partners

Delivering quality and value for our partners.

Our Regulators

Meeting the evolving requirements of our regulators.

Our Communities and Environment

Getting involved in our communities and minimising our impact on the environment.

Our Supply Chain

Developing strong, mutually beneficial relationships with our supply chain.

CLEAR PATH FOR GROWTH

WITH

STRONG UNDERLYING MOMENTUM

Chris Meredith
Chief Executive Officer

How would you describe financial performance in 2024?

All Surgical product categories delivered growth in 2024 resulting in strong financial performance for the Group, including a significant contribution from Peters Surgical since it was acquired on 1 July. The integration of Peters Surgical and the former Syntacoll operation has been a key focus in the second half of the year and excellent progress has been made, with plans now in place to extract synergies and cost efficiencies from the enlarged Group over the next three years.

The business has continued to perform well in Q1 2025, and the Board remains confident that it can meet current consensus forecasts for the full year. As more significant revenue and operational synergies are generated, the Board expects further significant revenue and EBITDA growth in 2026 and 2027.

What were the key elements of the strong performance in the Surgical Business Unit?

Surgical growth of 28% (excluding Peters Surgical) was driven by strong performances from LiquiBand® and LIQUIFIX™ in the US, Traditional Closure, Biosurgical and Other Distributed Devices.

US LiquiBand® sales increased by 52% at constant currency reflecting improved partner engagement under the new distribution agreements implemented towards the end of 2023 that provided greater incentives and more brand differentiation for the Group's US partners.

The pipeline of new business continues to build in early 2025. LiquiBandFix8® revenues increased by 30% on a constant currency basis predominantly due to US launch orders of LIQUIFIX™ with our new specialist hernia distributor in the US, TELA Bio.

RESORBA® branded suture revenue increased by 15% at constant currency as the brand continued to generate solid suture growth in its core German market and across other European countries. Biosurgical revenues increased 42% at constant currency with strong organic growth boosted by the acquisition of Syntacoll in Q2 2024. Other Distributed revenues increased by 30% at constant currency predominately due to strong performance in Austria.

£177.5m
Revenue[1] +43% at constant currency[1] (+10% excluding acquisitions)

£29.4m
Adjusted[2] Profit Before Tax +14%

1. Constant currency removes the effect of currency movements by re-translating the current year's performance at the previous year's exchange rates.
2. Reconciled on Page 67 in the Financial Review.

How is the integration of Peters Surgical progressing?

The organisational integration of the AMS and Peters Surgical teams has been completed, so there is now a single Group-wide team for all key functions including Sales, Marketing and R&D.

The programme of delivery for commercial synergies is well underway with some due to start in 2025 and others expected to follow in the next few years depending on contractual restrictions.

In mid 2024, the Group created a dedicated integration team to deliver the other key synergies relating to branding, product portfolio, manufacturing and supply chain of sutures. This team consists of individuals with key capabilities from both AMS and Peters Surgical, is supported by external consultants and will be fully focused on building and delivering critical elements of the integration plan.

Substantial progress was made in 2024, which enabled the Board to approve the project to move into the implementation phase so that the Group remains on track to deliver the majority of the planned operational synergies from early 2027.

Further 510(k) approvals of Peters Surgical suture ranges were granted in 2024, leaving just one final suture family awaiting US approval which is expected during 2025, paving the way for the US launch before the end of the year.

A development project has been started to combine the IFABOND® portfolio of internal hexyl cyanoacrylate adhesives with AMS's more precise delivery device technology which will allow the improved portfolio to be optimised for use in a range of internal applications.

What impact is the Syntacoll acquisition making?

As reported in September 2024, technical and manufacturing issues at the Nuremburg facility had restricted the Group's ability to fulfil all Resorba® collagen customer orders during the first half. The integration of Syntacoll's facilities and its expertise has addressed these issues and supply of product has improved during the second half.

Syntacoll's expertise has also enabled the Group to accelerate its regulatory pathway to access the substantial opportunity for its distinctive collagen portfolio in the lucrative US market. The first US collagen approval, for a dental application, is expected in 2026 with multiple avenues also being explored to obtain US approval of our antibiotic loaded collagen portfolio in the next few years.

What is the update of the strategic review of Woundcare?

As announced in September 2024, the Board had decided to restructure the Woundcare business by focusing on higher margin business and reducing investment in certain areas. Excellent progress has been made and these initiatives are on track to positively impact margins from Q2 2025.

How is the Group's ESG (Environmental, Social & Governance) programme developing?

The transformational acquisition of Peters Surgical has created the opportunity to leverage the considerable CSR programme already established in the Peters Surgical group and to create an optimised combined ESG programme for the enlarged Group. This alignment will include combining emissions data for the two businesses and rebasing the initial carbon footprint for the enlarged Group, progressing its Pathway to Net Zero project, which has a commitment date of 2045.

All sustainability activities are now being optimised and managed by a single team across the enlarged Group.

> Strong, underlying momentum of our core business, combined with the broader portfolio, synergies and benefits from the acquisitions, will drive future strong top-line growth and greater profitability.

Strategic Framework

Whilst AMS is going through a period of rapid transformation in terms of size and shape, our five core strategic pillars of Growth, Innovation, Operational Excellence, People and Culture, and Sustainability remain unchanged (shown below).

Alongside this, significant focus and resource will now be directed towards unleashing the substantial commercial, operational and innovation synergy opportunities created by the combination of AMS, Peters Surgical and Syntacoll.

At the end of 2024, to enable the maximisation of commercial and operational opportunities from the three businesses, the Group was reorganised into four product categories:

Adhesives & Sealants; Biosurgicals; Suture | Clips | VTO; and Wound Care.

STRATEGIC PILLARS



GROWTH

Our growth strategy is to exploit opportunities from multiple routes to market across numerous geographies with our diverse and expanding portfolio of innovative tissue-healing products, which add value to patients and payors and deliver equal or better clinical performance to market-leading products.

Read more on Page 21



INNOVATION

Developing or acquiring high-quality products provides the opportunity for expansion into new markets. We expect to develop and market intuitive products that provide more effective, efficient, safer and less traumatic experiences for patients and surgeons. We invest in developing talent capable of delivering innovation for the business.

Read more on Page 22



OPERATIONAL EXCELLENCE

Operational Excellence is focused on delivering a culture of continuously improving operations to drive out cost and improve margin while consistently supplying high-quality products through an optimised, agile and adaptable supply chain. We excel when we work together.

Read more on Page 23



PEOPLE AND CULTURE

Our employees drive our success. We actively promote our Care, Fair, Dare values, measure employee engagement and develop engagement plans. We encourage internal promotions and invest in apprenticeships to build our future talent. We are stronger together.

Read more on Page 24



SUSTAINABILITY

Meeting the changing needs of a reducing resource landscape, operating ethically and responsibly whilst developing our products to fit into a circular economy.

Read more on Page 25

GROWTH

Introduced by
Ross McDonald
Chief Commercial Officer

Growth across all surgical product categories has resulted in a strong financial performance, including a significant contribution from Peters Surgical in the second half of 2024.



Overview

To supplement existing commercial initiatives that are already driving strong organic growth, we can now overlay additional opportunities for commercial synergies created by the acquisition of Peters Surgical.

The direct sales teams of Peters and AMS, that were independently run and located in different geographies, are now being centrally managed enabling the marketing of AMS products into territories covered by Peters direct sales teams and of Peters products into territories covered by AMS direct sales teams.

Strategy In Action – US LiquiBand Strategic Review

In 2023, to address reduced partner commitment and growth, the Group undertook a strategic review of the US LiquiBand® business with a view to creating more protected market positions for our strategic hospital partners and delivering much increased partner engagement.

2024 saw further refinement in these agreements adding increased exclusivity in supply of the key LiquiBand® XL product that triggered further commitments from those strategic hospital partners.

While some restocking supported 2024 from the period of negotiation the year prior, this further refinement across both hospital partners drove greater commitments and accelerated end user conversions, moving the LiquiBand® products back into an area of key focus for our partner sales teams.

Accordingly, 2024 was a record year for US LiquiBand® and we expect to see FY 2025 further advance the market share position.

Growth strategy moving forward:

- Further progress in commercially integrating Peters Surgical.
- Restructure to focus the execution of sales and marketing plans and long-term strategic initiatives for each technology: Adhesives & Sealants, Biosurgicals, Suture | Clips | VTO and Wound Care.
- The highly synergistic acquisition has supplemented the Adhesives & Sealants category with additional technology and indications for internal fixation and sealing.
- The enlarged focus on sutures and creation of the Suture | Clips | VTO category reflects the larger suture business that comes across from Peters focus on cardiovascular sutures with complimentary permanent clips and temporary clamp occlusion solutions. Our increased suture range will allow short-term benefits with a broader portfolio and increased speciality focus. In the medium term, the rationalisation of brands will provide vast benefits.
- The Group is working to leverage the increased direct selling footprint ability within the larger organisation. Where in-house capability exists within these direct markets, the business is in the process of bringing technologies in-house with the expected impact of accelerated sales progress and higher profitability.
- The Wound Care category review has been completed with a focus on high margin differentiated technology and continued development. Furthermore we have secured positioning as preferred partners in some existing dual supply environments in our OEM route to market. Early signs are positive and some growth is expected in 2025.

INNOVATION

Introduced by
Andy Donnelly
Group R&D Director

Innovation is at the centre of AMS's growth strategy. It will allow for treating more patients in the world through products and solutions. We want them to be differentiated, clinically demonstrated and cost-effective.



Strategy In Action – Exploiting innovation opportunities from combining the technologies of the enlarged Group

The combination of AMS, Peters Surgical and Syntacoll creates a strong platform for increased innovation with a richer portfolio and the potential to unlock major new market opportunities and improve patient outcomes:

- Peters' IFABOND®. surgical glue, with its wide range of clinical indications, will be added to AMS's first class Adhesives & Sealants portfolio. This will expand AMS's experience with different delivery devices/applicators, further extending opportunities within the Adhesives & Sealants product category.
- Peters' extensive R&D experience in sutures will help accelerate the development of new variants within this product category.
- Genta-Protect antibiotic collagens, combined with Peters portfolio of CV sutures, clips and VTO, will further address the needs of the cardiac and thoracic surgeons.
- Syntacoll's manufacturing and regulatory expertise and increased collagen origin options will be utilised to secure faster approval of our enlarged collagen portfolio for the lucrative US market.

Other initiatives demonstrating our Innovation strategy:

- Successful 510(k) approvals for the Connexicon US adhesive portfolio in 2024.
- Good progression of major NPD projects such as FDBS and Seal-G®.
- R&D support to improve processes within Operations which in turn increased consistency of product quality, resulting in improved customer satisfaction.

Innovation strategy moving forwards:

- Increased innovation enabled by the diminishing burden of MDR activities.
- Innovation focus within each technology area: Adhesives & Sealants, Biosurgicals, Suture | Clips | VTO and Wound Care.
- Focus of innovation activities towards more impactful and higher margin opportunities.





OPERATIONAL EXCELLENCE

Introduced by
Chris Meredith
Chief Executive Officer

> Our acquisitions provide us with a fantastic opportunity to optimise our operations by sharing best practice and subject matter expertise, enabling improved margins.

Overview

The operations teams at our 16 manufacturing centres are focused on delighting our customers across the globe with high quality products that deliver the best possible patient outcomes.

Furthermore, they are continuously improving our manufacturing and supply chain capabilities to deliver improved value for our shareholders.

The acquisitions of Peters Surgical and the business and assets of Syntacoll provide us with a fantastic opportunity to optimise our operations even further through the sharing of best practices and utilising the depth of subject matter expertise we have across our larger business.

Strategy In Action – Sales and Operations Planning ('S&OP')

We have a long-established S&OP process at AMS which has served us well in delighting our customers. During 2024 our commitment to continuously improving everything we do meant we reviewed and rebooted our monthly S&OP process delivering a new, standardised and optimised approach across all parts of our business. This included a set timetable, format and the introduction of an Executive S&OP to ensure alignment through the tiers of our organisation. This resulted in record low back orders and improved On-Time-In-Full ('OTIF'). A further review will take place in 2025 to realise the full potential of our newly expanded business.

Other Operations achievements in 2024

- Implemented a tiered governance process to ensure efficient cascade of KPIs and objectives and to ensure we have expeditious escalation of issues to deliver fast responses where necessary.
- Standardised KPI definitions to enable data-based decision making plus internal and external benchmarking.
- Introduced a safety observation process across all sites to proactively eliminate unsafe conditions as we strive for a zero-harm work environment.
- Enhanced quality metrics to support our focus on 'right first time' in everything we do.

Operations plans for 2025

- Continued focus on the integration of Syntacoll and Peters Surgical to optimise our operations and drive maximum shareholder value.
- Roll out an improved standardised capacity model to support our S&OP process.
- Continued investment in upgrading our plant and machinery to deliver future growth and deliver efficiency of manufacturing.
- Upgrade our IT systems to deliver dynamic data and analytics to our operations teams.

PEOPLE AND CULTURE

Introduced by
Cathy Tomlinson
Chief People Officer

> Integrating Peters Surgical and Syntacoll has progressed well and will be accelerated in 2025 with the launch of a new Purpose, Mission and Values with input from across the enlarged Group.



Strategy In Action – Integration and Reorganisation

Our focus in 2024 was to understand the position at Peters Surgical and Syntacoll, and develop a HR integration plan based on supporting business/cultural change; developing employee attraction/retention and a culture of self-directed learning; employee communication and engagement; global reward and recognition; and equality, diversity and inclusion.

Two structural reorganisations were implemented at the end of 2024 to optimise the enlarged Group:

- Single Group-wide teams were created for all key functions including Sales, Marketing and R&D.
- To maximise Commercial opportunities across all product categories and sites, the Group was reorganised into the four new product category focused Business Units: Adhesives & Sealants, Biosurgicals, Suture | Clips | VTO; and Wound Care.



Other People and Culture achievements in 2024:

- Continued with management development training.
- Kicked off a cultural values survey and focus groups working with specialist consultants to create a new vision and values for the enlarged Group.
- Provided additional mental health first aider training.
- Provided neurodiversity training for the HR teams.
- Increased our ability to provide self-directed learning by developing a self-induction programme for new joiners and increasing our usage of the learning management system.
- Provided 'Ever wonder what they do?' opportunities to employees to learn about other areas of the business and increase knowledge.
- Increased our direct hiring versus agency hires enabling fairness and diversity of hiring.
- Provided mental health sessions in conjunction with the Samaritans for employees who wished to attend.
- Transitioned our performance management process to a more modern check-in process.

People and Culture plans for 2025:

- Implement refined share award programme to be more in line with competitors to aid long-term retention of employees.
- To complete and roll out a new vision and values for the enlarged Group following Group-wide surveys and focus groups in 2024.
- Roll out of diversity and inclusion training.
- Roll out of Code of Conduct.
- Establish and publish diversity metrics.

SUSTAINABILITY

Introduced by
Eddie Johnson
Chief Financial Officer and ESG Lead

Peters Surgical bring a strong Sustainability culture to support the activities already in place at AMS, which will further accelerate the work on our ESG Pillars: Planet, People, Product and Policy.



Overview

We are committed to undertaking our business responsibly and devoting significant time and resource to our ESG strategy.

Building an innovative, sustainable and resilient business is more important than ever. By focusing on the most important issues for us and our stakeholders, and integrating sustainable business practices into our core processes, we will continue to generate value for the longer term.

We are driven by our ethos of Advancing Sustainability; Minimising Environmental Impact; Socially Responsible.

Strategy In Action – Environmental, Social & Governance

The transformational acquisition of Peters Surgical has created the opportunity to leverage the considerable CSR program already established in the Peters Surgical group and to create an optimised combined ESG program for the enlarged Group. This alignment will include combining emissions data for the two businesses and rebasing the initial carbon footprint for the enlarged Group to 2024, progressing its Pathway to Net Zero[1] project, which has a commitment date of 2045.

All sustainability activities are now being optimised and managed by a single team across the enlarged Group.

1. AMS aims to reduce Scope 1 and 2 emissions by 90% by 2045, from an FY24 baseline. We also aim to reduce Scope 3 emissions by 90% by 2045 from the FY24 baseline, which will require an annual absolute reduction of 4.3%.

Other Sustainability achievements in 2024

- Full integration of emissions data collection and production of Carbon Reduction Plan, Streamlined Energy and Carbon Reporting ('SECR') Report and Energy Savings Opportunities Scheme ('ESOS') Report with targeted energy saving initiatives. Consultant supporting Peters Surgical and AMS worked together and have provided a clear roadmap moving forward.
- Seven ISO (Environmental and Energy) audits successfully completed across the Group.
- Significant amount of Charity work (Pink October, World Mental Health Day which was focused on workplace, Domalain Mobility Challenge, Rennes Green Marathon, Charity run for Sick Children – Solidarity Challenge).
- Equality, Diversity and Inclusion Committee (Altogether AMS) increasingly active with improved visibility under new leadership and plans to integrate Peters Surgical.
- Peters Surgical earned A+ rating in annual 'Green Index 2024' for CSR evaluation (French tenders – ranked first in Sutures and Ligatures categories).
- Cross site R&D project looking at new packaging and where other environmental benefits can be seen.
- Project commenced to assess which recyclability symbology is most appropriate.

Sustainability plans for 2025

- Consultant engaged for Corporate Sustainability Reporting Directive ('CSRD') will be utilised to work through double materiality, risk management and key ESG metrics.
- Ensure a Health and Safety and Modern Slavery focus across the enlarged Group.
- Register Peters Surgical and AMS for the UN Global Compact.
- Develop Suppliers Code of Conduct and work towards Sustainable Procurement across the Group.

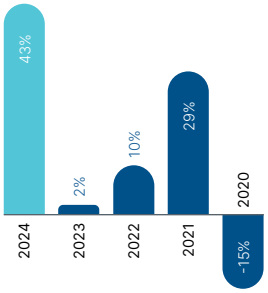
Our Key Performance Indicators

The Group has a range of Key Performance Indicators ('KPIs') which are used to monitor Group performance and measure progress against our strategy.

Financial KPIs

Revenue movement at constant currency[1] %

+43%*



Definition

Net revenue (% movement) adjusted for constant currency[1].

Strategic linkage

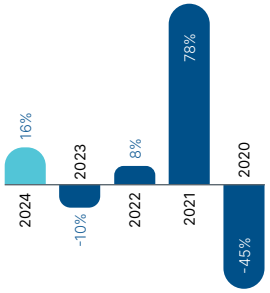
Revenue growth is a key factor in providing long-term value for our shareholders and demonstrates the successful execution of the Group's strategy.

Progress made in the year

Group revenue increased by 43% at constant currency to £177.5 million (2023: £126.2 million) driven by strong growth in US LiquiBand®, other key surgical product categories and the acquisition of Peters Surgical and the business and assets of Syntacoll.

Adjusted[2] diluted earnings per share ('EPS') movement %

+16%



Definition

Movement in adjusted[2] diluted EPS achieved in the year.

Strategic linkage

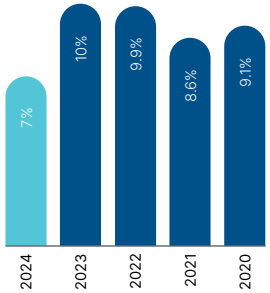
EPS growth is a measure of financial progress and an important factor in our aim of providing value for our shareholders.

Progress made in the year

Adjusted diluted earnings per share increased by 16% to 10.45p (2023: 9.05p).

% of revenue spend on R&D & Innovation

7%



Definition

Spend on R&D, Innovation & Regulatory Affairs as a % of sales in the financial year.

Strategic linkage

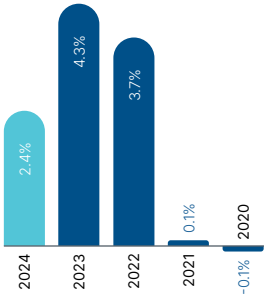
As a developer of innovative and technologically advanced products, investing resources in this area is critical to fulfilling the strategic goals of the business.

Progress made in the year

The Group incurred £12.9 million of gross R&D spend in the Period (2023: £12.6 million), representing 7.3% of sales (2023: 10.0%) as the Group's investment in meeting MDR regulations began to diminish.

Year-over-year change in our average standard cost %

+2.4%



Definition

Measures the change in standard cost base[3] against prior year.

Strategic linkage

Controlling our product Standard Costs is important for the sustainability of the Group and demonstrates the successful execution of our strategy.

Progress made in the year**

The standard cost base increased by 2.4% in 2024 (2023: 4.3%) due to ongoing inflationary factors. Whilst energy and raw material inflation have generally reduced, the Group continues to invest in its' employees through increased inflation related remuneration.

Strategic pillars:

- Growth
- Innovation
- Operational Excellence
- People and Culture
- Sustainability

1. Constant currency removes the effect of currency movements by re-translating the current year's performance at the previous year's exchange rates.
2. Reconciled in Note 12 of the Financial Information.

* +10% Growth excluding acquisitions excludes the impact of acquisitions in the year on a constant currency basis.

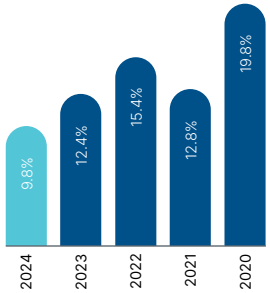
** Excluding Peters Surgical.

Our Key Performance Indicators continued

Financial KPIs

% of sales from new products launched in the previous five years

9.8%



Definition

This is a measure of the % of sales the Group is generating from products launched in the five years prior to that year.

Strategic linkage

Development and commercialisation of new products to address unmet patient needs and grow the business is a fundamental part of strategy.

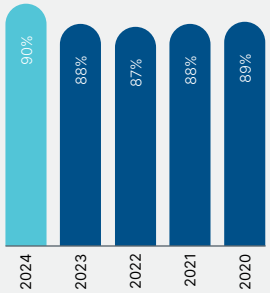
Progress made in the year

In recent years, it has been necessary to invest significant R&D resource in order to meet MDR requirements which has resulted in a reduction in new product sales in the previous five years to 9.8% (2023: 12.4%), including Peters Surgical and Syntacoll. As we approach the end of the MDR investment period, we expect this trend to reverse.

Non-Financial KPIs

Customer Service (OTIF) %

90%



Definition

On-Time-In-Full ('OTIF') is a measure of whether we delivered on our commitment to provide excellent service to our customers.

Strategic linkage

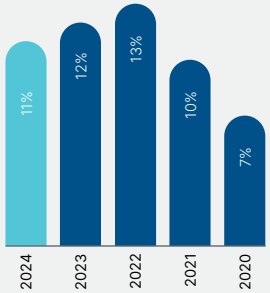
High OTIF ensures that patients have access to our products and enable us to retain customers, meet contractual commitments and protect growth.

Progress made in the year**

OTIF improvements were delivered predominately across Traditional Closure and Biosurgicals with Syntacoll's collagen expertise helping to address quality and capacity issues at the Nuremberg facility, resulting in an improvement to 90% (2023: 88%).

Employee attrition %

11%



Definition

The % of employees who have left the Group during the year (gross number of leavers).

Strategic linkage

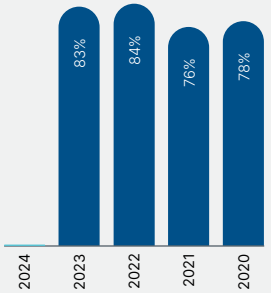
Reasonable levels of employee turnover are important for the future success of the business and to help to embed its culture. It can be considered beneficial, supporting new ideas and to introduce best practices from outside the Group.

Progress made in the year**

AMS continues to attract quality talent and attrition decreased to 11% (2023: 12%). Employee engagement, communication, growth and career development opportunities created by recent acquisitions, are expected to keep attrition at manageable levels.

Employee Engagement Score %

N/A*



Definition

Of the employees who responded to the Employee Survey, the % of employees who had seen positive action from the implementation of our Care, Fair, Dare culture.

Strategic linkage

How successfully we have embedded our culture. An increasing score indicates more engaged employees, leading to more productivity and happiness, leading to higher retention.

Progress made in the year

Rather than completing the usual engagement survey, the Group initiated a project to create a new vision and values for the enlarged Group which began with Group -wide surveys and focus groups in 2024 and will be completed in mid-2025.

Strategic pillars:

- Growth
- Innovation
- Operational Excellence
- People and Culture
- Sustainability

* Employee Engagement Score was not assessed in 2024 as AMS did not conduct a Group survey. We intend to do this in 2025, once the integration is further progressed and the new Purpose, Mission and Values are launched.

** Excluding Peters Surgical.

CREATING A SURGICAL POWERHOUSE

REINFORCING A SUSTAINABLE AND ETHICAL APPROACH IN EVERYTHING WE DO

A ADVANCING SUSTAINABILITY
M MINIMISING ENVIRONMENTAL IMPACT
S SOCIALLY RESPONSIBLE

Message from the Board

As we continue to deliver results for our stakeholders, we are committed to undertaking our business responsibly and devoting significant time and resource to our ESG strategy.

Building an innovative, sustainable and resilient business is more important than ever. By focusing on the most important issues for us and our stakeholders, and integrating sustainable business practices into our core processes, we will continue to generate value for the longer term. We aim to monitor our progress through carefully selected metrics, reflecting the values of the enlarged Group.

Our work on refreshing our Purpose, Mission and Values is close to conclusion and will underpin our future ESG Strategy, which we will refresh this year and will reinforce the strong focus on Sustainability within Peters Surgical.

Eddie Johnson,
Chief Financial Officer & ESG Lead

27 May 2025

AA
MSCI ESG rating

NET ZERO
Carbon target – 2045

18%
renewable/low carbon energy mix (inc nuclear)
(2023: N/A)

Environmental, Social and Governance continued
Our Approach

ESG PRINCIPLES

1. **Operate in an ethical and responsible manner**
2. **Minimise any negative impact on the environment**
3. **Have a positive impact on the local communities in which we operate**
4. **Offer our employees a safe, supportive working environment with a positive culture**
5. **Contribute to society by developing products to improve patient outcomes**
6. **Uphold the highest standards of corporate governance and responsibility**
7. **Build and develop an ESG reporting framework with meaningful targets**
8. **Ensure that ESG is at the heart of our business**

ESG GOVERNANCE AND INTEGRATION



Environmental, Social and Governance continued

ESG Model

Our ESG Strategy sets out our commitments and activities that support sustainable and profitable growth. It focuses on the topics that are material to AMS and our stakeholders and considers a dynamic range of planetary and societal needs.



ESG Mission

Underpinned by our Values (Page 4), our ESG mission is to drive progress towards our Mission: To deliver. To make a real difference. To add value. Our Mission helps us to improve patients' lives by aligning and enabling ESG-related initiatives for the benefit of our stakeholders.

ESG Pillars

Planet

We are committed to minimising any negative impact on the environment and upholding the highest standards of corporate responsibility.

People

We are committed to having a positive impact on the local communities in which we operate and offering our employees a safe, supportive working environment with a positive culture.

Product

We are committed to contributing to society by developing products to improve patient outcomes.

Policy

We are committed to operating in an ethical and responsible manner, upholding the highest standards of corporate governance and to building and developing an ESG reporting framework with meaningful targets.

Environmental, Social and Governance continued
ESG Framework

Prioritising our Planet, People, Product and Policy Pillars

Our Approach

We are committed to operating our business in a responsible way, minimising our negative impacts and maximising our positive contribution while promoting the sustainability of our business.

Our ESG Framework

Our ESG Framework is what makes us unique and identifies the key areas of focus to drive action on the most impactful areas to assure the future of our business for the longer term.

PLANET	PEOPLE	PRODUCT	POLICY
Principles • Minimise any negative impact on the environment. • Uphold the highest standards of corporate responsibility.	• Having a positive impact on the local communities in which we operate. • Offer our employees a safe, supportive working environment with a positive culture.	• Operate in an ethical and responsible manner. • Contribute to society by developing products to improve patient outcomes.	• Uphold the highest standards of corporate governance. • Build and develop an ESG reporting framework with meaningful targets.
Stakeholder engagement • Communities and Environment. • Supply Chain. • Investors.	• Patients, Partners, Clinicians. • Employees.	• Regulators. • Supply Chain.	• Investors. • Partners. • Employees.
Commitments We are committed to minimising any negative impact on the environment and upholding the highest standards of corporate responsibility.	We are committed to having a positive impact on the local communities in which we operate and offering our employees a safe, supportive working environment with a positive culture.	We are committed to contributing to society by developing products to improve patient outcomes.	We are committed to operating in an ethical and responsible manner, upholding the highest standards of corporate governance and to building and developing an ESG reporting framework with meaningful targets.
Link to SDGs			

Our mission: To develop | To make a real difference | To add value

Environmental, Social and Governance continued

ESG Focus Areas

ESG pillar	ESG focus areas	Our ambition	KPIs	2024
PLANET	Climate change and emissions	Reducing our impact on the environment. • Net Zero by 2045. • Reduce energy use at our sites. • Increase use of renewable energy.	1. Total Scope 1 and 2 emissions (tCO_2e)**	7,654 (2023: n/a)
			2. Total electricity consumption (kWh)**	14,976,820 (2023: n/a)
			3. Percentage of electricity from renewable sources**	18% (2023: n/a)
	Circular economy	Make the most efficient use of material resources across our business. • Minimise waste to landfill and increase recycled waste. • Reduce water use at our sites. • Operate at or work towards Environmental Management standards ISO 14001.	1. Total waste (tonnes)**	910.8 (2023: n/a)
			2. Waste to landfill (%)	N/A (2025 metric)
			3. Water usage (m^3)**	56,600 (2023: n/a)
	Social and community engagement	Engage our wider community to achieve sustainable outcomes.	1. Establish an approximate KPI for community engagement	N/A (2025 metric)
			2. Amount donated to charitable causes or sponsorship	£93,563 (2023: n/a)

ESG pillar	ESG focus areas	Our ambition	KPIs	2024
PEOPLE	Health and safety	Working to be injury free.	1. Accident incident rate (AMS metric – reportable injuries per 100,000 employees)*	4.5 (2023: 3.04) Target = 4.0)
			2. Fatalities**	0 (2023: 0)
	Talent and workforce development	Where employees feel valued, invested in and want to recommend AMS as a great place to work.	1. Employee Engagement Score* (positive or neutral responses based on external benchmark) based on the external benchmark of our Engagement Score	N/A (2023: 83%)
			2. Total employees turnover*	11% (2023: 12%)
			3. Number of training hours per employee	N/A (2025 metric)
	Equality, Diversity and inclusion	Equality, Diversity and Inclusion are key aspects of integration and sustainable growth.	1. Gender diversity**	Male: 46% Female: 54% (2023: n/a)
	Ethical conduct and integrity	Operate with integrity and respect to regulation and laws in all dealings.	1. Proportion of eligible employees who received Business Ethics training	N/A (2025 metric)
			2. Total number of investigated breaches of Code of Conduct	N/A (2025 metric)
			3. Reported incidents of discrimination*	2 (2023: 0)

Key:
* Legacy AMS (sites prior to the acquisition of Peters Surgical in 2024).
** No comparator data is available for Peters Surgical for 2023. Due to this prior year comparators have not been included for the targets as it does not reflect in year performance.

Environmental, Social and Governance continued

ESG Focus Areas

ESG pillar	ESG focus areas	Our ambition	KPIs	2024
PRODUCT	Innovative and efficient products	Drive growth through high-quality, sustainable products.	1. Number of new product launches*	2 (2023: 1)
			2. Proportion of revenue from products launched in the last five years**	9.8% (2023*: 12.4%)
	Product quality and safety	Design, manufacture and/or supply high-quality and safe products.	1. Establish an approximate KPI for product quality and safety	N/A (2025 metric)
	Supply chain management	Ensure our supply chain operates in line with our ESG standards by applying our new supply chain policy.	1. Monitor the number of suppliers that conform to the Group Supply Chain Policy	N/A (2025 metric)
			2. Key materials suppliers met with, visited and/or audited in the past year (%)	N/A (2025 metric)
POLICY	Compliance	Meet or exceed all compliance requirements.	1. Reported incidents of human rights violations in our supply chain**	0 (2023: 0)
			2. Fines or sanctions from non-compliance with environmental laws and/or regulations**	0 (2023: 0)
			3. ESG Steering Committee Meetings held during 2024*	3 (2023: 0)
	Employee behaviours	Ethical and responsible behaviour.	1. Incidents of bribery or corruption**	0 (2023: 0)
			2. Whistleblowing reports**	0 (2023: 0)
			3. Spend on political campaigns, lobbying or think tanks**	£0 (2023: 0)

Key:
* Legacy AMS.
** Enlarged Group (Legacy AMS sites and sites post acquisition of Peters Surgical in 2024). No comparator data is available for Peters Surgical for 2023.
1. Ranked critical, crucial or major.

DEVELOPMENT AND INSTALLATION

OF SUSTAINABLE
TECHNOLOGIES



In 2024 AMS acquired the business and assets of Syntacoll GmbH, a specialist manufacturer of drug-eluting collagens. Based near Munich, Syntacoll provided AMS with a 4,800m$_2$, GMP compliant, state of the art collagen manufacturing facility with a class 1 licence for collagen-based drugs.

Following the acquisition it was identified that one of the cold water generators, necessary for temperature and humidity conditioning of the clean room, laboratory and production equipment, was defective.

The project team assessed various options: renting equipment, which would have been more economic in the short-term, repairing the existing equipment, and installing new equipment. The decision was made to install a cold water generator which utilised the latest technology, making it the most energy efficient choice although not the most economic.

The decision was made in keeping with our Planet goals, environmental policy and focus on Sustainability, which has been strengthened with the acquisitions of Peters Surgical.

UN Sustainability Development Goals

The SDGs which we consider to be most relevant to AMS are:

UN Goal	How AMS contributes
Ensure healthy lives and promote wellbeing for all at all ages	• Improve patient outcomes. • Focus on employees (mental, wellbeing, Employee Assistance Programme, flexible working).
Ensure gender equality and empower all women and girls	• Ensure equal opportunities during recruitment and promotion. • Equality, Diversity and Inclusion programme.
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Work closely with clinicians and partners investing in industry-leading training and education.
Promote innovative and sustainable economic growth, full and productive employment and decent work for all	• Ensure employees are engaged, skilled and motivated. • Pay living wage and support lower earners.
Ensure sustainable consumption and production patterns	• Ensure all products meet highest standards of quality, safety and efficiency, and are ethically sourced.
Take urgent action to combat climate change and its impacts	• Committed to reduce our carbon footprint, reduce waste and utilise renewable energy, where possible.
Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development	• Engage and invest in projects in developing countries where we operate.

Other key ESG activities

Modern Slavery Act

AMS takes its responsibility to protect human rights very seriously. We do not tolerate slavery or human trafficking either internally or in our supply chain. We will never knowingly deal with any organisation which is connected to slavery or human trafficking.

Our full compliance statement can be found on the Company website www.admedsol.com

Gender Pay Gap Reporting – Ensuring Opportunities for All

AMS believes in being an inclusive and diverse employer.

We remain confident that employees are paid equally for doing equivalent jobs, and have opportunities for development and advancement.

Our latest report under the Gender Pay Gap Regulations is available on the Company website www.admedsol.com

Environmental, Social and Governance continued

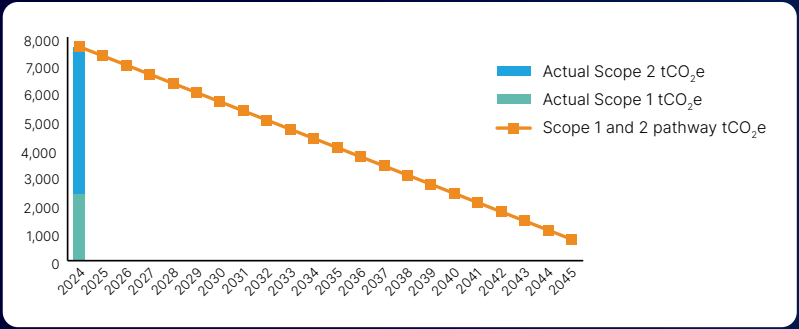
Carbon Reduction Plan

Advanced Medical Solutions aims to reduce Scope 1 and 2 emissions by 90% by 2045, from an FY24 baseline.

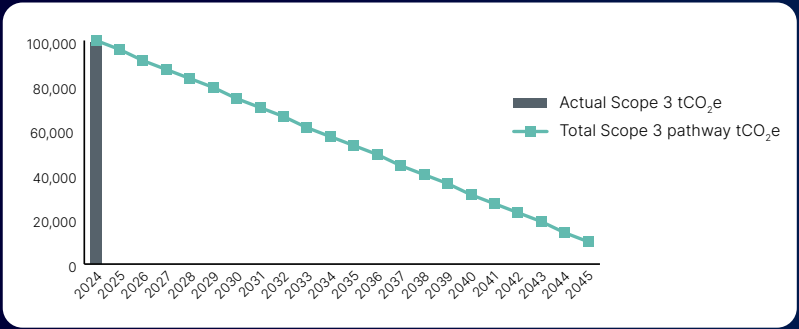
We also aim to reduce Scope 3 emissions by 90% by 2045 from the FY24 baseline. This will require an annual absolute reduction of 4.3%.

To support the achievement of this ambitious target, we have set a Scope 3 near-term target, and in FY25 will determine if a supplier engagement target could support in their journey to net-zero. That target is a 30% reduction in Scope 3 Category 12 (End-of-Life Treatment of Sold Products) GHG emissions per tonne of product sold by 2033.

Scope 1 and 2 Net-Zero Target



Scope 3 Net-Zero Target



Decarbonisation Roadmap Summary

Decarbonisation focus areas

Products	Supply chain	Sites and buildings	People
Short-term Gather product data Conduct LCAs Customer engagement	**Short-term** Supply analysis Supplier engagement Update procurement policy	**Short-term** Energy-saving actions Energy efficiency actions Staff training and awareness	**Short-term** Employee engagement workshops Review travel system and policy Transition on-site vehicles
Medium-term Product design review	**Medium-term** Request product and journey-specific data from suppliers	**Medium-term** Solar PV installation Start to replace gas boilers	**Medium-term** Incentivising green commuting
Long-term Insetting	**Long-term** Insetting Purchase low-carbon products	**Long-term** Offsetting	**Long-term** Insetting Purchase low-carbon products

Carbon Reduction Plan

In order to continue progress to achieving Net Zero, we have adopted the following carbon reduction targets.

- Continued development of energy and climate change action plans.
- Solar panel extensions on the Plymouth site roof.
- Walls Insulation Review at Plymouth site.
- Eliminated F-gas losses and waste to landfill through better waste handling processes and waste contractor engagement.
- ISO Certification at four key sites and principles rolled out across the Group to reduce energy use and environmental impact.
- Development of our net-zero strategy, with the help of a third-party consultant.
- Adoption of electric car lease scheme that UK employees can elect to join. Site company cars all either hybrid or electric.
- Commenced roll out of more in-depth recycling processes and significantly upgraded recycling capabilities at our Winsford site.
- Embedded Environmental Pledge Scheme across the Group to encourage employees to reduce their own carbon footprint.
- Installation of new HVAC systems and new building management systems ('BMS').
- Lighting has been replaced with LED bulbs.
- Warehouse sites have been fitted with motion sensor lighting to reduce excess energy consumption.
- Energy and behavioural change initiatives were rolled out across staff to further reduce energy consumption.

Identified opportunities for implementation

- Focus on four key operational areas: Product, Supply Chain, People, and Sites and Buildings.
- Continued improvement of Scope 3 data to better identify specific reduction actions and areas.
- Embed 'ESG Champions' across the business to lead on local and global awareness, initiatives and support.
- Work alongside our top suppliers to identify carbon hotspots and key areas for action.
- Explore further solar PV installation to further decrease reliance on grid supplied electricity and increase the share of renewable electricity.

Recognition

'AA' rating in the MSCI ESG Ratings assessment	Assessed to be at 'Low Risk' of experiencing material financial impacts from ESG factors by Sustainalytics – Top 5% of Healthcare companies	Achieved Silver Sustainability rating from EcoVadis – Top 25% of companies	We maintained and developed ISO 14001 and 50001 Certification	We have Sedex B membership and are working towards the ETI basecode

In 2023 we published the Carbon Reduction Plan, setting out our commitments to reach Net Zero by 2045 with a baseline year of 2021. Following the acquisition of Peters Surgical in 2024 we have collated our emissions from across the expanded Group and reset our baseline year to 2024, which has been a valuable and productive exercise.

Our work on Net Zero and Carbon Reduction is a key part of our ESG Strategy, but only part of a wide range of activities for which we have gained positive recognition. We continue to work to implement all areas of our ESG Strategy.

SUSTAINABILITY FOCUS ON

OUR PLANET

We are committed to minimising any negative impact on the environment and upholding the highest standards of corporate responsibility.

Eddie Johnson
Chief Financial Officer and ESG Lead

KEY PLANET STATISTICS

910.8
Total waste (tonnes)
(2023: n/a)

7,654
tCO2e Scope 1 & 2 emissions
(2023: n/a)

AMS is committed to operating our business in a responsible way, which minimises negative impacts on the Planet. Our goal is to achieve Net Zero by 2045, requiring a 4.3% yearly reduction in Scope 1 and 2 emissions and we will set short-term targets in 2025.

In March 2025 we filed our first ESOS action plan outlining key energy reduction initiatives. These initiatives are in addition to actions completed in 2024, which included wall insulation at our Plymouth site, eliminating F-gas losses and waste to landfill, further work on ISO certification and installation of new HVAC systems, as well as behavioural initiatives.

Moving forward we are focused on four key operational areas; Product, Supply Chain, People, and Sites and Buildings, as well as improved Scope 3 data collection, working with our Supply Chain to identify carbon hot spots and exploring further PV installation.



Links to SDGs

SUSTAINABILITY FOCUS ON

OUR PEOPLE

We are committed to having a positive impact on the local communities in which we operate and offering our employees a safe, supportive working environment with a positive culture.

Cathy Tomlinson
Chief People Officer



KEY PEOPLE STATISTICS

4.5
H&S (AMS Accident Incident Rate)
(2023: 3.04)

11%
Attrition
(2023: 12%)

People are our most important asset – by collaborating with employees, we have put in place changes to drive meaningful improvement in our work environment to attract, retain and develop talent while promoting equality, diversity and inclusion and supporting mental wellbeing.

We are always looking for ways to improve by listening and responding to feedback from our employees. We made changes in 2024 based on feedback received from the 2023 engagement survey. The engagement with employees resulted in attrition falling from 12% in 2023 to 11% in 2024.

We have engaged employees across the Group, both individually and in focus groups, to gain input into a new Purpose, Mission and Values to ensure our employees are united and will work collaboratively moving forward. This will be rolled out in mid-2025.



Links to SDGs



SUSTAINABILITY FOCUS ON

OUR PRODUCT

> We are committed to contributing to society by developing products to improve patient outcomes.

Andy Donnelly
Group R&D Director



KEY PRODUCT STATISTICS

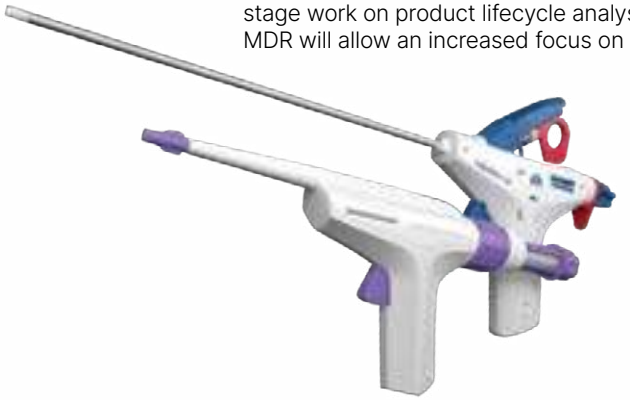
£12.9m
dedicated investment in R&D
(2023: £12.6m)

7%
of revenue spent on R&D and Innovation
(2023: 10%)

AMS is committed to upholding the highest ethical standards across our value chain. working with partners, patients and clinicians to identify unmet needs.

We aim to ensure that there is no modern slavery or human trafficking in any part of our business. This is a particular focus following the acquisition of Peters Surgical and our expanded manufacturing footprint. We will review our Modern Slavery policies and procedures in 2025, in addition to a supply chain risk assessment.

We will further develop our R&D processes to reduce waste, targeting improvements in the Sustainability of our packaging alongside some early stage work on product lifecycle analysis. The reduction in spend required on MDR will allow an increased focus on innovation in 2025 and moving forward.



Links to SDGs



SUSTAINABILITY FOCUS ON

OUR POLICY

We are committed to operating in an ethical and responsible manner, upholding the highest standards of corporate governance and to building and developing an ESG reporting framework with meaningful targets.

Owen Bromley
Company Secretary



KEY POLICY STATISTICS

0
whistleblowing reports
(2023: 0)

0
incidents of bribery or corruption
(2023: 0)

AMS are committed to upholding external standards to protect human rights, with zero tolerance towards bribery, corruption and fraud both within our company and throughout our supply chain.

We work to the highest levels of Corporate Governance, following the UK Corporate Governance Code and constantly ensuring we act with integrity.

We will focus in 2025 on ensuring all policies are rolled out across the enlarged Group, supported by an Ethical Training program and introducing a new Code of Conduct to reflect the values of all our employees and monitoring compliance with this Code.

We believe that our goals will be strongly supported by enrolling in the UN Global Compact.



Links to SDGs



Environmental, Social and Governance continued
SECR Highlights

Year-on-year Changes

Natural Gas (Scope 1) emissions decreased by 0.71% in FY24 compared to FY23.

Electricity (Scope 2) emissions significantly increased by 17.91% in FY24 compared to FY23.

Transport emissions significantly decreased by 29.75% in FY24 compared to FY23 due to a reduction in company vehicle usage.

Energy Saving Projects: Highlights

- Energy Optimisation
- Solar Panel Extension
- Wall Insulation Review

Table 1: Energy Source Breakdown for Total UK Location-Based Emissions**.

	Natural Gas	Electricity	Transport	Total
FY24 Carbon & Energy Consumption				
kWh	4,423,761	4,099,825	203,725	8,727,312
tCO_2e	809.11	834.72	45.21	1,689.04
FY23 Carbon & Energy Consumption				
kWh	4,454,482	3,492,733	283,512*	8,230,727*
tCO_2e	814.85	707.90	64.36*	1,587.12*
YOY percentage change (tCO_2e)	-0.71%	+17.91%	-29.75%	+6.42%

Table 2: Emission Intensity Breakdown for Total UK Location-Based Emissions**.

	Natural Gas	Electricity	Transport	Total
Carbon Intensity Metric				
FY24 tCO_2e per FTE	1.96	2.02	0.11	4.10
FY23 tCO_2e per FTE	1.95	1.70	0.15*	3.81*
YOY percentage change (tCO_2e)	+0.39%	+19.22%	-28.97%	+7.60%

* N.B. FY23 transport emissions figures have been restated to reflect more accurate reporting and improved data accuracy.

** N.B. The reported Scope 1, 2 and 3 emissions have been rounded to two decimal places. Any year-on-year comparison calculations have been conducted using complete unrounded figures.

SECR Highlights

Executive Summary

SECR disclosures are mandatory for listed and large unlisted UK companies with reporting cycles beginning on or after 1 April 2019.

This report summarises Advanced Medical Solution's ('AMS') energy usage, associated emissions, energy efficiency actions and energy performance under the government policy Streamlined Energy & Carbon Reporting ('SECR'). This is implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Under the legislation, AMS must disclose its energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented for all UK operations.

AMS is a UK-incorporated business. An operational boundary has been applied for the purposes of the reporting.

100% verifiable data coverage was achieved, with no estimations required. This is consistent with the 2023 estimation level.

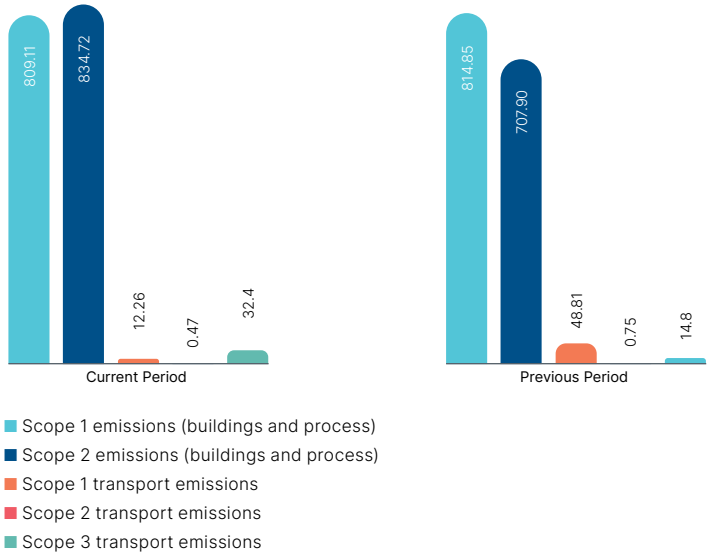
Reporting Year: January – December 2024

AMS Scope 1 direct and Scope 2 & 3 indirect emissions (combustion of natural gas and transportation fuels) for this reporting year are 854.32 tCO_2e, resulting from the direct combustion of 4,627,486 kWh of fuel. This represents a carbon reduction of 2.83% from last year ending December 2023 (Table 1).

Scope 2 indirect emissions (purchased electricity) for this reporting year are 834.72 tCO_2e, resulting from the consumption of 4,099,825 kWh of electricity purchased and consumed in day-to-day business operations, including self-generated electricity. This represents a carbon increase of 17.91% from last year ending December 2023 (Table 1).

AMS's operations have an intensity metric of 4.10 tCO_2e per FTE for this reporting year. This represents an increase in the operational carbon intensity of 7.60% from last year ending December 2023 (Table 2).

Figure 1: Scope 1, 2 and 3 emissions (tCO_2e) for this reporting period vs the previous reporting period.



SECR Highlights

Annual Reporting Figures: Consumption and Location-Based Emissions

The following tables show the consumption and associated emissions for financial years ending December 2024 and December 2023 for all operations.

Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, for example, company vehicle fleets.

Scope 2 consumption and emissions cover indirect emissions related to the consumption of purchased electricity in day-to-day business operations, including the use of electric vehicles. Total Scope 2 consumption also includes self-generated electricity, with no associated emissions.

Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by AMS i.e., grey fleet business travel undertaken in employee-owned vehicles only.

Table 3: Advanced Medical Solutions Total Emissions Intensity Metrics**.

	Location-based		Market-based	
Intensity Metrics	**FY24**	**FY23**	**FY24**	**FY23**
Total FTE	412.44	417.01	412.44	417.01
All Scopes tCO2e per FTE	4.10	3.81	3.46	N/A*
Percentage change	+7.60%		N/A*	

* N.B. Market-based calculations have been included for the first time in FY24. Therefore, no year-on-year comparisons are available.

** N.B. The reported Scope 1, 2 and 3 emissions and intensity metrics have been rounded to two decimal places. Any year-on-year comparison calculations have been conducted using complete unrounded figures.

Table 4: Advanced Medical Solutions Total Energy Consumption (kWh).

	FY24 Consumption kWh	**FY23 Consumption kWh*** **
Utility and Scope	**UK**	**UK**
Scope 1 Total	**4,478,432**	**4,668,729**
Natural Gas (Scope 1)	4,423,761	4,454,482
Transportation (Scope 1)	54,671	214,247
Scope 2 Total	**4,102,080**	**3,496,375**
Grid-Supplied Electricity (Scope 2)	4,031,488	3,418,587
Transportation (Scope 2)	2,255	3,643
Self-Generation (Scope 2)	68,337	74,145
Scope 3 Total	**146,800**	**65,622**
Transportation (Scope 3)	146,800	65,622
Total	**8,727,312**	**8,230,727**

Table 5: Advanced Medical Solutions Total Location-based Emissions (tCO_2e)**.

	FY24 Emissions tCO_2e	**FY23 Emissions tCO_2e*** **
Utility and Scope	**UK**	**UK**
Scope 1 Total	**821.37**	**863.67**
Natural Gas (Scope 1)	809.11	814.85
Transportation (Scope 1)	12.26	48.81
Scope 2 Total	**835.19**	**708.66**
Grid-Supplied Electricity (Scope 2)	834.72	707.90
Transportation (Scope 2)	0.47	0.75
Self-Generation (Scope 2)	32.48	14.80
Scope 3 Total	**32.48**	**14.80**
Transportation (Scope 3)	32.48	14.80
Total	**1,689.04**	**1,587.12**

*** N.B. FY23 transport emissions figures have been restated to reflect more accurate reporting and improved data accuracy.

Voluntary Market-Based Emissions

AMS dual-reports on location-based and market-based emissions factors. Market-based emissions demonstrate the carbon reduction achieved by renewable electricity procurement. Market-based emissions are reported in tCO_2 only, and reflect the specific emissions associated with a supplier-specific fuel mix or residual grid factor. Total market-based emissions are reported in Table 6.

Where supplier-specific emissions factors were not available, UK Government published emissions factors were utilised.

Table 6: Advanced Medical Solutions Total UK Location and Market-based Emissions*.

	FY24 Emissions	
Utility and Scope	**Location-based tCO_2e**	**Market-based tCO_2/tCO_2e**
Scope 1 Total	**821.37**	**821.37**
Natural Gas (Scope 1)	809.11	809.11
Transportation (Scope 1)	12.26	12.26
Scope 2 Total	**835.19**	**574.29**
Grid-Supplied Electricity (Scope 2)	834.72	573.82
Transportation (Scope 2)	0.47	0.47
Scope 3 Total	**32.48**	**32.48**
Transportation (Scope 3)	32.48	32.48
Total	**1,689.04**	**1,428.14**

* N.B. Market-based calculations have been included for the first time in FY24 therefore no year-on-year comparisons are available.

COMPLIANCE STATEMENT

MITIGATING THE IMPACT OF CLIMATE CHANGE

The UK's Companies Strategic Report Climate-related Financial Disclosures ('CFD') Regulations 2022 require certain publicly listed and large private companies to disclose climate-related financial information in their annual reports. As an AIM-listed company with more than 500 employees, AMS falls within the scope of these regulations and has included a CFD statement in line with the mandated framework. This marks AMS's second year of mandatory CFD reporting, reflecting our continued commitment to transparent climate disclosure. In FY2024, AMS complied with eight of eight CFD disclosure requirements.

Governance

AMS is committed to strengthening its climate-related strategy to enhance operational resilience. We recognise the risk climate change can pose to our future operations, so we are preparing for potential climate-related disruptions and actively developing our Environmental, Social, and Governance ('ESG') strategy to drive long-term sustainability. To support this, we partnered with an ESG consultancy, Inspired ESG, to develop our climate strategy.

Our governance structure (Table 1) ensures that climate change is considered throughout the Group.

Table 1: Advanced Medical Solution's ESG governance structure.

Board of Directors	Holds overall responsibility for climate matters, including overseeing climate strategy, risks, and progress toward sustainability goals.
ESG Steering Committee	Responsible for identifying climate risks and opportunities with Inspired ESG. Responsible for assessing, managing and monitoring climate risks and opportunities and ensuring compliance with regulations. Reports to the Board quarterly with updates.
Sustainability Team	Supports and oversees the Department Working Group in implementing climate mitigations and meets bi-weekly with Inspired ESG. Supports the ESG Steering Committee with identifying climate risks.
Department Working Groups (Includes Operations, Supply Chain, Sales, Marketing)	Executes climate initiatives within departments and reports progress to the ESG Steering Committee and Sustainability Team.

Board Oversight and Accountability

The AMS Board of Directors has the overall responsibility for climate matters. In FY2024, the Board continued to oversee and guide our climate strategy, focusing on integrating climate risk considerations into both short- and long-term financial planning to proactively manage such risks, ensuring long-term resilience across our operations. AMS and Peters have a budget for ESG, including climate risk mitigations and energy efficiency projects; for example, in FY2024, the Board approved the solar panel extension at the Plymouth site. In FY2025, the Group budget will be formalised to include all compliance costs and decarbonisation actions. The Board met eight times in FY2024. The ESG Steering Group, chaired by the Chief Financial Officer ('CFO') and Group Company Secretary provides updates to the Board quarterly. Key discussion topics included progress on CFD, identified climate-related risks and opportunities, and progress on emissions reduction. Two Board members have significant recent experience of climate matters through the development and implementation of ESG through their other roles. To support all Board members in their oversight of climate change, in December 2024, Inspired ESG presented an overview of CFD, climate change and the identified climate risks and opportunities. Climate change was discussed by the Board five times in FY2024.

Historically, executive remuneration and climate-related performance metrics were linked. However, as the Group acquired Peters Surgical during 2024, the two were not linked during FY2024. The possibility of reinstating this will be reviewed in FY2025.

ESG Steering Committee

The Board has delegated the responsibility for identifying, assessing and managing climate risks and opportunities to the ESG Steering Committee. The Committee, alongside the Sustainability Team, supports Inspired ESG to identify climate risks and opportunities annually. Meeting quarterly, the ESG Steering Committee actively manages climate matters, including conducting regular reviews to ensure compliance with evolving climate regulations and monitor progress on mitigation efforts such as net zero updates, emissions and energy reduction, energy monitoring trials and sustainable packaging. Quarterly updates are provided to the Board by the CFO, who also sits on the Board, supporting the straightforward dissemination of key information. Other members of the ESG Steering Committee include the Company Secretary, Group Health and Safety Manager, Group Operations Director, and senior managers from Operations, Supply Chain, Sales, and Marketing.

The ESG Steering Committee members, including the CFO, met bi-weekly with Inspired ESG to facilitate data collection and ensure CFD compliance. Members also attended the climate risk management workshops in November 2024 to assess climate risks and opportunities and evaluate the effectiveness of current mitigation measures (see Page 48 for more information). The Department Working Groups also supported the assessment of climate risks, and the implementation of new mitigation measures and actions delegated from the ESG Steering Committee.

Sustainability Team

The Sustainability Team was established in FY2024 after the acquisition of Peters Surgical. Some members of the ESG Steering Committee are members of the Sustainability Team, which ensures a clear avenue of information sharing. The main function of the Team is to support the Department Working Groups in their execution of climate mitigations and oversee progress, such as the LED rollout at our Plymouth site in December 2024. The Sustainability Team share the responsibility for identifying climate-related risks and conducting annual reviews with Inspired ESG and the ESG Steering Committee.

Risk Management

The Board understands the importance of appropriate risk management and delegates the responsibility for identifying, assessing, monitoring and managing risks to the ESG Steering Committee, supported by the Sustainability Team. An annual review of AMS's risk management process (Figure 1) is conducted. To ensure that climate risks and opportunities are effectively monitored and managed, a climate risk register was developed in FY2023 and updated in FY2024 in collaboration with Inspired ESG. The climate risk register is reviewed at least annually. The climate risk register has not been integrated into the corporate risk register, but we will review the feasibility of merging in FY2025.

Figure 1: AMS risk management approach, which climate change has been incorporated into.



Step 1 | Identify climate risks and opportunities

FY2024 marks the second time we have fully identified the climate risks and opportunities that may impact the business. Climate-related data was provided to Inspired ESG to conduct climate scenario analysis on 23 of our operational sites and four key supplier sectors. The analysis outcomes were presented at two climate risk management workshops held in November 2024. The first workshop covered transition risks (associated with the transition to a decarbonised economy), which were identified at the Group level. The second covered physical risks (physical impacts of climate change, such as flooding) identified at the site level. Physical risks can cover two categories: acute (event-driven) such as heatwaves, or chronic (longer-term shifts in the climate's patterns), such as water stress. Members of the ESG Steering Committee and the Sustainability Working Team attended the workshops. Climate-related opportunities were also identified at the Group level. In total, nineteen climate risks and six opportunities were identified. Thirteen risks were deemed material: seven transition and six physical risks (Tables 4 and 5). Two opportunities were deemed material (Table 6). We will repeat the climate risk identification and assessment process annually.

Step 2 | Analyse and Assess

The climate scenario analysis, conducted in October 2024, informed the climate risk management workshop in November 2024. The workshop was attended by key stakeholders, such as members of the ESG Steering Committee, including the CFO, Group Company Secretary, and Peters Surgical Chief Regulatory and Sustainability Officer. During the workshop, they evaluated three potential global warming pathways and three timescales over which climate risks and opportunities may materialise. See Pages 48-54 of the Strategy section for more information.

Following the workshops, the attendees internally reviewed the potential financial and operational impact and likelihood of each risk to assess which are most significant for the business (Tables 4 and 5). Each risk was scored based on the likelihood (of the risk occurring and impacting the business) and significance (financial impact on the Group's profit) (Table 2). Risks scored >£10 million for significance or >50% for likelihood are considered material. Material risks will have mitigation measures prioritised.

Table 2: AMS climate risk scoring system.

		Likelihood:		
		<20%	20%-50%	>50%
Significance:	**<£2m**	0.4	1.0	2.0
	£2m-£10m	2.0	5.0	10.0
	>£10m	5.0	12.5	25.0

Step 3 | Monitor and report

We understand that the threat of climate change may pose changes annually. Therefore, the climate scenario analysis and risk assessment will occur annually to ensure our classification remains appropriate. This will allow us to assess the impact and likelihood of existing risks and evaluate emerging ones. During this process, we will review the effectiveness of our mitigation measures and implement new ones where required. The publication of this CFD report demonstrates the steps we are taking to ensure transparency with our stakeholders on climate-related topics.

Step 4 | Manage

In December 2024, the Board was presented with an overview of climate change risk management, including the findings from the climate scenario analysis and the identified risks and opportunities. Climate change is a risk on the Group risk register under geopolitical issues. The Board delegated the Group CFO and Group Company Secretary responsibility for reviewing and approving the Group's FY2024 climate risks register.

As AMS did not experience any significant financial impacts of climate change in FY2024, climate change was not identified as a principal risk. However, during a review of the Group's geopolitical risks in the second half of FY2024, it was highlighted that physical risks are likely to intensify with climate inaction and, thus, are more likely to impact operations in future years, including supply chain disruptions, which may impact the sector as a whole. Therefore, we classified climate change as an emerging risk for FY2024. This classification will be reviewed annually, and as an emerging risk, AMS will continually monitor this and its potential effects and prioritise action where needed. AMS has assessed the resilience of the Group's business model and strategy against the three different climate scenarios (Table 3). AMS assessed the potential effect on the business model and strategy (Tables 4 and 5) and found they are resilient to the three climate scenarios.

Strategy

We reviewed the identified climate-related risks and opportunities in November 2024 across three distinct timeframes chosen to align with the UK's Net Zero target of 2050; these are the short (2024-2029), medium (2030-2039), and long-term (2040-2055). The short-term timeframe (2024-2029) was chosen to provide insight into the immediate climate impacts, such as increasing emissions reporting regulations and growing stakeholder concerns. The medium-term timeframe (2030-2039) aligns with the UK's interim Scope 1 and 2 targets. It demonstrates the intensification of transition and physical risks, allowing AMS the opportunity to develop proactive risk mitigation strategies. The long-term timeframe (2040-2055) aligns with the Group's net zero target, NHS England's Net Zero target of 2045, and the UK's Net Zero target of 2050, ensuring long-term climate resilience. Our climate scenario analysis reviewed three distinct warming scenarios, chosen to demonstrate different international engagements and responses to tackling climate change, ranging from 'business as usual' to a rapid transition to a low-carbon economy. A climate scenario is a plausible representation of potential future climate conditions that could have an impact on business operations directly and indirectly. The scenarios are outlined in Table 3.

Table 3: The three warming scenarios and their implications for climate risk and action.

Scenario	Explanation
Proactive (<2°C)	This scenario aligns with the Paris Agreement and the UK's Net Zero target for 2050 with stricter government mandates, driving investment in low-carbon products and services. We would expect to see increased customer pressure for sustainable alternatives. AMS is improving energy efficiency across its portfolio and developing carbon reduction targets, ensuring long-term sustainability and compliance with evolving regulations.
Reactive (2-3°C)	Delayed climate action leads to uncoordinated policies as governments scramble to enact climate policy to meet international targets. Limited funding and minimal incentives hinder low-emission investment. Some climate tipping points are breached, causing unpredictable risks. To enhance resilience, AMS conducts an annual climate scenario analysis through its partnership with Inspired ESG, identifying risks and implementing necessary mitigations.
Inactive (>3°C)	A 'business as usual approach' accelerates climate change. Few net zero targets are set and reached, and limited investment is made into low-emission products. Most climate tipping points are breached, causing severe risks to materialise. AMS reports annually under CFD to drive accountability with emission targets, ensuring continued focus on climate despite external challenges.

Our Resilience

The inactive scenario modelled is expected to significantly impact our operations, including increasing costs and reducing profitability. The physical risks will most likely affect the Group in the long term. Due to the nature of the sector in which we operate, we have specialised suppliers that cannot be replaced quickly due to industry-specific requirements and approvals. As such, we are committed to expanding our risk analysis to our supply chain and developing relevant mitigations to reduce the risk of operational disruption from our supply chain. We will annually review climate risks to ensure our classification remains appropriate. We will ensure our resilience by engaging in proactive research and development into low-emission and sustainable products where feasible. We also take proactive measures to avoid supply chain disruptions such as multi-sourcing. AMS has analysed the resilience of the Group's strategy and business model under each climate scenario. We have analysed the potential effects on our strategy and business model of each of these three scenarios and have determined AMS is resilient to these scenarios.

Climate scenarios
We assessed the identified risks against the likelihood and impact of each risk on the Group's operations, strategy and business planning. To conduct our climate-scenario analysis, we used internationally recognised climate models and frameworks, including the International Energy Agency's World Energy Models ('WEM'), Shared Socioeconomic Pathways ('SSPs'), Climate Natural Catastrophe Damage Models, Coordinated Regional Climate Downscaling Experiment ('CORDEX') forecasts, and Integrated Assessment Models ('IAM'). These models offer important insights into the potential impacts of climate change but have limitations, such as potential deviations between predicted and actual conditions. Additionally, potential exaggerations or underestimations of climate variables could occur.

In FY2023 and FY2024, we analysed the climate-related risks against the locations of our 12 sites. In FY 2024, we expanded this to include our Peters Surgical sites, analysing 23 sites. The Group further expanded its analysis to understand how climate change may impact key business sectors within its supply chain, such as the manufacturing industry, further embedding resilience in the business strategy. Sites were selected for analysis based on historical data; if a site was near a major historic climate event, we considered the site to be vulnerable. Our analysis identified nineteen climate-related risks and six opportunities. Risks with an expected financial impact greater than £10 million or more than a 50% chance of occurring were deemed material and required heightened management and monitoring. Thirteen risks were deemed material: seven transition risks and six physical risks (Tables 4 and 5). Two opportunities were deemed material (Table 6).

Transition risk
Transition risks are associated with a transition toward a low-carbon economy and themes of increased policy and legal mandates, shifts in markets, the implementation of low-emission technology, and threats to company or industry reputation. These risks are most prevalent in the short-term under a below 2°C scenario, driven by stricter climate policies such as increased emission reporting obligations and stakeholder concerns. AMS is well-positioned to mitigate transition risks and take a proactive approach. The Group has been working with a third-party consultancy to prepare for CSRD, should Peters Surgical be captured after the proposed changes from the European Union. Material transition risks are further explored in Table 4.

Physical risks
Physical risks stem from the direct physical impacts of climate change, such as heatwaves and flooding, that may threaten the Group's operations or strategy in the longer term. Physical risks can be either acute (event-driven), such as flooding or wildfires, or chronic (longer-term shifts in the climate patterns), such as rising mean temperatures or sea level rise. Whilst physical risks, such as flooding, have impacted the Group before, mitigations, such as replacing storm drains, have been implemented (Table 5).

Key outcomes
While climate change has not been recognised as a principal risk for the Group, the transition and physical risks in Tables 4 and 5 are predicted to have a higher business impact than the other climate-related risks. AMS also aims to capitalise on the opportunities presented by climate change where possible (Table 6). Costs to implement mitigation measures for the material climate risks will be factored into the Group's new budget plan, which will be formalised in FY2025 and will increase the resilience of the Group. AMS is actively working to reduce the Group's carbon footprint to minimise potential carbon pricing risks and reduce our environmental impact, as detailed in the Metrics and Targets section.

Table 4: Climate-related transition risks that could have a greater potential impact on the business and the mitigations.

Climate-related risk	Impact Description	Mitigations
Risk: Enhanced emissions-reporting obligations **Time Horizon:** Short to Medium Term (2024-2039) **Warming Scenario:** <2°C, 2-3°C **Likelihood:** >50% **Impact:** <£2m **Financial Impact:** Expenditures – increased operating costs. Write-offs and early retirement of existing assets due to policy changes.	**Actual** AMS has seen an increase in reporting regulations such as CFD. CSRD may impact the Group, increasing compliance costs and potentially forcing early retirement or write-off of assets due to emissions policy changes. **Potential** Increased regulation in the UK to reach net zero by 2050. In the EU, a bid submitted for Parliament's approval aims to (1) ban climate claims like 'climate neutral' or 'eco' based solely on offsetting and (2) ban green labels not from an approved sustainability scheme.	AMS engages with a third-party ESG consultancy and annually reviews CSRD reporting requirements. In FY2023, AMS developed a net zero reduction plan with Inspired ESG, aiming to become net zero by 2045, with an absolute target across Scope 1, 2, and 3 emissions. Peters Surgical committed to the Science Based Targets Initiative in FY2023 and the Group intends to honour this commitment in FY2025. The Sustainability Team monitors emerging legislation. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.
Risk: Mandates on and regulation of existing products and services **Time Horizon:** Short to Medium Term (2024-2039) **Warming Scenario:** <2°C, 2-3°C **Likelihood:** >50% **Impact:** <£2m **Financial Impact:** Decreased revenue due to reduced demand for current products and services. Increased costs from fines.	**Actual** Mandates and regulations to address climate change may increase, such as the Environment Act (2021), aiming to improve air and water quality. This can result in increased compliance or operating costs for AMS.	AMS plans to monitor this risk annually. AMS is also a member of the environmental regulations, group and the Corporate Sustainability Reporting ('CSR') group of its trade union, representing the medical device sector in France, to monitor applicable regulations, including climate regulations such as emission reporting. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.
Risk: Carbon pricing **Time Horizon:** Short Term (2024-2029) **Warming Scenario:** <2°C **Likelihood:** >50% **Impact:** <£2m **Financial Impact:** Expenditures – increased capital costs and operating costs (e.g., higher compliance costs, increased insurance premiums).	**Potential** Carbon pricing would put a price on Scope 1 and Scope 2 emissions, potentially impacting AMS and the Group's suppliers. The cost could be most significant for AMS in the Proactive scenario in the short term. The EU has also broadened the scope of the Emissions Trading Scheme to include the transport and taxation of imported carbon via the Carbon Border Adjustment Mechanism ('CBAM'). AMS is below the carbon tax thresholds but may experience increased raw materials and transport costs.	AMS will use its net zero strategy to reduce emissions across the Group and minimise this risk. AMS will monitor this risk annually and aim to implement a responsible purchasing approach aligned with a low-carbon trajectory. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.

Climate-Related Financial Disclosure Report continued

Climate-related risk	Impact Description	Mitigations
Risk: Uncertainty in market signals **Time Horizon:** Short to Medium Term (2024-2039) **Warming Scenario:** <2°C, 2-3°C **Likelihood:** <20% **Impact:** >£10m **Financial Impact:** Decreased access to capital. Abrupt and unexpected shifts in energy costs.	**Potential** Lack of a clear climate transition plan may lead to reduced access to capital. New sectors and competitors may form, offering customers a range of companies to take their business to. New financing from government schemes and green investment opportunities may be missed if AMS fails to make progress its net zero journey. Additionally, abrupt and unexpected shifts in energy costs, driven by regulatory changes or energy supply disruptions, could significantly increase operational expenses, further impacting profitability and competitiveness.	With the support of a third-party consultancy, AMS will remain informed about market changes. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.
Risk: Increased cost of energy and raw materials **Time Horizon:** Short to Long Term (2024-2055) **Warming Scenario:** <2°C, 2-3°C **Likelihood:** >50% **Impact:** <£2m **Financial Impact:** Increased operating costs. Re-pricing of assets (e.g., fossil fuel reserves).	**Potential** Energy: Increased energy costs as carbon prices are introduced on gas and oil imports. Renewable energy is often more expensive than non-renewables but more reliable. Raw Materials: The EU has identified plastic, steel, ceramics, hydrogen and fertilisers as high-impact materials. High-impact products will be forced to decarbonise, and as a result, new processes and technologies may be introduced, increasing the raw material cost. AMS may experience supply chain disruption from reliance on any identified products.	AMS utilises solar energy technology. The Thailand site uses solar panels for part of its electricity production. A green electricity contract has been signed at the Domalain production site, providing a more stable cost. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.
Risk: Increased stakeholder concern **Time Horizon:** Short to Medium Term (2024-2039) **Warming Scenario:** <2°C, 2-3°C **Likelihood:** >50% **Impact:** <£2m **Financial Impact:** Decreased access to capital, reduced Company valuation.	**Potential** As the world transitions to a decarbonised economy, stakeholders will likely have increased interest and concern regarding sustainability credentials. Companies not matching stakeholder expectations could be financially impacted. AMS may experience damage to its reputation if found to not comply with mandated climate disclosures. This could result in loss of partnerships, reduced access to capital and increased regulatory scrutiny, affecting its revenue and market position.	AMS ensures transparency with stakeholders by publishing an annual CFD statement in the Group's Annual Report and Accounts, completing a CDP response and having a dedicated Sustainability section on the Group website for stakeholders. The Group has set environmental targets to mitigate the risk of increased stakeholder concern (see Pages 55-57). Progress towards these targets will be reported annually, demonstrating our commitment to reducing our carbon footprint. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.

Climate-related risk	Impact Description	Mitigations
Risk: Substitute existing products and services with lower emissions alternatives **Time Horizon:** Short to Medium Term (2024-2039) **Warming Scenario:** <2°C, 2-3°C **Likelihood:** 20% – 50% **Impact:** >£10m **Financial Impact:** Expenditures – increased capital costs. Write-offs and early retirement of existing assets.	**Potential** Customer preferences are changing as people are considering the environment when making purchasing decisions, resulting in additional costs to improve product sustainability. This shift may also force the write-off or early retirement of AMS's assets that no longer meet evolving sustainability standards, further escalating costs.	AMS continuously monitors developments that could impact product costs. AMS has shifted towards electric vehicles ('EVs') for its company car fleet, particularly in the UK. **Related Metrics & Targets:** Scope 1 and 2 emissions.

Table 5: Climate-related physical risks that could have a greater potential impact on the business than other climate risks and the mitigations.

Risk Details	Risk Description	Mitigation
Risk: Heatwave **Time Horizon:** Short to Long Term (2024 – 2055) **Warming Scenario:** <2°C, 2-3°C, >3°C **Likelihood:** >50% **Impact:** <£2m **Financial Impact:** Reduced revenue from decreased production capacity. Reduced revenue and higher costs from negative impacts on workforce (e.g. health, safety, absenteeism). Write-offs and early retirement of existing assets (e.g. damage to property and assets in 'high-risk' locations).	All of AMS (e.g. Winsford and Dublin) and Peters Surgical sites (e.g. Gurugram and Markneukirchen) analysed will experience heatwaves in the short to long-term in the Reactive and Inactive scenarios. **Actual** Extreme heat can disrupt manufacturing processes through power outages, reduced employee capacity, or degradation of temperature-sensitive raw materials. Investments may be needed to protect products and infrastructure, such as reinforced AC systems, special packaging, and temperature-controlled storage. **Potential** Potential impacts include long-term changes to working hours, supply chain or operational disruption from roads melting or rails buckling, and increased maintenance as air conditioning use increases. Investments may be needed to protect products and infrastructure, such as reinforced AC systems, special packaging, and temperature-controlled storage.	All offices, manufacturing sites, and warehouses have AC to maintain inventory quality and employee well-being. LiquiBand® is transported in temperature-controlled environments to preserve quality. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.

Climate-Related Financial Disclosure Report continued

Risk Details	Risk Description	Mitigation
Risk: Rising Mean Temperatures **Time Horizon:** Medium to Long Term (2030 – 2055) **Warming Scenario:** 2-3°C, >3°C **Likelihood:** >50% **Impact:** <£2m **Financial Impact:** Expenditures – increased capital and operating costs.	100% of analysed AMS (e.g. Domazlice and Plymouth, UK) and Peters Surgical sites (e.g. Plymouth, MA and Warsawa) will experience rising mean temperatures in the medium to long term in the Reactive and Inactive scenarios. A slower working pace may result in total working hours lost, and an increase in heat-related illnesses is possible. Energy and maintenance costs may increase as the need for cooling increases.	No significant impacts have been observed. However, employees can work from home during rising temperatures. AMS sites have temperature-controlled rooms. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.
Risk: Increased Severity of Flooding **Time Horizon:** Medium to Long Term (2030 – 2055) **Warming Scenario:** >3°C **Likelihood:** >50% **Impact:** £2m – £10m **Financial Impact:** Reduced revenue from decreased production capacity (e.g. transport difficulties, supply chain interruptions). Reduced revenue and higher costs from negative impacts on workforce (e.g. health, safety, absenteeism). Write-offs and early retirement of existing assets (e.g., damage to property and assets in 'high-risk' locations).	A total of 38% of analysed AMS sites (e.g., Stafford and Teesdorf) are in high flood-risk zones, and 60% of Peters Surgical sites (e.g., AMT Wachsenburg and Gurugram) Surgical sites are in high flood-risk zones. Direct impacts could cause site closure and property or equipment damage, increasing capital spending. Indirect impacts could prevent suppliers, customers, or employees from reaching the site, reduce productivity, or create disruptions operationally or within the supply chain. No AMS sites have been directly impacted as of FY2024. However, there have been indirect impacts due to neighbouring facilities flooding, which caused disruption to AMS's operations.	Sites have disaster recovery plans with delegated responsibilities for evacuation. For example, one site in Thailand has implemented a flood prevention plan, including a high wall and flood gate to mitigate any potential risks of flooding. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.
Risk: Water Stress **Time Horizon:** Medium to Long Term (2030 – 2055) **Warming Scenario:** <2°C, 2-3°C, >3°C **Likelihood:** >50% **Impact:** £2m – £10m **Financial Impact:** Expenditures – increased capital and operating costs.	A total of 25% of analysed AMS sites (e.g. Nuremberg and Moscow) are in potential high water stress zones and 60% of Peters Surgical sites (e.g. Bangkok, AMT Wachsenburg) are in potential high water stress zones. Increased expenditures may be observed from alternative water sourcing requiring greater treatment or the installation of water conservation technology may be mandated. Energy disruptions from lack of water may cause business disruption.	AMS will monitor water stress risk annually through climate scenario analysis. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.

Climate-Related Financial Disclosure Report continued

Risk Details	Risk Description	Mitigation
Risk: Sea Level Rise **Time Horizon:** Long Term (2040 – 2055) **Warming Scenario:** <2°C, 2-3°C, >3°C **Likelihood:** <20% **Impact:** >£10m **Financial Impact:** Expenditures – increased capital and operating costs.	A total of 25% of analysed AMS sites (e.g. Etten-Leur and Haifa) are in potential sea level rise risk zones, and 20% of Peters Surgical sites (e.g. Bangkok and Plymouth, MA) are in potential sea level rise risk zones. Indirect impacts, such as decreased insurance coverage or increased premiums, are likely in high-risk zones. The disruption of roads, railways, seaports, and airports may create operational or supply chain disruption.	AMS will conduct climate scenario analysis annually, to assess the potential impact that sea level rise may have on the business. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.
Risk: Increased Frequency of Wildfires **Time Horizon:** Long Term (2040 – 2055) **Warming Scenario:** >3°C **Likelihood:** <20% **Impact:** >£10m **Financial Impact:** Reduced revenue from decreased production capacity (e.g. transport difficulties, supply chain interruptions). Reduced revenue and higher costs from negative impacts on workforce (e.g. health, safety, absenteeism). Write-offs and early retirement of existing assets (e.g. damage to property and assets in 'high-risk' locations).	A total of 8% of analysed AMS sites (e.g. Nantes) are at potential risk from wildfire impacts and 10% of Peters Surgical sites (e.g. Domalain) are at potential risk from wildfire impacts. Wildfires are not expected to impact AMS sites directly, but the risk should be continually monitored as wildfire occurrences increase globally. Smoke and ash can damage AC units, creating increased maintenance costs. Energy disruptions could impact business productivity. Operational and supply chain disruptions could be observed through closed transport networks (airports, rails, roads), or government travel bans due to air quality.	**Thailand Site Grass Fires (2010 – 2015)** Impact: Smoke and ash can impact the performance of AC units and also the health of employees. Response: Coordinated with the industrial estate to monitor the fire and identify the cause. The industrial estate coordinated with the area owner to clear grass and trees. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.

Table 6: Key opportunities identified and how AMS will capitalise on it.

Opportunity type	Description	Time Horizon (years)	Warming scenario	Financial impact	Description of opportunity response
Resource Efficiency	Adoption of energy-efficient technology, transport, distribution, recycling, and water conservation.	Short to Medium Term (2024-2039)	<2°C 2-3°C	Lower costs, higher productivity, and asset value.	Improved efficiency reduces energy costs, increases revenue, and enhances asset value. Better workforce management leads to lower costs and improved health and safety. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.
Resilience	Climate adaptation, renewable energy adoption, and resource diversification.	Short to Medium Term (2024-2039)	<2°C 2-3°C	Higher asset value, supply chain reliability, and revenue stability.	As AMS continues to embed and strengthen resilience planning, this ensures operational continuity and long-term competitiveness. To increase resilience, the Group has set climate targets (see Pages 55-56). To demonstrate our commitment to reducing our greenhouse gas emissions progress towards these targets will be reported on annually.

Metrics & Targets

In FY2024, the business underwent significant changes through the acquisition of Peters Surgical. Part of this process included reconciling the net zero ambitions of both businesses. Therefore, we have decided to re-baseline our emissions to FY2024 to reflect future operations more accurately. Previously, AMS had committed to a 90% absolute reduction of Scope 1, 2 and 3 emissions by 2045 (to align with NHS England's net zero target), from our FY2021 baseline. This ambition remains, and the Group will target net zero by 2045, from our updated baseline of FY2024. Interim targets (Table 7) will be reassessed in FY2025 to incorporate all new business operations.

Our previous commitment to submit our targets for validation to the Science Based Targets initiative ('SBTi') will also be moved to FY2025. Peters Surgical have already committed to submitting Science Based Targets and the Group will fulfil this commitment. These targets will support our efforts to mitigate climate-related risks, as outlined in Tables 4 and 5.

Table 7: Emissions Reduction Targets for Advanced Medical Solutions, FY2024[1].

Emissions Scope	Interim Targets (to be reassessed in FY2025)	Net Zero Targets
Scope 1	42% absolute reduction in Scope 1 and 2 GHG emissions by 2030 from our restated FY2024 baseline. We require an annual reduction of 7.0% to meet this target.	90% absolute reduction by 2045, from our restated FY2024 baseline across Scope 1, 2 and 3. An annual reduction of 4.3% is required annually to meet the net zero target. Residual emissions (up to a maximum of 10%) will be neutralised through permanent carbon removals. To meet our 42% absolute reduction in Scope 1 and 2 GHG emissions by 2030, an annual reduction of 7.0% will be necessary.
Scope 2 (location-based)		
Scope 3	72% of suppliers to have science-based targets by 2028. The current position will be established in FY2025. 30% reduction in Scope 3 Category 12 (End-of-Life Treatment of Sold Products) GHG emissions per tonne of product sold by 2033, from our restated FY2024 baseline.	

1. Performance against target was not measurable in 2024 as we have reset our baseline to 2024 following the acquisition of Peters Surgical.

Moving forward, we are committed to annual reporting on our environmental performance as a group. During FY2024, we aligned AMS's and Peters Surgical's emissions reporting with an extensive data collection initiative to ensure a comprehensive and transparent greenhouse gas ('GHG') footprint. In the coming years, we aim to expand our sustainability reporting to include key performance indicators ('KPI's) that will track resource usage relative to production and measure year-on-year progress in carbon reduction. We will also work internally to track data on the tonnes of product produced, as this is not only one of AMS's key performance indicators but also a part of our carbon reduction targets. This effort will help AMS monitor production efficiency and contribute to a more accurate estimation of carbon emissions associated with the products we sell. Further progress towards our net zero target is expected in FY2025 as the below actions have been identified for completion within the year. These actions are expected to save over 300,000 kWh per annum, once fully implemented.

Energy Efficiency Narrative

AMS is committed to year-on-year improvements in its operational energy efficiency. Our FY2024 initiatives are below:

Energy Optimisation

Throughout FY2024, AMS monitored energy-consuming activities and identified energy reduction opportunities. Through closely observing processes and reporting energy usage, the Group has been able to identify key areas to focus on for maximum energy reduction.

Solar Panel Extension

In FY2024, AMS carried out a solar panel extension on the Plymouth site roof. This initiative has decreased dependence on non-renewable energy sources and demonstrates the Group's commitment to net zero goals. The extension will lead to an increase in renewably sourced electricity for future years, with no emissions associated with the consumption.

Wall Insulation Review

In FY2024, AMS installed suitable insulation on the walls of the Plymouth extension area. By conducting a thermographic review, the Group confirmed heat loss rates and identified the cost savings associated with the insulation installation.

We have also implemented compressed air heat recovery systems at Winsford and Stafford, in addition to LED lighting at Stafford. In Plymouth, we have replaced our energy-inefficient boiler and installed heating and cooling temperature adjustments at Winsford.

Greenhouse Gas Emissions

We have quantified all applicable Scope 3 categories; 11 of the 15 GHG Protocol Scope 3 categories are relevant to the Group. Category 8 (Upstream Leased Assets), Category 11 (Use of Sold Products), Category 14 (Franchises), and Category 15 (Investments), as AMS does not have any upstream leased assets, sell any energy-consuming products, operate on a franchise model or have any investments, are not applicable. Table 8 provides a comprehensive breakdown of our emissions. AMS and Peters Surgical utilise different third parties to calculate emissions, with the Group totals compiled by Inspired ESG. A third party has not audited the figures.

Table 8: Group Carbon Balance Sheet[1].

Emissions	FY2024 (restated baseline) tCO_2e	Share of Total Emissions (%)
Scope 1	**2,409**	**2.3%**
Scope 2 – location-based	**5,245**	**4.9%**
Scope 3	**98,907**	**92.8%**
1: Purchased Goods and Services	43,512	40.8%
2: Capital Goods	30,209	28.3%
3: Fuel-related Emissions	2,449	2.3%
4: Upstream Transportation and Distribution	8,055	7.6%
5: Waste Generated in Operations	268	0.3%
6: Business Travel	913	0.9%
7: Employee Commuting	1,594	1.5%
9: Downstream Transportation and Distribution	6,675	6.3%
10: Processing of Sold Products	4,700	4.4%
12: End-of-life Treatment of Sold Products	507	0.5%
13: Downstream Leased Assets	24	0.02%
Total Scope 1, 2 and 3 (location-based)	**106,561**	**100%**

1. Group Carbon Balance Sheet includes Peters Surgical as we have reset our baseline to 2024.
2. No comparator data is available for Peters Surgical for 2023. Due to this prior year comparators have not been included for the targets as it does not reflect in year performance.

Streamlined Energy and Carbon Reporting ('SECR')

Per the UK's SECR requirements, all energy consumption and emissions for UK operations have been disclosed below. Carbon emissions are categorised as follows:

Scope 1: Consumption and emissions related to direct combustion of natural gas, fuels utilised for transportation operations, such as company vehicle fleets, any other fuels, and fugitive emissions from refrigerant gases.

Scope 2: Consumption and emissions from indirect emissions relating to purchasing electricity in daily business operations.

Scope 3: Consumption and emissions from sources not directly owned by AMS, i.e., grey fleet business travel undertaken in employee-owned vehicles only.

Table 9: Advanced Medical Solutions Total Location-based Emissions (tCO_2e).

Emissions Scope	FY2023 UK tCO_2e	FY2024 UK tCO_2e	Year-on-Year change (%)
Scope 1 Total	**863.67**	**821.37**	**-4.9%**
Natural Gas, Other Fuels, & Refrigerant	814.85	809.11	-0.7%
Transportation	48.81*	12.26	-74.9%
Scope 2 Total	**708.66**	**835.19**	**+17.9%**
Grid-Supplied Electricity	707.90	834.72	+17.9%
Transportation (Scope 2)	0.75*	0.47	-38.1%
Scope 3 Total (Grey Fleet)	**14.80***	**32.48**	**+119.6%**
Total	**1,587.12**	**1,689.04**	**+6.4%**
Total tCO_2e/FTE	**1.845**	**1.926**	**+4.3%**

* FY23 transport emissions figures have been restated to reflect more accurate reporting and improved data accuracy.

Table 10: Advanced Medical Solutions Total Energy Consumption (kWh).

Consumption (kWh)	FY2023 UK kWh consumption	FY2024 UK kWh consumption	Year-on-Year change (%)
Scope 1 Total	**4,668,729**	**4,478,432**	**-4.1%**
Natural Gas, Other Fuels, & Refrigerant	4,454,482	4,423,761	-0.7%
Transportation	214,247*	54,671	-74.5%
Scope 2 Total	**3,496,375**	**4,102,080**	**+17.3%**
Grid-Supplied Electricity	3,418,587	4,031,488	+17.9%
Transportation (Scope 2)	3,643*	2,255	-38.1%
Self-Generation (Scope 2)	74,145	68,337	-7.8%
Scope 3 Total (Grey Fleet)	**65,622***	**146,800**	**+123.7%**
Total	**8,230,727**	**8,727,312**	**+6.0%**

* FY23 transport emissions figures have been restated to reflect more accurate reporting and improved data accuracy.

Table 11: Advanced Medical Solutions Total Intensity Metric.

	Location-based	
Intensity Metrics	FY24	FY23
Total FTE	**412.44**	417.01
All Scopes tCO_2e per FTE	**4.10**	3.81
Percentage change	**+7.60%**	

Next Steps

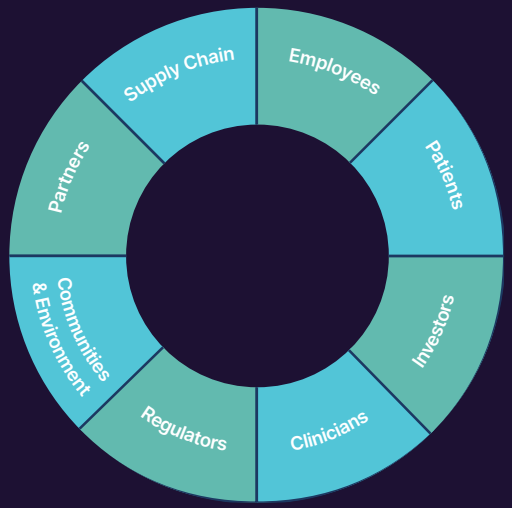
After the acquisition of Peters Surgical, the Group is working to align and embed the most appropriate climate considerations and risk processes across the business. We are focused on reducing our emissions and reaching our targets to satisfy our stakeholders' expectations. We will prioritise actions in the short term whilst preparing for the medium and long term. We will continue to invest in low-carbon initiatives and provide progress in our annual CFD disclosure.

ENGAGING WITH

STAKEHOLDERS

AMS considers its stakeholders as integral to its success and is committed to actively engaging and collaborating with them throughout the value chain. This engagement with our core stakeholders ensures that their views inform our business strategy, enabling us to understand their priorities, and use their feedback to shape our business. We summarise below, and reference throughout this Annual Report, how our Directors' engagement with stakeholders on key decisions also fulfils their duties in relation to Section 172 of the Companies Act 2006.





Our stakeholders

Listening, engaging and partnering with our stakeholders, illustrated in the diagram below and further explained on Pages 59to 60, helps us to address our business impacts and improve the outcomes for those different groups.

Section 172

The Directors, as required by Section 172 of the Companies Act 2006, must act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its stakeholders. In so doing, the Directors must have regards, amongst other matters, to the:

1. Likely consequences of any decision in the long-term.
2. Interests of the Company's employees.
3. Need to foster the Company's business relationships with suppliers, customers and others.
4. Impact of the Company's actions on the community and environment.
5. Desirability of the Company maintaining a reputation for high standards of business conduct.
6. Need to act fairly between members of the Company.



Employees

We are a people-centric, equal-opportunity business which aims to enable our employees to develop and thrive whilst protecting their safety and wellbeing.

Material topics

- Cultural values survey and focus groups to create a new vision and values.
- Opportunities to share ideas.
- 'Ever wonder what they do' opportunities to learn about other areas of the business.
- Opportunities for career development.

How we engage

Our CEO Live global webcasts enable employees to freely raise questions. Questions can also be asked through an Executive Management Team Portal. Employee Inclusion Groups can be approached regarding issues at site-level. An annual Employee Engagement Survey provides an opportunity to give feedback anonymously, although this was not carried out in 2024 due to the recent acquisitions. The Company newsletter enables employees to be updated by colleagues from across the Group. We have appointed a Board Director to be responsible for Workforce Engagement (Douglas Le Fort).



Patients

The patient is at the heart of everything we do. We develop innovative products to minimise complications and improve patient outcomes.

Material topics

- Products to address unmet patient needs and improve their outcomes.
- Post-market surveillance.
- Clinical studies.
- Monitor trends and changes.

How we engage

We work closely with customers, clinicians, Key Opinion Leaders and industry bodies to understand patient needs. We are investing in clinical studies which enable the commercialisation of products to address unmet needs, such as been highlighted by Seal-G® and our US LiquibandFIX8® Pre-Market Approval.



Investors

We give high priority to communicating effectively with investors, brokers and analysts on strategy, governance and financial forecasts.

Material topics

- Financial and operational performance.
- Business strategy and acquisitions.
- Market conditions.
- R&D pipeline and product approvals.
- Dividend.

How we engage

We maintain regular communications with shareholders, analysts and brokers in line with our regulatory duties. We have twice-yearly results roadshows and engage on an ad-hoc basis on issues such as remuneration, governance and ESG. We hold an Annual General Meeting and provide updates in between via RNS alerts on our website and contact through our advisers.

Following the acquisition of Peters Surgical in 2024, we have facilities in place with two banks (HSBC and NatWest). We ensure compliance with the requirements of these arrangements, as well as maintaining an ongoing business relationship.



Clinicians

We work with Clinicians and Key Opinion Leaders to ensure our products are effective, easy to use, clinically safe and meet patient needs.

Material topics

- Clinical Advisory Boards.
- Industry-leading training.
- Subscription database.
- Virtual symposia.

How we engage

Clinical Advisory Boards help to provide guidance and clinical trial development for key products.

We have a focus on training and education with ActivHeal® Academy and other digital platforms, including increased social media engagement.

For key surgical products we conduct virtual symposia and Voice of Customer activities. We provide clinical updates to surgeons on products to increase skill levels.



Regulators

We engage with Competent Authorities and Notified Bodies to operate within regulatory and legal frameworks and ensure our products have approval in key markets.

Material topics

- Compliance with legislation.
- Maintain high standards.
- Medical Devices Regulation ('MDR').
- Working relationships with Notified Bodies.

How we engage

In a highly regulated industry we maintain good relationships with our regulators by working openly and in a transparent way, promoting a partnership approach to further understand the regulatory landscape.



Communities & Environment

Our values encourage us to contribute to our local communities and charitable causes, reduce our environmental impact and help to stop climate change. These are key components of our ESG framework.

Material topics

- Pathway to Net Zero.
- Climate Related Financial Disclosures (CFD).
- Involvement in local organisations.
- Sponsorship.
- Environmental initiatives.
- Customer discussions on environmental impact and emissions.

How we engage

We actively engage in local communities by encouraging employees to participate. We provide sponsorship and charity matching where employees are involved locally. Environmental pledge programme and ISO50001 at selected sites help to reduce our local environmental impact and we take part in environmental initiatives local to our sites.



Partners

Our network of OEM and distribution partners allow us to meet the clinical needs of patients that we cannot reach directly.

Material topics

- Relationship development.
- Education and training.
- Opportunities to share ideas.
- Align pipeline of new products, value-added services and customer support.

How we engage

We try to ensure that partners have the opportunity to speak to key employees at any time. We use remote 'Voice of Customer', Key Opinion Leader masterclasses and focus groups to gain feedback on products and ideas. Websites, online tools and Brand Hubs provide further direct engagement. We participate in industry clinician groups.



Supply Chain

We strengthen our supply chain resilience through increased inventory levels, robust supply agreements, minimising sole suppliers, a comprehensive supplier audit programme and monitoring compliance with our Ethical Sourcing Policy.

Material topics

- Supply chain resilience through increased inventory levels and dual sourcing.
- Security of supply.
- Improving OTIF.
- Ongoing impacts of cost inflation.
- Auditing of suppliers including plan to incorporate ethical matters.

How we engage

We hold regular meetings with key suppliers and have strengthened our key supplier audit process, making it more robust and building closer working relationships.

Principal decisions in 2024

The Board considered the interests of, and the impact on, all stakeholders when key decisions were made during the year, as demonstrated below.

Principal decision 1

Integration Projects

Following the transformational acquisitions of Peters Surgical and the business and assets of Syntacoll, the Board decided to create two separate significant integration project teams to maximise the operational and commercial benefits of the enlarged Group.

Why was this decision important to the Board?

Peters was an ideal fit for AMS in terms of its complementary expertise, global reach and potential for synergies with AMS's existing portfolio. As well as broadening our portfolio, the Group will benefit from the shared capabilities including direct sales channels, distribution networks, and manufacturing locations.

In mid-2024, the Group created a dedicated integration team for Peters to deliver key synergies relating to branding, product portfolio, manufacturing and supply chain of sutures. This team consists of individuals with key capabilities from both AMS and Peters Surgical, is supported by external consultants and will be fully focused on building and delivering critical elements of the integration plan. Good progress was made in the Period, and the Group remains on track to deliver the majority of the planned operational synergies from early 2027.

Which s172 factors were key to this decision?

(a) the likely consequences of any decision in the long term; (b) the interests of the Company's employees; and (c) the need to foster the Company's business relationships with suppliers, customers and others.

Which stakeholders does this decision impact?

Investors, People, Customers and Suppliers.

Outcome and impact on long-term sustainable success

Maximising the commercial and operational synergies from Peters Surgical is expected to add significant revenue, profit and cash generation and earnings accretion and to increase the Group's growing recurring revenue streams, its long-term sustainable growth and reduce its reliance on individual distribution partners.

The acceleration of the launches of our collagen portfolio into the lucrative USA market, enabled by the acquisition and integration of Syntacoll, is expected to add significant revenue, profit and cash generation and earnings and margin accretion.

Principal decision 2

Woundcare Strategic Review

With the Group's increased focus on Surgical products and as the challenging Woundcare market conditions persist, the Board decided to perform a strategic review of the Woundcare Business Unit which included assessing its growth prospects, investment requirements and gross margins by customer and product.

Why was this decision important to the Board?

We need to optimise shareholder value and ensure our resources are focused in the areas with most impact. The Board decided to conduct this strategic review and that our goals can be best achieved through various initiatives, including focusing on higher margin business and reducing investment in certain areas, that will improve future profitability of the Business Unit (now one of our Categories).

Which s172 factors were key to this decision?

(a) the likely consequences of any decision in the long term; (b) the interests of the Company's employees; and (c) the need to foster the Company's business relationships with suppliers, customers and others.

Which stakeholders does this decision impact?

Investors, Customers, and Communities & Environment.

Outcome and impact on long-term sustainable success

Since the announcement in September 2024 of AMS's plans to restructure the Woundcare business by focusing on higher margin business and reducing investment in certain areas, excellent progress has been made and these initiatives are on track to positively impact margins from Q2 2025.

ACHIEVING EXCELLENCE

SURGICAL BUSINESS UNIT

The Surgical Business Unit includes tissue adhesives, sutures, biosurgical devices and internal fixation devices marketed under the AMS brands LiquiBand®, RESORBA®, LiquiBandFix8®, LIQUIFIX™, Peters Surgical, Ifabond®, Vitalitec® and Seal-G®.



Advanced Closure revenue

£43.4m

↑ 25%

Ross McDonald
Chief Commercial Officer

Organic growth in the Surgical Business was driven by strong performances from LiquiBand® in the US, Traditional Closure, Other Distributed and Internal Fixation products. Revenue increased to £98.6 million (2023: £79.1 million) during the Period, an increase of 28% on a constant currency and 25% on a reported basis.

Surgical Business Unit	2024 £ million	2023 £ million	Reported Growth	Change at constant currency
Advanced Closure	**43.4**	34.6	25%	28%
Internal Fixation and Sealants	**6.4**	5.0	28%	30%
Traditional Closure	**19.9**	18.1	10%	15%
Biosurgical Devices	**22.6**	16.4	38%	42%
Other Distributed	**6.3**	5.0	26%	30%
Subtotal (excluding Peters Surgical)	**98.6**	79.1	**25%**	28%
Peters Surgical	**37.2**	–	–	–
Total	**135.8**	79.1	**72%**	–

Advanced Closure

LiquiBand® is a range of topical skin adhesives, incorporating medical grade cyanoacrylate in combination with purpose-built applicators. These products are used to close and protect a broad variety of surgical and traumatic wounds.

Advanced Closure	2024 £ million	2023 £ million	Reported Growth	Change at constant currency
Americas	**26.9**	18.2	48%	52%
Rest of World	**16.5**	16.4	1%	2%
Total	**43.4**	34.6	**25%**	28%

LiquiBand® revenues increased in the Period by 28% on a constant currency basis and 25% on a reported currency basis driven by strong US growth.

New agreements, greater incentives and more brand differentiation for the Group's US partners were successfully implemented towards the end of 2023 and made a significant impact on Advanced Closure US revenue growth during the Period. Sales increased to £26.9 million (2023: £18.2 million), 52% at constant currency and 48% on a reported basis. This positive performance during the Period reflects improved partner engagement under the new distribution agreements, as well as the strength of the pipeline of new business. Reported sales were positively impacted by re-stocking of one of the Group's partners in H1 and the phasing of orders in Q4 related to some of the LiquiBand® products. This is expected to impact reported growth in the first half of 2025.

Outside the US, end user sales were not fully reflected in reported revenue due to the phasing of orders in some key markets. Stronger reported growth in Rest of World sales is expected to return this year.

Internal Fixation and Sealants

LiquiBandFix8®/LIQUIFIX™ is used to fix hernia meshes placed inside the body with accurately delivered individual drops of cyanoacrylate adhesive, instead of traditional sutures, tacks and staples.

Global supply of the LiquiBandFix8®/LIQUIFIX™ devices was affected by a supplier-driven quality issue in the year and although it has since been resolved, the issue did impact sales during 2024. Despite this, LiquiBandFix8®/LIQUIFIX™ revenues increased by 30% on a constant currency basis and by 28% on a reported basis to £6.4 million (2023: £5.0 million), following the successful US launch through our distribution partner TELA Bio.

Having already obtained listings for LIQUIFIX™ from two important US GPOs, the Company now expects to receive approval from the largest and most significant GPO by the end of March with an anticipated go-live date in mid-2025. An extensive training programme for TELA Bio's specialist hernia sales force was completed during the Period, and the initial response from surgeons has been positive. US pre-launch orders in H1 2024 were ahead of expectations and 2025 has started positively, with record monthly end user sales in January and February 2025. It is worth noting that the initial stocking coupled with later than expected GPO approvals in 2024 and 2025 will impact overall reported sales in 2025, albeit we do expect to be reporting continued strong end user growth.

The pancreatic study for our novel, internal, biological sealant, SEAL-G®, continues to progress with interim results expected mid-2025; as does the development of a next generation device that will remove the necessity for a gas supply connection and regulator. We expect to be able to give a meaningful update on these two workstreams at the time of our 2025 interim results. Since our acquisition of Sealantis in 2019, the Company has been investing in the development of the SEAL-G® product and the amortised carrying value of the capitalised development costs stands at £6.8 million at 31 December 2024.

Traditional Closure

RESORBA® branded Absorbable and Non-absorbable Suture ranges are used in general surgery and a wide range of surgical specialities including dental and ophthalmic surgery. Revenues (excluding Peters Surgical sutures) grew strongly during the Period, increasing by 10% to £19.9 million and by 15% at constant currency (2023: £18.1 million). The brand continued to generate good growth in its core German market and across multiple other markets as hospital appetite for progressing suture conversions continues to build.





> The acquisition of Peters Surgical will transform our Surgical business, with healthy gross margins, a highly synergistic product range and commercial and operational structure.

Biosurgical Devices

Biosurgical Devices comprise antibiotic-loaded collagen sponges, collagen membranes and cones, oxidised cellulose, synthetic bone substitutes and bio-absorbable screws. Revenues increased 38% to £22.6 million (2023: £16.4 million) and 42% at constant currency, following the acquisition of the business and assets of Syntacoll which contributed £5.6 million during 2024.

As reported in September 2024, technical and manufacturing issues at the Nuremberg facility had restricted the Group's ability to fulfil all RESORBA® collagen customer orders during the first half. The integration of Syntacoll's facilities and its expertise has addressed these issues and supply of product has improved during the second half. However, this has resulted in end user demand not being fully reflected in reported sales for the Period.

Syntacoll's expertise has enabled the Group to accelerate its regulatory pathway to access the substantial opportunity for its distinctive collagen portfolio in the lucrative US market. The first US collagen approval, for a dental application, is expected in 2026. Multiple avenues are also being explored to obtain US approval of our wider antibiotic-loaded collagen portfolio within the next few years.

The Group's innovative next-generation Freeze Dried Bone Substitute ('FDBS') presents another considerable opportunity given its ability to significantly improve bone re-growth through its highly differentiated cohesiveness, mouldability and capacity to mix with various biological fluids and compounds. AMS is targeting US 510(k) submission at the end of 2025 with approval late in 2026. Launch into Europe is expected to be on a similar timeline.

Other Distributed Products

The Other Distributed category comprises bought-in minimally invasive access ports and laparoscopic instruments predominately sold by AFS. Revenues increased to £6.3 million during the Period (2023: £5.0 million), growth of 26% on a reported basis and 30% at constant currency.

Peters Surgical

The acquisition of Peters Surgical on 1 July 2024 has contributed revenue of £37.2 million to the AMS Group during the Period. As anticipated, the business ended the year strongly, generating sales growth of 8%, for continuing products, in the second half, compared with proforma 2023 results with good year-on-year growth in sutures, glues and with its innovative Vascular Temporary Occlusion ('VTO') portfolio.

Integration

The organisational integration of the AMS and Peters Surgical teams has been completed, with the establishment of a single Group-wide team for all key functions including Sales, Marketing and R&D.

The programme of delivery for commercial synergies is well underway with some due to start in 2025 and others expected to follow in the next few years depending on contractual restrictions.

In mid-2024, the Group created a dedicated integration team to deliver the other key synergies relating to branding, product portfolio, manufacturing and supply chain of sutures. This team consists of individuals with key capabilities from both AMS and Peters Surgical, is supported by external consultants and will be fully focused on building and delivering critical elements of the integration plan.

To maximise the significant commercial opportunity, it will be necessary to invest in increased manufacturing capacity and to enable the supply of alternative suture winding cards to allow deeper penetration of the substantial US market. Good progress was made in the Period, and the Group remains on track to deliver the majority of the planned operational synergies from early 2027.

Further 510(k) approvals of Peter Surgical suture ranges were granted in 2024, leaving one final suture family awaiting US approval which is expected during 2025, paving the way for the US launch before the end of the year.

In addition, a development project has been started to combine the IFABOND® portfolio of internal hexyl cyanoacrylate adhesives with AMS's more precise delivery device technology which will allow the improved portfolio to be optimised for use in a range of internal applications.

PRODUCT SPOTLIGHT



CYGNET®

Cygnet® Flexible Clamps, paired with **Intrack®** Inserts, represent a versatile and reliable solution for vascular control in diverse surgical scenarios, with their range of jaw orientations, secure locking mechanisms, and atraumatic design.

They are designed to offer a wide variety of jaw orientations, made for different surgical requirements, including mini thoracotomy procedures, paediatric and peripheral vascular procedures and the Lambert-kay Jaw designed for partial occlusion.

To ensure the best performance and secure operation of the **Cygnet®** Flexible Clamps, there are several types of **Intrack®** Inserts to enhance the functionality which are designed with the following features:

- **Secure Locking:** Inserts lock securely in the jaws, preventing slippage.
- **Atraumatic:** Designed to minimize tissue trauma.
- **Conformability:** Ensures the inserts conform to the shape of the vessel.
- **Superior Traction:** Offers excellent grip and stability.

ACHIEVING EXCELLENCE

WOUNDCARE BUSINESS UNIT

The Woundcare Business Unit is comprised of the Group's multi-product portfolio of advanced woundcare dressings sold under its partners' brands and the ActivHeal® label, plus a portfolio of specialist medical bulk materials including multi-layer woundcare and bio-diagnostics products.



Becky Walmsley
Category Manager, Wound Care

Revenues decreased by 11% to £41.8 million (2023: £47.1 million) on a reported and constant currency basis due to ongoing and challenging market conditions and reducing royalties.

Since the announcement in September of AMS's plans to restructure the Woundcare business by focusing on higher margin business and reducing investment in certain areas, excellent progress has been made and these initiatives are on track to positively impact margins from Q2 2025.

Woundcare Business Unit	2024 £ million	2023 £ million	Reported Growth	Change at constant currency
Infection and Exudate Management	**36.9**	39.5	-7%	-6%
Other Woundcare	**4.9**	7.6	-36%	-35%
Total	**41.8**	47.1	**-11%**	-11%

Infection and Exudate Management

Infection and Exudate Management revenue decreased by 7% at reported currency and 6% at constant currency to £36.9 million (2023: £39.5 million), as the business implemented its strategy to focus on more profitable product categories.

Other Woundcare

Other Woundcare comprises royalties, fees and woundcare sealants. Revenue reduced by 36% at reported currency and by 35% at constant currency to £4.9 million (2023: £7.6 million) due to the continued reduction in royalty from Organogenesis following US reimbursement reviews announced in 2023.

STRONG FINANCIAL RESULTS

DURING SIGNIFICANT TRANSFORMATION

To provide the clearest possible insight into our performance, the Group uses alternative performance measures. These measures are not defined in International Financial Reporting Standards ('IFRS') and, therefore, are considered to be non-GAAP (Generally Accepted Accounting Principles) measures. Accordingly, the relevant IFRS measures are also presented where appropriate. AMS uses such measures consistently at the half-year and full-year and reconciles them as appropriate.



Eddie Johnson
Chief Financial Officer

Eddie Johnson
Chief Financial Officer

IFRS Reporting

The measures used in this statement include constant currency revenue growth, adjusted operating margin, adjusted profit before tax, adjusted EBITDA and adjusted earnings per share, allowing the impacts of exchange rate volatility, exceptional items, unwind of Inventory fair value accounting, amortisation, and the movement in long-term acquisition liabilities to be separately identified. Net debt/cash are an additional non-GAAP measure used.

Overview

Revenue increased by 43% at constant currency and by 41% at reported currency to £177.5 million (2023: £126.2 million).

Gross margin decreased to 52.2% (2023: 55.6%) whilst adjusted gross margin which excludes the impact of the fair value accounting on the acquisition of Peters Surgical results in a gross margin of 53.1% (2023: 55.6%). Despite the strong performance of US LiquiBand® several factors are contributing to the reduced gross margin including the acquisition of the business and assets of Syntacoll which has had a dilutive impact as it currently achieves a significantly lower gross margin than the Group's average and the reduced Organogenesis royalty. The addition of Peters Surgical also had a slight dilutive impact as its gross margins are marginally below those of AMS.

As part of the IFRS 3 acquisition accounting of Peters Surgical, the Inventory valuation has been increased by £1.7 million to its fair value. This increased Inventory valuation has resulted in higher cost of goods sold in the second half of the year and has been treated as an adjusted item.

Administration expenses before exceptional items increased to £69.0 million (2023: £50.7 million) due to the addition of Peters Surgical which added approximately £16 million of additional cost into the second half of the year and includes £2.9 million of Peters Surgical related amortisation of acquired intangibles and £0.3 million of exceptional items. The remaining increase in administration expenses in the year relates to increased sales and marketing activity and expenditure in Research, Development, Regulatory and Clinical as the Group continues to invest in growth opportunities.

Exceptional items	2024 £'000	2023 £'000
Syntacoll	1,890	–
Risk Management	2,017	–
Peters acquisition-related	5,090	–
Peters integration activities	1,927	–
Total exceptional items	10,924	–

Exceptional items of £10.9 million were incurred in the year in relation to the acquisition and integration of Peters Surgical and the business and assets of Syntacoll. Given the significance of these costs in the year, in comparison to costs incurred for acquisitions in previous years, they have been disclosed separately. Syntacoll exceptional costs relate to legal fees, staff termination costs, an initial idle Period following when no manufacturing was undertaken and some integration-related costs. Risk management exceptional costs relate to foreign currency risk management costs to protect against adverse movements in the Euro rate whilst the Group awaited FDI approval to complete the acquisition of Peters Surgical. Risk and warranty insurance was also obtained.

Acquisition-related costs include costs for advisory services, legal, financial, tax, HR and operational due diligence services, as well as legal services relating to the share purchase agreement and related banking facility required as part of the acquisition funding.

Integration-related costs predominately relate to consultancy services to lead the integration project as well as the costs of an internal dedicated integration team and other relevant integration activities.

The Group incurred £12.9 million of gross R&D spend in the Period (2023: £12.6 million), representing 7.3% of sales (2023: 10.0%), maintaining investment in innovation and in meeting the increasing regulatory standards. As shown in the table below, part of this cost is capitalised and amortised over the following five to ten years with the amount capitalised declining in the year as a result of the substantial MDR progress made.

R&D, Regulatory and Clinical expenditure	2024 £'000	2023 £'000
Total investment in Research and Development, Regulatory and Clinical	**12,922**	12,621
Of which:		
Charged to the profit and loss account	**8,807**	6,405
Capitalised, to be amortised over 5-10 years	**4,115**	6,216

Amortisation of acquired intangible assets increased to £7.8 million (2023: £4.9 million) due to the acquisition of Peters Surgical in July 2024. Other Income remained consistent at £0.9 million (2023: £0.9 million) and relates to R&D claims in the UK and Ireland.

In 2024 finance income declined to £2.2 million (2023: £3.8 million), as the majority of funds held on deposit were used to fund the acquisition of Peters Surgical. Finance costs increased to £3.6 million (2023: £1.5 million) following the acquisition of Peters Surgical which was funded by an initial £80 million of borrowing. Finance costs are expected to reduce as SONIA rates are widely expected to reduce in the coming year and the Group repays its borrowings.

A net credit of £0.9 million (2023: £0.2 million credit) was recorded in relation to movements in long-term acquisition liabilities, primarily relating to deferred consideration and earnout from the Connexicon acquisition.

Adjusted EBITDA which consists of earnings before finance costs, tax, depreciation and amortisation as well as excluding exceptional items and the unwind of Inventory fair value accounting increased by 35% to £40.2 million (2023: £29.7 million) as a result of the addition of Peters Surgical.

Reconciliation of adjusted EBITDA	2024 £'000	2023 £'000
Profit before tax	**9,823**	21,157
Finance income and costs	**1,396**	(2,275)
Amortisation	**9,849**	6,413
Depreciation	**6,453**	4,375
Exceptional items	**10,924**	–
Unwind of Inventory fair value accounting	**1,726**	–
Adjusted EBITDA	**40,171**	**29,670**

Adjusted profit before tax which excludes amortisation of acquired intangibles, exceptional items, unwind of Inventory fair valuer accounting and movements in long-term liabilities recognised on acquisition, increased by 14% to £29.4 million (2023: £25.9 million) whilst the adjusted PBT margin decreased by 400 bps to 16.5% (2023: 20.5%) as a result of the dilutive impact of the Peters Surgical acquisition and associated borrowing.

Reported profit before tax decreased by 54% to £9.8 million (2023: £21.2 million) as a result of £10.9 million of exceptional items, the £1.7 million unwind of Inventory fair value accounting following the acquisition of Peters Surgical in the second half of the year, and the addition of £2.9 million of additional amortisation on acquired intangibles as a result of the Peters Surgical acquisition.

Reconciliation of profit before tax to adjusted profit before tax	Audited 2024 £'000	Audited 2023 £'000
Profit before tax	**9,823**	21,157
Amortisation of acquired intangibles	**7,804**	4,887
Exceptional items	**10,924**	–
Movement in long-term acquisition liabilities	**(868)**	(186)
Unwind of Inventory fair value accounting	**1,726**	–
Adjusted profit before tax	**29,409**	**25,858**

The Group's effective corporation tax rate, reflecting the blended tax rates in the countries where we operate and including UK patent box relief, increased to 27.3% (2023: 24.9%) with the main driver behind the increase being acquisition costs, some of which are not tax deductible, and the annualised impact of the UK Corporation tax rate increase to 25%, effective 1 April 2023. These are partly offset by lower profits in Germany as a result of the reduced Organogenesis royalty. The tax rate in Germany is higher than the Group's average tax rate and therefore a lower proportion of profit in Germany reduces the Group's effective tax rate.

Adjusted diluted earnings per share increased by 16% to 10.45p (2023: 9.05p) and diluted earnings per share decreased by 55% to 3.25p (2023: 7.25p), reflecting the Group's reduced earnings.

Reflecting its confidence in the Group's prospects, the Board is proposing an increased final dividend of 1.83p per share (2023 final dividend: 1.66p), to be paid on 17 July 2025 to shareholders on the register at the close of business on 20 June 2025. This follows the interim dividend of 0.77p per share (2023 interim dividend: 0.70p) paid on 25 October 2024 and would, if approved, make a total dividend for the year of 2.60p per share (2023: 2.36p), an increase of 10%.

Operating result by business segment **Year ended 31 December 2024**	**Surgical £'000**	**Woundcare £'000**
Revenue	**135,768**	**41,753**
Segment operating profit	**23,268**	**1,664**
Amortisation of acquired intangibles	**6,864**	**940**
Adjusted segment operating profit[6]	**30,132**	**2,604**
Adjusted operating margin[6]	**22.2%**	**6.2%**
Year ended 31 December 2023		
Revenue	79,093	47,117
Segment operating profit	16,041	4,374
Amortisation of acquired intangibles	3,944	943
Adjusted segment operating profit[6]	19,985	5,317
Adjusted operating margin[6]	25.3%	11.3%

6. Adjusted for amortisation of acquired intangible assets and excludes exceptional items and the unwind of Inventory fair value accounting. Table is reconciled to statutory information in Note 3 of the Financial Information.

Surgical

Surgical revenues inclusive of Peters Surgical increased by 72% to £135.8 million (2023: £79.1 million) at reported currency. Adjusted operating margin decreased by 310 bps to 22.2% (2023: 25.3%) due to the dilutive impact of Peters Surgical at an operating margin level. Whilst Peters Surgical contributes significant sales, it only adds £4.5 million of adjusted operating profit. The previously mentioned impact on gross margin of the addition of low margin Syntacoll business is also impacting adjusted operating margin.

Woundcare

Woundcare revenues decreased by 11% to £41.8 million (2023: £47.1 million) at reported currency and constant currency. Adjusted operating margin decreased by 510 bps to 6.2% (2023: 11.3%) due to the factors noted in the Chief Executive's review. We are confident that the actions taken will improve the business unit's operating margin in 2025.

Currency

The Group hedges significant currency transaction exposure by using forward contracts and aims to hedge approximately 80% of its estimated transactional exposure for the next 18 months. In the financial year, approximately one half of sales were invoiced in Euros and approximately one quarter were invoiced in US Dollars.

The Group estimates that a 10% movement in the £:US$ or £:€ exchange rate will impact Sterling revenues by approximately 2.5% and 4.4% respectively and, in the absence of any hedging, this would have an impact on the Group operating margin of 1.7% and 0.7% percentage points respectively.

Cash flow

Net cash inflow from operating activities in the Period was £19.5 million, an increase on the prior year (2023: £12.3 million) as a result of the acquisition of Peters Surgical. Further information on the acquisition impact of Peters Surgical is included in Note 5.

Working capital increased during the year. Inventory cover decreased to 6.0 months of supply (2023: 7.1 months) partly due to the addition of Peters Surgical and Syntacoll. Excluding the impact of Peters Surgical and Syntacoll, Inventory levels were in line with the prior year despite growing sales as the stock builds seen in prior years have been completed. Increasing levels of receivables is linked to the strong performance in the US although a number of large payments were received shortly after year-end inflating the year-end position. As a result, Debtor days has increased to 53 days (2023: 45 days).

Creditor days were in line with prior year at 35 days (2023: 35 days). Total payables increased by £14.0 million as a result of the addition of Peters Surgical and Syntacoll.

Net cash used in investing activities in the Period was £67.1 million as a result of the acquisition of Peters Surgical which resulted in investing cash outflows of £53.2 million (net of cash acquired). £5.5 million of cash outflows relating to payment of contingent consideration occurred and principally relates to achievement of milestones at Connexicon following receipt of FDA approval (2023: £7.4 million).

Capital investment in equipment, R&D and regulatory costs declined to £8.7 million (2023: £9.8 million) as a result of the reducing investment in MDR certification.

Cash outflow relating to taxation increased to £5.0 million (2023: £4.4 million) and included £1.1 million of taxation payments for Peters Surgical.

Net cash received from financing activities in the Period was £5.5 million (2023: used £13.6 million) which includes receipt of £79.3 million of borrowings in July 2024 as part of a facilities provided by the Group's banks, NatWest and HSBC. £8.0 million was subsequently repaid before the end of the year resulting in a net inflow on these facilities of £71.3 million. £62.2 million of these borrowings was utilised to repay Peters Surgical loans as part of the cash-free, debt-free basis of the acquisition. Interest payments increased from £0.4 million to £4.0 million as a result of the new borrowing facilities. The Group did not purchase any of its own shares in the year (2023: £6.7 million).

The Group paid its final dividend for the year ended 31 December 2023 of £3.6 million in June 2024 (for the year ending 31 December 2022: £3.3 million in June 2023), and its interim dividend for the six months ended 30 June 2024 of £1.6 million in October 2024 (for the six months ended 30 June 2023: £1.5 million in October 2023).

At the end of the Period, as a result of the above movements, the Group had net debt of £55.8 million (31 December 2023: net cash of £60.2 million), a movement of £116.0 million as a result of the Peters Surgical acquisition.

Non-Financial Reporting Statement

This Annual Report contains the information required to comply with the Companies, Partnerships and Groups (and Non-Financial Reporting) Regulations 2016, as contained in sections 414CA and 414CB of the Companies Act 2006. The table below provides key references to information that, taken together, comprises the Non-Financial Reporting Statement for 2024.

Reporting requirement	Group Policies that guide our approach	Information and risk management, with page references
Environmental matters	• Environmental Policy • Ethical Sourcing Policy • ESG Policy	Reporting environmental impact/SECR disclosures – Pages 56 to 57
Employees and social matters	• Equality, Diversity and Inclusion Policy • Community Support • Health and Safety Policy • Environmental Policy • Ethical Sourcing Policy	Reporting on our environmental impact – Pages 41 to 44 Our Business Model – Pages 16 and 17 Risk Management – Pages 71 to 77 Stakeholder Engagement – Pages 58 to 61 Our Strategy – Pages 20 to 25
Respect for human rights	• Anti-Slavery Policy • Ethical Sourcing Policy • Modern Slavery Act Policy	Corporate Governance Report – Pages 78 to 89
Anti-corruption and anti-bribery matters	• Anti-Bribery Policy • Gift Policy • Sanctions Policy • Whistleblowing Policy • Ethical Sourcing Policy	Audit Committee Report – Pages 94 to 97 Risk Management – Pages 71 to 77
Description of the business model		Our Business Model – Pages 16 and 17
Description of the principal risks in relation to the above matters, including business relationships, products and services likely to affect those areas of risk, and how we manage the risks		Risk Management – Pages 71 to 77
Climate-Related Financial Disclosures (CFD)		CFD – Pages 45 to 57
Non-financial key performance indicators		Key Performance Indicators – Pages 26 to 27

PROACTIVE RISK MANAGEMENT

TO SUSTAIN OUR BUSINESS SUCCESS

Following the acquisitions of Peters Surgical and the business and assets of Syntacoll, and the subsequent reorganisation, to ensure that all risks were captured the Board initiated a new comprehensive review of risks and mitigation plans across the enlarged Group based on independent views from Senior Managers to help to assess our risk landscape.

Risk and uncertainty are an inherent part of doing business which could impact our business, brands, assets, revenue, profits, liquidity and capital resources. To meet our strategic objectives, build shareholder value and promote our stakeholders' interests, we must manage risk.

An effective and successful risk management process balances risk and reward and is dependent on the judgement of the likelihood and impact of the risk involved. The Board, through the Audit and Risk Committee, has overall responsibility for ensuring there is an effective risk management framework, which underpins our business model.

Following the acquisitions of Peters Surgical and the business and assets of Syntacoll and subsequent Group reorganisation, to ensure that all risks were captured, the Board initiated a new comprehensive review of risks and mitigation plans across the enlarged Group based on independent views from each senior manager across the Group.

The new risk review process involves each senior manager assessing risks in their own area which are formally documented in a long-list of risks which are categorised into a smaller list of significant risks which forms the Risk Register which is formally reviewed by the ExecCo and Audit and Risk Committee. This process is carried out at least twice annually. The plans and actions assigned to the Executive Directors, ExecCo and Senior Managers are reviewed to ensure progress is being made with risk actions and mitigation plans.

We believe that the policies, procedures and monitoring systems that are in place are sufficient to effectively manage the risks faced by our business.

The Board has applied principles 28 and 29 of the 2024 UK Corporate Governance Code ('Code') by establishing a continuous process for identifying, evaluating and managing the significant risks the Group faces, as outlined on Page 41 and for determining the nature and extent of the significant risks it is willing to take in achieving our strategic objectives.

A robust, in-depth process is used to identify significant risks across the Group. This is a continuous process carried out in accordance with the relevant provisions set out in the UK Corporate Governance Code.



Emerging risks

Emerging risks are developing risks that cannot yet be fully assessed but that could, in the future, affect the viability of our strategy. We identify these risks by encouraging the reporting of potential risks up the organisation and discussing them openly in a specific Executive Committee (ExecCo) and Senior Leadership Team ('SLT') Risk Reviews. We discuss whether critical assumptions underlying the strategy are becoming, or have become, invalid. Risks are then either managed within the organisation or elevated to the Risk Register for further discussion by the Audit and Risk Committee.

Identifying risks

A robust methodology is used to identify key risks across the Group; in categories, operations and during projects. This is an ongoing process in accordance with the Code.

Analysing risks

Once identified, risks will be evaluated to establish root causes, financial and non-financial impacts and likelihood. We use a scoring system to assess the likelihood of a risk materialising and the potential financial impact. The risks are prioritised in terms of severity and a mitigation plan is prepared to reduce the risk. Once controls and mitigating factors are considered, the risk is reassessed and rescored (mitigated score) to ascertain the net exposure.

Managing risk

The ExecCo, SLT and Audit Committee review the Risk Register formally at least twice a year, assessing whether the long-list of risks are still the most significant facing the Group and whether new risks have arisen or been identified. Effectiveness, adequacy of controls and mitigating actions are assessed, and if additional controls or actions are required, these are identified and actions assigned. The Risk Register puts these risks into a smaller number of categories and documents this.

Monitoring and reporting risk

The ExecCo is responsible for monitoring progress to mitigate key risks. The risk management process is continuous; key risks and risk mitigation plans and progress are reported to and reviewed by the Audit Committee, following the ExecCo and SLT's review.

Internal Audit

Additionally, the Audit Committee is supported by a programme of Internal Audits. Internal Audit reports to the Audit Committee on the progress of controls or process improvements following Internal Audit recommendations.

Integrated top-down and bottom-up risk management process to assess our risk landscape

Key roles and responsibilities

Implementation and compliance responsibility

Informing

Reporting

Board

- Overall responsibility for corporate strategy, governance, performance, internal controls and risk management.
- Identification, review and management of identified Group strategic risks.
- Defining risk appetite.
- Assessing the effectiveness of the risk management processes adopted across the Group.
- Challenging the content of the Risk Register.

Audit Committee

- Assessing the effectiveness of the risk management processes adopted across the Group.
- Ensuring compliance with financial and reporting legislation, rules and regulations and ensuring the Annual Report is fair and balanced.
- Monitoring compliance with internal control systems and co-ordinating Internal Audit.
- Monitoring and oversight of Internal and External Audit.

Executive Committee

- Management of the business and delivery of strategy.
- Identification and monitoring of the key risk indicators, taking action.
- Ensuring implementation of the Group's actions and mitigation plans required to manage risk.
- Challenging the appropriateness and adequacy of plans to mitigate risk.
- Analysing the aggregation of risk across the Group.
- Provision of cross-functional resource to effectively mitigate risk.

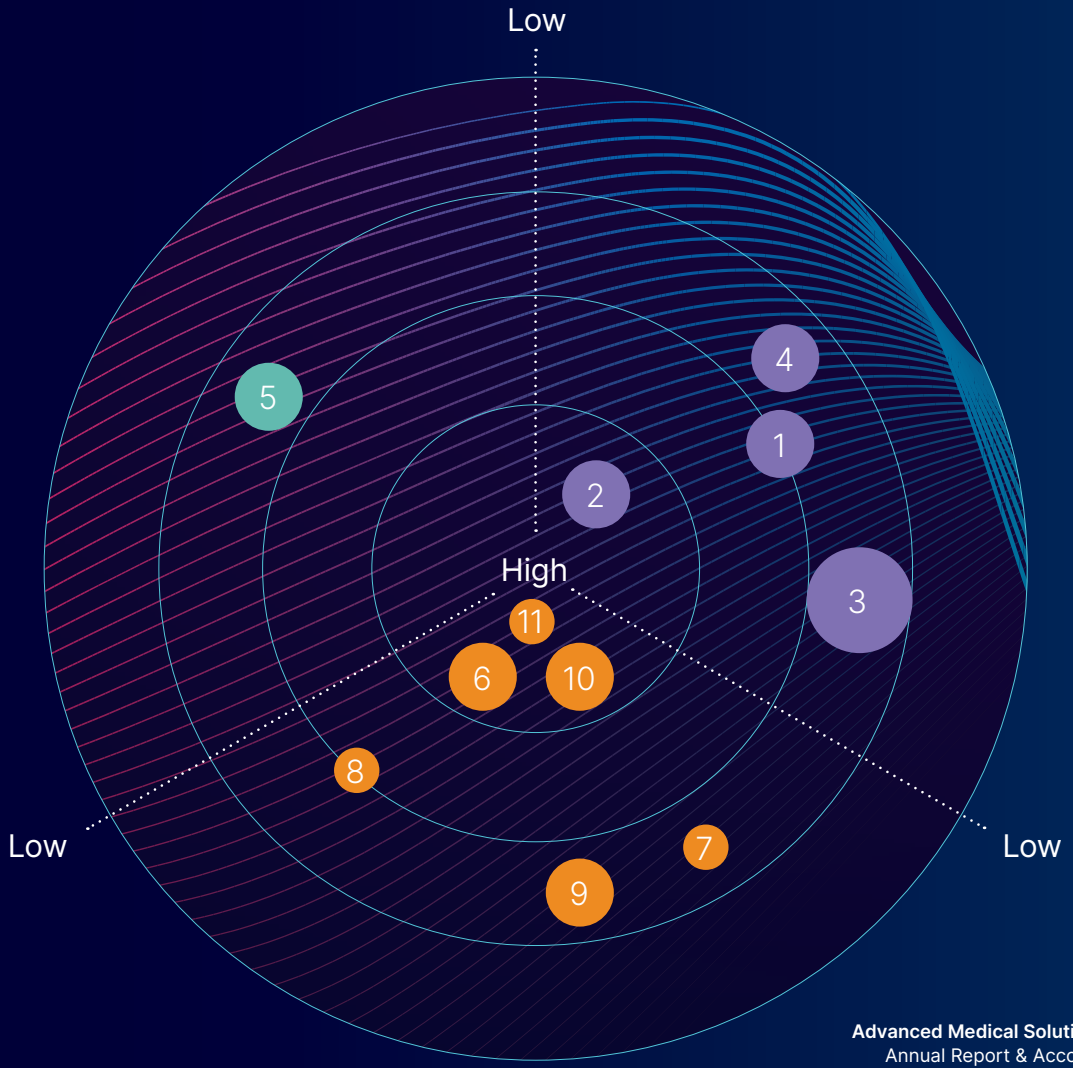
Senior Leadership Team/ Category General Managers

- Execution of actions associated with managing risk.
- Timely reporting on the implementation and progress of agreed action plans.
- Identification and reporting of strategic risks to the SMT.
- Implementation of a risk management approach which promotes the ongoing identification, evaluation, prioritisation, mitigation and monitoring of operational risk.

Monitoring and reporting responsibility

Risk heat map – Principal risks

While we continue to monitor and manage a wider range of risks, the risk heat map summarises those risks considered to have the greatest potential impact if they were to materialise.



Trend (net position of risk vs 2023):

Strategic

1. Lack of growth
2. Increased business complexity
3. Poor ROI from R&D
4. Poor acquisitions/integration

Financial

5. Delivery against forecast

Operational

6. Supply chain/cost inflation
7. Regulatory compliance
8. Cyber-risk
9. Failure to supply market
10. People and organisation
11. Geopolitical

Risk Size

Large Medium Small

- Increase from 2023
- Static since 2023
- Decrease from 2023
- New risk for 2024

Risk Management continued

Strategic risks

Risk	Potential impact	Key controls and mitigating factors	Trend
1 Lack of growth	• Income shortfall. • Market capitalisation impacted. • Reduced profit. • Loss of competitive advantage. • Loss of key partners. • Cost increase.	• Significant additional growth potential from Peters Surgical commercial synergies. • Significant additional growth potential from Syntacoll's suite of US approvals. • Growing internal development pipeline strengthened by recent acquisitions. • Diversified approach reduces the impact on any one project, partner or product. • Contract minima allow agreements to be renegotiated or terminated for poor performance. • Evaluation of opportunities to broaden reach into new markets or adjacent sectors.	—
2 Increased business complexity	• Organisational complexity resulting in lack of focus. • Operational complexity re enlarged suture portfolio.	• Reorganisation completed late 2024 to create four focused global business units based on product category. • Suture branding and SKU rationalisation to be implemented as part of the Peters Surgical integration project.	▲ (New Risk)
3 Poor return on investment from R&D	• Income shortfall. • Market capitalisation impacted. • Loss of competitive advantage. • Loss of key partners. • Loss of market share. • Misidentification of new, competitive technologies. • Commercial value of products not maximised. • Impairment of assets.	• Growing internal development pipeline strengthened by recent acquisition. • Growing development resource available for innovation as MDR workload dissipates. • Focusing on unmet needs and large market opportunities. • Pipeline of new products/technologies identified to provide growth and differentiation. • Marketing strategy to support partners and products. • Investment in clinical research, personnel, symposia, and Key Opinion Leaders to foster new approaches.	—
4 Poor execution and/ or poor integration of acquisitions	• Impact on Group performance and market capitalisation. • Reputational loss.	• Dedicated Peters Surgical integration team to deliver key synergies relating to branding, product portfolio, manufacturing and supply chain of sutures. • New category structure enables maximisation of commercial synergies globally. • Separate dedicated Syntacoll integration team to optimise collagen operations and accelerate US approvals.	▲

Strategic linkage to risks

Growth · Innovation · Operational Excellence · People and Culture · Sustainability

Financial risks

Risk	Potential impact	Key controls and mitigating factors	Trend
5 Delivering against forecast	• Loss of income. • Increased costs. • Shortfall in profit. • Market expectations missed. • Market capitalisation impacted.	• Regular dialogue with investors, advisors and analysts. • Robust annual budget process, ExecCo and Board reviews and monthly pragmatic bottom-up reforecasting. • Monthly demand review and SOP process evolved to ensure cross-functional alignment, content and process.	—

Operational risks

Risk	Potential impact	Key controls and mitigating factors	Trend
6 Supply chain/ cost inflation	• Inability to supply product. • Loss of income. • Shortfall in profit. • Market expectations missed.	• Proactive management of supply chain. • Improved forecasting and forward planning. • Regular communication and forward-ordering with suppliers. • Contractual rights enforced with customers to minimise impact. • Recovery of cost inflation from customers during annual contract negotiations.	—
7 Regulatory compliance	• Inability to supply product. • Product approvals and launches delayed. • Loss of product claims. • Loss of reputation.	• Stringent regulatory regime with an experienced team. • Regulatory strategy and additional resource to manage MDR assigned and ringfenced. • Strong regulatory pathway to gain approvals. • Work with partners and distributors to utilise local expertise. • Strictly controlled Quality Management System.	—
8 Cyber-risk	• Systems and data compromised. • Financial loss. • Business interruption. • Loss of reputation.	• Implementation of audit and testing recommendations. • IT administrator access levels tightened. • Increased segregation of duties. • Cyber Security training for all employees. • Extensive schedule of upgrades and threat analysis.	—

Strategic linkage to risks

Growth Innovation Operational Excellence People and Culture Sustainability

Risk	Potential impact	Key controls and mitigating factors	Trend
9 Failure to supply the market	• Inability to supply specific products. • Increased cost of supply and exposure to cost increases.	• Dual source key components wherever possible. • Strong Vendor Risk Assessment process. • Forward ordering and holding inventory prevent operational issues. • Business Interruption Insurance in place. • Working closely with suppliers and increasing audits.	—
10 People and organisation	• Loss of key staff. • Insufficient talent pool for succession planning. • Market conditions result in difficulty filling open roles.	• Initiated cultural values survey and focus groups in 2024 to create a new vision and values for the enlarged Group to be rolled out in 2025. • Implementing refined share award programme to be more in line with competitors to aid long-term retention of employees.	—
11 Geopolitical	• Inability to supply product. • Loss of income. • Shortfall in profit. • Market expectations missed.	• Open lines of communication. • Further flexible working implemented. • Continuous monitoring of impact on site and ability to manufacture. • Ongoing review of alternate manufacturing options. • Assessment of US tariffs ongoing (Emerging risk – see below).	^

Strategic linkage to risks

Growth Innovation Operational Excellence People and Culture Sustainability

Emerging Risk – Tariffs

As with all global businesses we are closely monitoring the potential impact of tariffs. It is clear that uncertainty will continue for the time being, with further changes likely. Details of the freight and contract terms will dictate the final impact, and these could change. At this time, we have seen no changes in customer ordering patterns.

The Strategic Report has been prepared solely to provide information for shareholders to assess how the Directors have performed their duty to promote the success of the Group and contains forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such information. The Group Strategic Report, which encompasses Pages 5 to 77 was approved by the Board of Directors and signed on its behalf by:

Eddie Johnson
Chief Financial Officer
27 May 2025

Corporate Governance at a Glance

Throughout 2024, the Board has overseen and regularly reviewed the Group's financial performance, risk and controls, strategic activities (including material capital expenditure, M&A and integration), relevant regulatory and market developments and people and culture matters (complete list on Page 87). The Board seeks to engage with stakeholders and considers their interests when making decisions.

> Significant changes to prepare the Board for future challenges of an enlarged and more complex Group managing significant change.

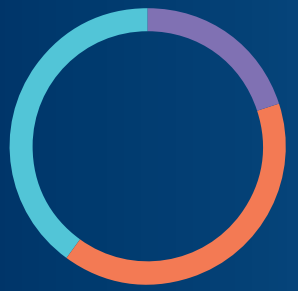
Grahame Cook
Chair

Board Gender Diversity



By sex
- Female – 1
- Male – 4

Board Tenure



Length of service
- 0-3 Years – 1
- 3-6 Years – 2
- >6 Years – 2

Additional areas of focus and activities:

JAN
Decision: Move into a clinical study for Seal-G® for pancreatic surgery.

FEB

MAR
Announcement: Publication of 2023 full-year results and dividend declared to shareholders.
Announcement: Acquisition of Syntacoll, a specialist manufacturer of drug-eluting collagens that strengthened the Group's existing Biosurgical business.
Approval: Acquisition of Peters Surgical, a leading global provider of specialty surgical sutures, mechanical haemostasis and internal cyanoacrylate devices, strengthening AMS's position as a leading global specialist in tissue repair and skin closure.

APR

MAY
Discussion: Bid defence presented by Investec to update procedures.

JUN
2024 Annual General Meeting.

JUL
Announcement: Closing of Peters Surgical acquisition.
Deep dive: Woundcare strategy review.

AUG

SEPT
Announcement: Publication of 2024 half-year results and dividend declared to shareholders.
Deep dive: Governance review initiated with initial actions including the CEO stepping down from the Nomination Committee and updating the Matters Reserved for the Board.

OCT
Event: Visit to Peters Surgical, meeting key employees from the acquisition.
Deep dive: Review of Risk Register process and agreement on outline to implement new process to provide the Board with further reassurance.

NOV

DEC
Approval: 2025 budget

Corporate Governance at a Glance continued

GOVERNANCE FRAMEWORK

Board

Led by the Chair, the Board which is made up of a majority of independent Non-Executive Directors, provides leadership and is responsible for the overall management of AMS, its strategy, long-term objectives and risk management. It ensures the right structure is in place to deliver long-term value to shareholders and all stakeholders.

Board Committees

Supports the Board in its work with specific areas of review and oversight objectives and risk management. They ensure the right Company structure is in place to deliver long-term value to shareholders and other stakeholders.

Audit & Risk Committee

Oversees the Company's financial reporting and risk management processes.

See Pages 94 to 97

Nomination Committee

Assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any Committees of the Board.

See Pages 90 to 93

Remuneration Committee

Determines and agrees the broad policy for the remuneration of the Executive Directors, Chair and other Senior Executives.

See Pages 98 to 111

ESG Steering Committee

Defines the Company's strategy relating to ESG matters and ensures the strategy remains effective with regular reporting to the Board.

See Pages 28 to 44

Executive Committee

The CEO and CFO lead the team responsible for the day-to-day operational management of the business and overseeing the implementation of the strategy as delegated by the Board. They are supported, as required, by additional committees made up of the Group's most senior leaders.

Senior Leadership Team

Responsible for overseeing the day-to-day running of the Company; monitoring performance; prioritisation and allocation of resources; people, talent and culture.

Business Risk

An AMS executive-led non-financial risk team that facilitates Executive focus on the management of AMS's key risks.

Category General Managers

Responsible for the day-to-day running of the newly formed categories (which replaced the Business Units in 2024).

Board of Directors

A diversely skilled Board with proven leadership capabilities and relevant healthcare, operational, transformation and financial skills and experience.

Grahame Cook
Chair

A N R

Grahame Cook has 18 years of experience in investment banking focusing on global equity capital markets and M&A and corporate advisory services. He was a Managing Director at UBS and Joint Chief Executive of Panmure Gordon. He advised the London Stock Exchange on the creation of TechMark, the specialist segment of the Main Market focusing on innovative technology and healthcare companies. He has experience in the healthcare sector, most recently as Chair of Sinclair Pharma plc and as Non-Executive Director of Morphogenesis Inc. and Horizon Discovery plc. He has also held board positions in a number of other companies including MDY Healthcare plc and Crawford Healthcare.

He holds a double first-class degree from Oxford University and is a member of the Institute of Chartered Accountants.

Term of office

Grahame Cook was appointed as Non-Executive Director of AMS in February 2021 and as Chair in March 2025.

External appointments

Grahame Cook is Chair of Molten plc, a FTSE 250 company, and a Non-Executive Director of Minoan plc and Sapience Communications Limited.

Chris Meredith
Chief Executive Officer

Chris Meredith joined AMS as Group Commercial Director in July 2005 following a successful 18-year career in international healthcare sales, marketing and business development. His experience covered business-to-business contract manufacturing, product development and clinical research, as well as branded product sales, all within the medical device, pharmaceutical or consumer healthcare markets. Chris has previously held senior positions at Smiths Industries, Cardinal Health, Banner Pharmacaps, and Aster Cephac. He was appointed Managing Director of Advanced Woundcare in February 2008, became Chief Operating Officer in January 2010 and was appointed as Chief Executive Officer in January 2011.

Term of office

Chris Meredith was appointed to the Board in April 2006.

External appointments

Chris Meredith was appointed Chair of Arterius, a UK-based pre-commercial, non-competitive medical device company, in January 2022. He left his role as a Non-Executive Director of Creavo Medical Technology Ltd in November 2021.

Douglas Le Fort
Non-Executive Director

A N R

Douglas Le Fort is a seasoned veteran in the medical and life science industry, with more than 20 years of senior executive leadership. He has expertise in business strategy, including commercial business execution, operational management and M&A. Most recently, he was a Non-Executive Director of Clinisupplies, a UK-based manufacturer of chronic care products, CEO of MedTrade Products, a woundcare products business, and prior to that served in various senior executive roles at ConvaTec Group plc, including five years on the Executive Committee for the group. At ConvaTec he was Senior Vice President for Corporate Development, and prior to that Vice President and General Manager with P&L responsibility for the global Ostomy business. He has an MBA from Henley Management College and is a Chartered Management Accountant.

Term of office

Douglas Le Fort was appointed as Non-Executive Director of AMS in August 2021 and as the Director responsible for Workforce Engagement in March 2025.

External appointments

Douglas Le Fort is currently Chairman of Advanced Oxygen Therapy Inc. (AOTI), a medical technology group, an Operating Partner for Revival Healthcare Capital Partners, an investor in medical device and diagnostics businesses, as well as a Non-Executive Director at ForLife GmbH, previously Trio Healthcare and a manufacturer of ostomy products, and The Insides Company Ltd, a start-up addressing intestinal failure based in New Zealand.

Committee membership key:

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- Committee Chair

Board of Directors continued

Susan Searle
Senior Independent Non-Executive Director

A N R

Susan has extensive experience on public and private company boards in a number of sectors, including healthcare. Susan was formerly Non-Executive Senior Independent Director and Remuneration Chair of Horizon Discovery plc and Benchmark Holdings Plc, both technology businesses. She also chaired two listed investment businesses – Mercia Asset Management plc and Schroders UK Public Private Trust plc, and was a founder of Touchstone Innovations plc, where she served as its CEO. She has recently stepped down from QinetiQ plc where she was a Non-Executive Director and Remuneration Committee Chair, having served three full terms.

She holds an MA in Chemistry from Oxford University.

Term of office

Susan Searle was appointed as Non-Executive Director in March 2025.

External appointments

Susan Searle is currently a Non-Executive Director of Gooch & Housego plc, where she is Chair of the Remuneration and Sustainability Committees, as well as being a Non-Executive of Bibby Line Group and Chair of Greenback Recycling Technologies Limited.

Eddie Johnson
Chief Financial Officer

Eddie Johnson was appointed as Chief Financial Officer in January 2019. He joined AMS in October 2011 and was appointed Group Financial Controller in November 2012. Prior to this he gained a first-class degree in Maths and Computer Science from Keele University in 1993 and qualified as a Chartered Accountant in 1996.

Since moving into industry in 1996 Eddie has held a number of senior finance roles in various sectors including, more recently, Head of Commercial Finance at Norcros plc and Western European Financial Controller for Sumitomo Electrical Wiring Systems.

Term of office

Eddie Johnson was appointed to the Board in January 2019.

External appointments

None.

Liz Shanahan
Chair
(stepped down 31 March 2025)

N R

Liz Shanahan is a life sciences entrepreneur with extensive experience advising leading global pharmaceutical and healthcare organisations on their communications. Most recently, she was a Non-Executive Director of UDG Healthcare plc, a Company that was listed on the LSE and a constituent of the FTSE 250 up until its £2.8 billion takeover in August 2021. Until 2014, she was Global Head of Healthcare & Lifesciences at the NYSE-listed management consultancy, FTI Consulting Inc., which in 2007 acquired the communications business Sante Communications, founded by Liz in 1995. Liz is a Trustee of CW, the charitable arm of Chelsea & Westminster Foundation Trust Hospital in London and a member of the organisations' Innovations Advisory Board.

Liz Shanahan was appointed as Non-Executive Chair of AMS in January 2024 and stepped down in March 2025.

Liz Shanahan is currently a Non-Executive Director of Inspiration Healthcare Group plc and Celadon Pharmaceuticals plc (previously Summerway Capital plc), both of which are AIM-listed.

Owen Bromley
Company Secretary



Owen joined AMS in April 2012 as Assistant Company Secretary and became Deputy Company Secretary in October 2013. Having completed a BA (Hons) in International Business and a Masters in Business Administration ('MBA'), he helped to launch a licensed Corporate Service Provider on the Isle of Man in 2006 and qualified through the Institute of Chartered Secretaries and Administrators (ICSA) in 2007, now the Chartered Governance Institute. He moved to the UK in 2010, working at Eversheds LLC and GB Group plc prior to AMS.

In January 2021, Owen was appointed as Company Secretary.

SHAPING THE FUTURE OF

ADVANCED MEDICAL SOLUTIONS

Eddie Johnson
Chief Financial Officer
(see Page 81)

Ross McDonald
Chief Commercial Officer

Prior to joining AMS in January 2006 Ross graduated with a BSc from University of Glasgow and then completed an MSc in Entrepreneurial Studies from Glasgow Caledonian University. Following university, he spent five years within the Pharmaceutical industry.

Upon joining AMS, from 2006 to 2012, Ross worked across our direct and distributed sales functions both in the UK Sales organisation, before taking on responsibility for the European Woundcare Business in 2010. In 2012 Ross relocated to the US. In his role as National Sales Manager Americas, he contributed to a period of sustained and high growth for the LiquiBand® franchise. In October 2016 Ross returned to the UK to take up a new role as Director of Sales for US, UK and Germany and quickly moved into the Global Sales Director role for the Surgical Business Unit.

In January 2021, Ross was appointed to the Business Unit Director role for the Surgical Business Unit. Ross was appointed as Chief Commercial Officer in May 2024.

Cathy Tomlinson
Chief People Officer

Cathy joined AMS in May 2017 as Group HR Director. Cathy graduated with a degree in Business Studies from Liverpool John Moores University and completed a Masters in Business Administration at Strathclyde University. She spent five years at Amazon and was Head of HR for their final mile delivery business (an Amazon start-up business).

Prior to this Cathy held senior HR roles for Xerox (supporting the outsourcing of managed services from government and blue chip organisations to Xerox) and Emirates Airline, based in Dubai (where she supported the growth of the airline in new geographies and acquisitions).

Cathy was appointed as Chief People Officer in July 2024.

Chris Meredith
Chief Executive Officer
(see Page 80)

OUR GOVERNANCE FRAMEWORK

ENABLES US TO

OPERATE EFFECTIVELY

and positions us well to continue to deliver sustainable growth for the benefit of all our stakeholders



Dear Shareholder,

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 31 December 2024.

Strong corporate governance remains critical for AMS as we continue to integrate the transformative acquisition of Peters Surgical, led by an evolving Board and newly structured Executive Team, whilst continuing to invest in innovation and progressing our ESG strategy to ensure long-term sustainable growth.

The Board believes that shareholder engagement supports the implementation of our strategy, as outlined on Pages 8 to 27, and together with a focus on corporate governance will help to deliver long-term, sustainable growth through our value chain (see Page 20).

Changes to the Board and Succession Planning

On 31 March 2025 Liz Shanahan, who was appointed on 1 January 2024 to replace Peter Allen as Chair as he had been in situ for more than nine years, stepped down.

I was appointed to replace Liz after the Nomination Committee re-visited the list of candidates from the Chair recruitment process just over a year earlier, which considered both internal and external candidates. My knowledge of the business over the last four years, and experience of being Chair of FTSE 250 Molten plc, were factors in this decision. I look forward to working with the Executives and the Board to progress the Peters Surgical integration, which presents a compelling opportunity to accelerate our development in the surgical sector.

We also appointed Susan Searle to the Board on 31 March 2025 to further strengthen and diversify the Board and she has taken up the role of Senior Independent Non-Executive Director. In line with Corporate Governance Best Practice we have commenced a process to appoint a further Non-Executive Director who will be appointed as Audit and Risk Committee Chair and further diversify the Board.

In the interim period I will maintain my role as Audit and Risk Committee Chair. Douglas Le Fort has taken on the responsibility of Workforce Engagement. I believe the Board has the skills and experience to guide the future success of the business and steer us through a critical period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ('ESG')

ESG and Sustainability is a focus area for our stakeholders. We continue to devote significant time and resource to our ESG strategy. The focus of our ESG work in 2024 was the integration of our ESG activities with those of Peters Surgical. Peters Surgical has a long established Corporate Social Responsibility ('CSR') programme, which is deeply embedded in their culture and has buy-in throughout the organisation.

We have rebased our Carbon Reduction Plan and Net Zero activities to 2024 as the Group has significantly changed. We are also restructuring other aspects of our ESG work, bringing together our ESG goals, Committees including the Steering Committees, Equality, Diversity and Inclusion and ESG Champions. We will complete this work in 2025 and once complete our ESG Strategy will provide the basis for us to continue to make progress on ESG in future years, supporting our Pathway to Net Zero by 2045 and increasing our focus on the Social and Governance parts of ESG. Details of our progress is set out in the ESG Report on Pages 28 to 44.

RECOGNITION AND LOOKING FORWARD

On behalf of the Board, I would like to express my appreciation for the dedication, hard work and adaptability of all of our colleagues in 2024 in addressing the challenges facing the Group.

We have taken significant steps to progress our strategy, with a focus on key integration projects alongside the future launch following engagement across the Group of a Purpose, Mission and Values in 2025.

I strongly believe that AMS remains well positioned to take advantage of opportunities as they arise, and that the strategically critical acquisition of Peters Surgical, which will change the size and scope of our future opportunities, is the catalyst to drive long-term sustainable growth. During the coming year, in addition to further strengthening our corporate governance, the Board will focus on:

- Further integrating the acquisition of Peters Surgical.
- Continuing to drive growth of US LiquiBand® and LIQUIFIX™ in the US.
- Continuing to progress the implementation of our ESG strategy.

Grahame Cook
Chair
27 May 2025

Corporate Governance

We choose to comply with the UK Corporate Governance Code ('Code') as far as is practicable and appropriate for a public company of the Group's size. We remain committed to maintaining high standards of corporate governance which is key to generating shareholder value, protecting stakeholders interests and long-term sustainable growth.

A breakdown of our compliance with the Code can be seen on Pages 89 and 100 and on our website www.admedsol.com. The Code reinforces the need to understand shareholder views and consider these as part of our decision-making.

Details of how we engage with our stakeholders are set out on Pages 58 to 61.

Corporate Governance Report

The Board is committed to the principles of good corporate governance which encompass leadership, effectiveness, accountability, remuneration and shareholder relations.

Our shares are quoted on the AIM market and are subject to the AIM Admission Rules of the London Stock Exchange.

Throughout the year

The Board met twenty-four times during the year. All of the meetings were held in the UK. The Directors attended the following meetings in the year ended 31 December 2024:

Board member	Board
Grahame Cook	24/24
Eddie Johnson	24/24
Douglas Le Fort	24/24
Chris Meredith	23/24
Liz Shanahan	24/24
Susan Searle*	0/24

* Susan joined the Board on 31 March 2025.

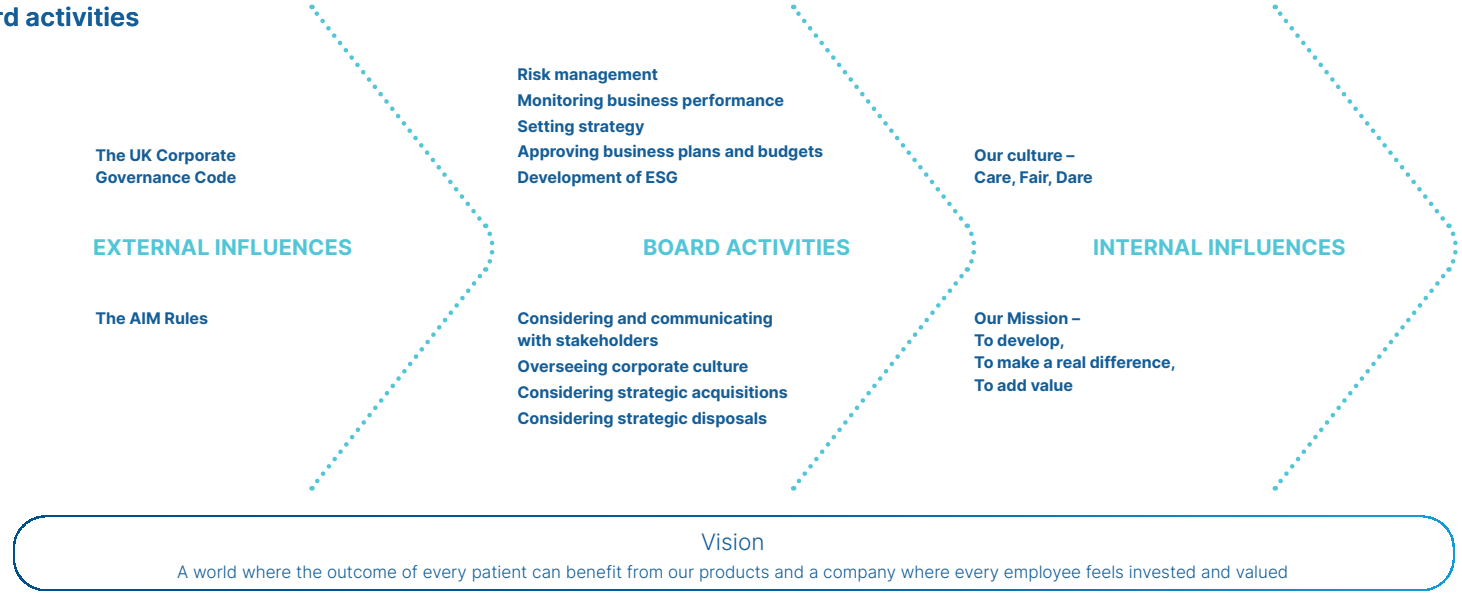
Liz Shanahan was designated as the Non-Executive Director for Workforce Engagement following her appointment to the Board, and employee engagement remained high, with CEO video conferences with each site. Management have regularly updated the Board on employee engagement throughout the year. Despite not carrying out an employee engagement survey in 2024, which we intend to relaunch to the expanded Group in 2025, we have worked on implementing the issues raised from the 2023 survey and these activities have been positively received. We have continued regular communication across the Group to address concerns which have been raised. In 2025 we will be focusing on proactive ways to further increase engagement.

As in previous years, the implementation of strategy has been an area of focus in our Board meetings. The Executive Directors have provided regular updates, allowing the Board to be informed of our view on the successes and challenges throughout the Group and review future direction through five year strategic plans.

There has been a particular focus on the integration of Peters Surgical, the synergies which can be achieved and how the Group will look to operate in the future. Direct engagement with our significant shareholders in recent years on ESG, Remuneration Policy and Board refreshment meant that our plans have been clearly communicated, and will continue to be moving forward.

Details of our principal risks are set out on Pages 74 to 77. The Risk Register and principal risks are regularly assessed by the Board and Audit Committee and we reviewed and updated our Risk Management process in 2024. Further information regarding the principal matters discussed by the Board during 2024 is set out on Page 61.

Board activities



Role of the Board

The role of the Board is to establish the Purpose, Mission, Vision and Strategy for the Group, to deliver shareholder value and take responsibility for the long-term, sustainable success of the Company.

Individual members of the Board have equal responsibility for the overall stewardship, management and performance of the Group and for the approval of its long-term objectives and strategic plans.

2025 AGM

In 2025, we will put forward all Directors for re-election in accordance with Code Provision 18.

Grahame Cook owns shares in the Company as shown on Page 110. These holdings have been highlighted to shareholders and are small and would not be considered to impact independence under Code Provision 10.

The 2025 AGM will be convened at 11.00am on 30 June 2025. Details of the AGM will be outlined in the AGM Notice, on the Company's website www.admedsol.com and through RNS announcements to the market.

The AGM results will be announced to the London Stock Exchange and placed on the AMS website www.admedsol.com, in the usual way, as soon as practicable after the conclusion of the AGM.

The Board would like to thank all shareholders for their continued support.

Relations with Shareholders

The Strategic Report, which incorporates the Chair's Statement, Chief Executive's Q&A, Financial Review, Section 172 Statement, Stakeholder Engagement, Risk Management, Sustainability/ESG and Climate-Related Financial Disclosures ('CFD') sections, together with other information in the Annual Report of the Group, provides a detailed review of the business. The views of both institutional and private shareholders are important, and these can be varied and wide-ranging, as is their interest in the Company's strategy, reputation and performance. The Executive Directors have overall responsibility for ensuring effective shareholder communication and the Company maintains a regular dialogue with its shareholders, which is described in the Stakeholder Engagement section on Pages 58 to 61.

The Notice for the Annual General Meeting is sent to shareholders at least 20 working days before the meeting.

The AMS website www.admedsol.com was relaunched in February 2024 with a contemporary design, refreshed content, an enhanced user experience and SEO-ready functionality. It is regularly updated and provides additional information on the Group, including information on the Group's products, technology and work on sustainability/ESG.

Division of Responsibilities

There is a clear division of responsibilities between the role of the Chair and the Chief Executive Officer of the Company. The roles are clearly set out in writing. The information below reflects the Board at the time of issuing the Annual Report in April 2025.

Grahame Cook
Chair

- Leadership and management of the Board.
- Setting the Board's agenda, style and tone of discussions.
- Ensuring the Board's effectiveness in all aspects of its role.
- Working closely with the Chief Executive Officer on developing the Group's strategy, and providing general advice and support.
- Facilitating active engagement by all members.
- Participating in shareholder communications.
- Promoting high standards of corporate governance.

Chris Meredith
Chief Executive Officer

- Managing the Group's business.
- Developing Group strategy for consideration and approval by the Board.
- Leading the Executive Committee in delivering the Group's strategic and day-to-day operational objectives.
- Leading and maintaining communications with all stakeholders.

Susan Searle
Senior Independent Director

- Acting as an intermediary for other Directors when necessary.
- Available to meet with shareholders and aid communication of shareholder concerns when normal channels of communication are inappropriate.
- Chairing meetings of Non-Executive Directors, if and when required.
- All responsibilities of a Non-Executive Director as outlined (see right).
- Chairs meetings of the Nomination Committee when it is considering succession to the Chair.
- Provides a sounding board for the Chair and conducts the Chair's annual evaluation.

Douglas Le Fort
Non-Executive Director

- Constructively challenging and contributing to the development of strategy.
- Monitoring the integrity of financial information, financial controls and systems of risk management to ensure they are robust.
- Reviewing the performance of Executive Management.
- Formulating Executive Director remuneration.
- Responsibility for Workforce Engagement (by appointment).

The Non-Executive Directors

Each of the Non-Executive Directors are free from any relationship with the Executive Management and from any business or other relationship that could affect or appear to affect the exercise of their independent judgement. The Board considers that all of the Company's Non-Executive Directors are Independent Directors, in both character and judgement, in accordance with the recommendations of the Code.

Both Liz Shanahan, who stepped down as Chair on 31 March 2025, and Grahame Cook, who was appointed as Chair on 31 March 2025, were considered independent upon their appointment.

The Operation of the Board

The Board has the responsibility for ensuring that the Group is appropriately managed and achieves the strategic objectives it sets. To achieve this the Board reserves certain matters for its own determination, including matters relating to Group strategy, approval of interim and annual financial results, dividends, major capital expenditure, budgets, monitoring business and financial performance, treasury policy, corporate governance, risk management, development of Environmental, Social and Governance strategy and the effectiveness of its internal control systems. It has a schedule of matters specifically reserved for its approval. Matters are delegated to the Board Committees, Executive Directors and the Executive Management Team where appropriate, and the Group's delegation of authority policy was reviewed and updated within the year to ensure it continues to align with best practice.

The Board performs its responsibilities through an annual programme of meetings and by continuous monitoring of the performance of the Group.

The Board also delegates a number of its responsibilities to Committees and management as described below.

All Directors have access to the advice and services of the Company Secretary. The Non-Executive Directors are able to contact the Executive Directors, Company Secretary or Senior Managers at any time for information about the Group.

Board Committees

The Board has delegated authority to the Audit & Risk, Remuneration and Nomination Committees. Grahame Cook and Douglas Le Fort were members of the Audit and Risk, Remuneration and Nomination Committees. Liz Shanahan was a member of the Remuneration and Nomination Committees. Chris Meredith was a member of the Nomination Committee until October 2024.

Liz Shanahan stepped down as Chair on 31 March 2025. Grahame Cook remained as Chair of the Audit & Risk Committee upon his appointment as Chair on 31 March 2025 until a new Non-Executive Director is appointed to replace him. Susan Searle was appointed to the Audit & Risk, Nomination and Remuneration Committees upon her appointment, as well as replacing Grahame as Senior Independent Non-Executive Director.

MATTERS CONSIDERED BY THE BOARD IN 2024 INCLUDED:

- Strategic plans.
- Bid defence review.
- Acquisition strategy including potential acquisition targets and valuations (specifically Peters Surgical and Syntacoll).
- Acquisition integration and synergies.
- Restructuring of Woundcare.
- Supply chain resilience.
- Environmental, Social and Governance ('ESG').
- Climate-Related Financial Disclosures ('CFD').
- Dividend policy.
- Analysis of current market listing.
- Health and safety.
- UK Corporate Governance Code compliance.
- Board refreshment and succession.
- Directors' responsibilities.
- Group delegation of authority policy.
- Risk review.
- Major capital expenditure.
- Finance and operations review.
- Matters reserved for the Board.
- Reports from the Board Committees.
- Annual budget, results, forecast updates.
- Organisation and Senior Management structure.
- Shareholder base and investor engagement.
- Employee incentives.

Board Composition

The Board comprises the Non-Executive Chair, two Executive Directors and two Non-Executive Directors. The Directors' profiles on Pages 80 and 81 detail their experience and suitability for leading and managing the Group. Together they bring a valuable range of expertise and experience. No individual or group of individuals dominates the Board's decision-making process. The previous Chairs and new Chair foster a climate of open debate in the boardroom, built on a challenging but supportive relationship with the Chief Executive Officer which sets the tone for Board interaction and discussions.

Appointment of Non-Executive Directors

Non-Executive Directors are appointed to the Board following a formal, rigorous and transparent process, usually involving an external recruitment agency, to select individuals who have a depth and breadth of relevant experience to ensure that they can make an effective contribution to the Board. Details of how the Nomination Committee managed the process for appointing Grahame Cook as Chair and Susan Searle as a Non-Executive Director can be found on Page 93.

Diversity

We recognise the importance of diversity. The Board has a wide range of skills and experiences from a variety of business backgrounds and a number of nationalities. The female Board representation at 31 December 2024 was 20%. The FTSE Womens Leaders Review target (40%) is being considered during the recruitment process for the new Non-Executive Director and is a key part of the succession planning process.

The Executive Committee also has diverse experience. It is comprised of several nationalities and female representation is 25%. Our Group Equality, Diversity and Inclusion ('EDI') Policy ensures diversity is considered at all levels and across the Group. Our EDI Committee, launched in 2022, has made further progress in 2024 and reports into the ESG Steering Committee. We continue to take steps to further promote diversity amongst our employees at all levels.

UK Corporate Governance Code compliance

As a large AIM-quoted company, AMS has chosen to follow the Code and is compliant in the majority of areas.

The Company does not comply with Provision 36 (formal policy for post-employment shareholding), as there is no policy in place at this time and Provision 38 (pension contribution rates for Executive Directors, or payments in lieu, should be aligned with those available to the workforce). The Company does not consider the current contributions of 10% to be excessive and will review this for any new appointments.

We have not provided a formal viability statement and hence do not comply with Provision 31. Please see references to Going Concern on Pages 89, 96, 116, 120, 129 and 130.

Terms of Appointment and Time Commitment

All Non-Executive Directors are appointed for an initial term of one year subject to satisfactory performance followed by a rolling contract which is regularly reviewed by the Board.

All Non-Executive Directors are proposed annually to shareholders for reappointment in accordance with best practice. They are expected to devote such time as is necessary for the proper performance of their duties and to attend all Board meetings and Committee meetings of which they are members and any additional meetings as required.

Further details of their terms and conditions are summarised in the Remuneration Report on Pages 98 to 111 and the full terms and conditions of appointment of the Non-Executive Directors are available at the Company's Registered Office.

Tenure Chart

The Board was comprised of five members throughout 2024. The Board tenure during 2024 is shown below.

	Date of appointment	1	2	3	4	5	6	7	8	9	10+	Date of election or next re-election
Liz Shanahan (Chair – stepped down in 2025)	1 August 2022											N/a
Grahame Cook (appointed Chair in 2025)	1 February 2021											30 June 2025
Chris Meredith	11 April 2006											30 June 2025
Eddie Johnson	1 January 2019											30 June 2025
Douglas Le Fort	2 August 2021											30 June 2025
Susan Searle	31 March 2025											30 June 2025

Induction and Professional Development

Each new Director is given a formal induction process covering how the Board and Committees operate, meetings with Senior Management, information on strategy, products and performance and access to policies and other key documents. Further details can be found in the Nomination Committee Report on Page 92.

Training and development needs of Directors are reviewed regularly. The Directors are kept appraised of developments in legal, regulatory and financial matters by the Company Secretary and the Group's external auditors and advisors.

Professional Advice, Indemnities and Insurance

There is provision for Directors to take independent professional advice relating to the discharge of their responsibilities, with the Company paying for such advice. The Company has arranged Directors' and Officers' liability insurance against certain liabilities and defence costs. However, the Directors' insurance does not provide protection in the event of a Director being found to have acted fraudulently or dishonestly.

Board and Committee Evaluation

The performance evaluation of the Board, its Committees and Directors is undertaken by the respective Committee Chairs annually and more detail on this evaluation is set out in the Report of the Nomination Committee on Page 93

Audit & Risk, Nomination and Remuneration Committees

The Committee Reports can be found on Pages 94 to 97, 90 to 93 and 98 to 111 respectively.

Going Concern

With regards to the Group's financial position, it had cash and cash equivalents at 31 December 2024 of £17.0 million and continues to be profitable with positive operational cash flow.

The 2024 acquisition of Peters Surgical has resulted in the Group obtaining a new debt facility which includes a £60 million term loan facility and £30 million revolving credit facility, together the 'New Debt Facility'. The balance of the consideration was funded by the Group's existing cash resources. £12 million of the revolving credit facility is drawn at 31 December 2024, with £18 million available if required.

Both the term loan and the revolving credit facility mature in March 2027 and thereafter can be extended by two consecutive 12-month periods with the banks' agreement. Interest on drawn funds is charged at the SONIA interest rate plus a current bank margin of 1.75%. This margin is expected to reduce in 2025 in line with forecasted leverage reductions.

The Group is required to comply with the following financial covenants a) Interest cover in respect of any relevant period shall not be less than 4.0:1.0 and b) Net leverage in respect of each relevant Period shall not exceed 3.0:1.0.

The EBITDA to finance charge ratio of the Group at 31 December 2024 is 7.8 and is expected to increase as the borrowing facilities are repaid.

The net debt to EBITDA ratio of the Group at 31 December 2024 is 1.2 and is expected to reduce as the borrowing facilities are repaid.

In carrying out their duties in respect of going concern, the Directors have carried out a review of the Group's financial position and cash flow forecasts for a period of 12 months from the date of signing the account. These have been based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the current economic environment.

Sensitivity analysis has been prepared to stress test forecasts and the Directors are confident the business is a going concern given the significant headroom available. The Directors also considered whether any factors exist that might reasonably impact the Group's ability to continue as a Going Concern beyond the period of 12 months from the date of these Financial Statements, with no factors considered reasonably possible.

The Group operates in markets whose demographics are favourable, underpinned by an increasing need for products to treat chronic and acute wounds. Consequently, market growth is predicted. The Group has a large number of contracts with customers across different geographic regions and also with substantial financial resources, ranging from government agencies through to global healthcare companies. The acquisition of Peters Surgical will further expand AMS's product portfolio, add additional direct sales capability in key territories, improve manufacturing efficiency and further expand the Group's specialist development and commercialisation function.

Having taken the above into consideration, the Directors have reached a conclusion that the Group is well placed to manage its business risks in the current economic environment. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Remuneration

The level of remuneration of the Directors is set out in the Remuneration Report on Pages 98 to 111.

A PERIOD OF BOARD RESTRUCTURING

to provide the skills and experience to maximise the exciting opportunities ahead



Dear Shareholder,

As Chair of the Nomination Committee, I am pleased to present the Committee's report for the year ended 31 December 2024. I am presenting this report as I was appointed as Chair of the Group, and Chair of the Committee, on 31 March 2025 after Liz Shanahan stepped down.

We have seen a period of change for both the Board and Group since the beginning of 2024, having previously been through a Board refreshment exercise driven by the tenures of the Board.

As a Board we recognise that a balanced and diverse Board, with a broad range of skills, experience and knowledge, is more likely to be an effective Board, and these criteria also apply to our Executive Management Team. The search for an additional Non-Executive Director, who will be appointed as Audit & Risk Committee Chair, is underway and we expect this to be completed shortly. We hope this process will further demonstrate our commitment to equality and diversity.

An equally important role for the Committee is ensuring that we have an appropriate pipeline of future talent within the business. The Committee regularly reviews succession plans, not only for the Board, but also for the Executive Committee and other key senior positions. Following the departure of Thierry Herbreteau as Chief Operating Officer in March 2025, who as CEO of Peters Surgical joined AMS following the acquisition in 2024, we continue to look to further strengthen our Executive Committee in 2025.

The Committee met four times during the year and was chaired by Liz Shanahan, with myself, Douglas Le Fort and Chris Meredith as the other Committee members. Chris Meredith stepped down from the Committee in October in line with Best Practice.

We believe we are in a strong position to drive long-term sustainable growth for the benefit of our stakeholders, with the leadership required to drive the success of the new, enlarged Group following the transformational acquisition of Peters Surgical, with key integration activities a focus in the short to-medium term.

Grahame Cook
Chair of the Nomination Committee
27 May 2025

Board changes in the year

Following a rigorous recruitment process in late 2023, Liz Shanahan was appointed as Chair on 1 January 2024, having initially joined the Board on 1 August 2022. Her appointment followed an extensive search which the Chair led with an executive search consultancy, Dzaleta Consulting, who specialise in Life Sciences. Dzaleta has no connection with the Company or any individual Director. A shortlist of candidates, both internal and external, were interviewed by members of the Board.

Liz stepped down from the Board in March 2025. Having carried out a thorough process to appoint Liz in 2023, we revisited those candidates and concluded that Grahame Cook was the most appropriate candidate to become Chair. His knowledge of the business over the previous four years, as well as current experience as Chair of FTSE 250 Molten plc, made him the ideal candidate in the view of the Committee and Board.

Following a period of review in early 2025, the Board further assessed their composition, skills and experience and decided that a new Non-Executive Director be recruited to bring the Board back to six members (including three Non-Executive Directors).

Prior to leaving the Board, Liz took on responsibility for leading this process, which was completed and led to the appointment of Susan Searle on 31 March 2025. Susan was also appointed as Senior Independent Non-Executive Director. Due to the timing of this appointment, a short-list of candidates was prepared based on previous searches and recommendations from advisors and Board members. Susan was considered to be the stand-out candidate from the list and was selected following an extensive interview process. An external recruitment firm was not used.

Susan has extensive experience on public and private company boards in a number of sectors, including healthcare. She is currently a Non-Executive Director of Gooch & Housego plc, where she is Chair of the Remuneration and Sustainability Committees, as well as being a Non-Executive of Bibby Line Group and Chair of Greenback Recycling Technologies Limited. She has recently stepped down from QinetiQ plc where she was a Non-Executive Director and Remuneration Committee Chair, having served three full terms.

> The Committee will focus on the embedding and development of the Board following the recent changes.
>
> **Grahame Cook**
> Chair of the Nomination Committee

Susan was formerly Non-Executive Senior Independent Director and Remuneration Chair of Horizon Discovery plc, a gene-editing life sciences company, and Benchmark Holdings Plc, a technology business. She also chaired two listed investment businesses – Mercia Asset Management plc and Schroders UK Public Private Trust plc, and was a founder of Touchstone Innovations plc, where she served as its CEO. She holds an MA in Chemistry from Oxford University.

Following these changes to the Board, and in order to achieve the target of having a Board which includes three Non-Executive Directors, a search is underway for a new Non-Executive Director who will also become Audit & Risk Committee Chair. Furthermore, having reviewed the roles of all Non-Executive Directors, Douglas Le Fort has taken on responsibility for Workforce Engagement.

Following any appointment, the new Non-Executive Director will receive a tailored induction programme to develop their understanding of AMS's strategy and governance structure, as well as their own duties and responsibilities. They will spend time with the Executive Directors, Non-Executive Directors, Executive Committee, Company Secretary and other key personnel. They will also receive a briefing on their role and duties as a Director of a publicly traded company from external advisers.

ATTENDANCE RECORD AND TENURE IN 2024



Grahame Cook
Tenure: 4 years
Meetings attended:
4/4



Douglas Le Fort
Tenure: 3.5 years
Meetings attended:
4/4



Chris Meredith*
Tenure: 14 years
Meetings attended:
2/4



Liz Shanahan
Tenure: 2.5 years
Meetings attended:
4/4

* Stepped down from Committee in September 2024.

Non-Executive Director appointment process

Board composition is central to effective leadership of the Group and prior to commencing any search for prospective Board members, the Committee draws up a specification, reflecting on the Board's current balance of skills and experience and conscious of the desire to promote Board diversity, including gender, social and ethnic backgrounds, cognitive and personal strengths, and being conducive to the delivery of the Company's strategy. Reference is made to the FTSE Women Leaders Review and, prior to this the Hampton-Alexander guidance. Selection for Board appointments is made on merit against this specification.

Gender diversity

Following the changes to the Board outlined above, female representation on the Board is 20% (2023: 20%). AMS views development of female Executive talent as important, which is reflected in the female representation in the Executive Committee, which stands at 25% (2023 – Senior Management Team: 43%).

Activity

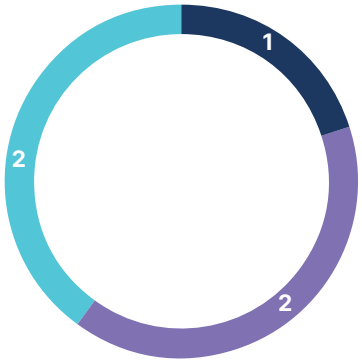
The Committee managed the process to appoint a new Chair on 1 January 2024, for which Dzaleta Consulting were engaged and had no connection with AMS or any individual Directors, other than having provided Executive search services for prior AMS Board appointments. The Committee also managed the appointment of another Chair and Non-Executive Director in March 2025.

Priorities for 2025

As previously outlined, there have been a number of changes to the Board in 2025 ahead of the release of this report. The Committee intends to support the embedding of the new Chair and Non-Executive, as well as recruiting a further Non-Executive Director who will be appointed as Chair of the Audit & Risk Committee. The Committee will also provide support and engage more regularly with the Executive Committee, where changes are anticipated in particular following the departure of the Chief Operating Officer. The work is critical to ensure the successful integration of Peters Surgical.

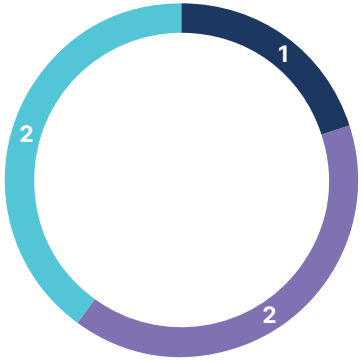
Internal succession and a drive for broader equality, diversity and inclusion are being encouraged.

Board composition



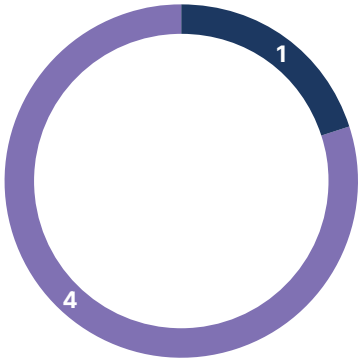
- Non-Executive Chair
- Executive Directors
- Independent Non-Executive Directors

Board tenure



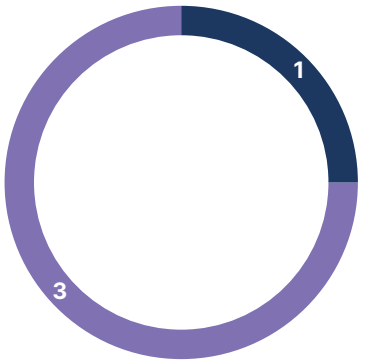
- 0-3 years
- 3-6 years
- >6 years

Board gender diversity



- Female
- Male

Executive Committee gender diversity



- Female
- Male

Appointment process

SCOPING

Nomination Committee discussion
(Both scheduled and ad hoc meetings)
Considerations

- Identification of a vacancy.
- Needs to the organisation, current and future.
- The personal skills and qualifications required.
- The dynamics of the current Board.

Appointment of an Executive Search Consultancy
Considerations

- Market reputation.
- Reach.
- AMS Mission, Vision, Values and Culture.

SEARCH

Production of a long-list
Considerations

- Skillset.
- Experience.
- Gender, ethnicity and background.

Production of a short-list
Considerations

- Specific skills.
- Experience.
- Potential for overboarding.

APPOINTMENT

Recommendation to the Board

Considerations

- Due diligence findings.

POST APPOINTMENT

Induction programme

Considerations

- Directors' duties and responsibilities.
- Familiarisation with the business.
- Meetings with key employees.

STRONG GOVERNANCE AND RISK MANAGEMENT

to protect shareholders' interests and support long-term sustainable growth



Dear Shareholder,

As Chair of the Audit & Risk Committee, I am pleased to present the Committee's report for the year ended 31 December 2024.

Douglas Le Fort and Liz Shanahan were members of the Committee throughout the year. The Committee formally met three times during 2024, as well as a number of ad hoc meetings with the external and internal auditors.

This report sets out the work done by the Committee in the year, to fulfil our responsibilities to shareholders and other stakeholders and assist the Board in providing effective governance over the Group. The Committee continues to reflect the provisions of the UK Corporate Governance Code, FRC Guidance for Audit Committees and other best practice. The Committee's Terms of Reference are available on our website (www.admedsol.com).

The Committee has a structured programme of activities focused on the Group's reporting cycle, principal risks and future strategy, as outlined in Strategic Report on Pages 6 to 77. Strong internal controls and risk management systems help ensure the resilience of the Group, while remaining operationally agile and adaptable. Our work is supported by our External Auditors, Deloitte, and our Internal Auditors, RSM.

I am confident that the Committee is well balanced, with the necessary skills and experience to perform its critical oversight and governance function within the Group.

Grahame Cook
Chair of the Audit & Risk Committee
27 May 2025

Key objectives of the Audit & Risk Committee

The aim of the Committee is to monitor the integrity of the Group's Financial Statements and announcements, its accounting processes, and the effectiveness of its internal controls and risk management system. The Committee assists the Board in fulfilling its responsibility to ensure that the Group's financial systems provide accurate, up-to-date information on its financial position and in its consideration as to whether the Group's published Financial Statements are fair, balanced and understandable.

The Audit & Risk Committee's responsibilities include:

- Oversee and advise the Board on the risk exposures of the Company and related risk management strategies.
- Oversee internal audit and review internal control policies and procedures for the identification, assessment and reporting of material financial and non-financial risks.
- Review the Group's procedures for detecting and preventing fraud, prevention of bribery and corruption and ensure arrangements are in place to enable employees to raise matters of possible impropriety in confidence.
- Review the content of the Annual Report and advise the Board whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.
- Review the engagement, effectiveness and independence of the External Auditor, and periodically consider a tender process.
- Review audit and non-audit services provided by the external auditor and fees for such services.
- Review the Committee's Terms of Reference annually to ensure all key areas are considered and that the Committee's remit and activities are in line with best practice. These were last updated in December 2024.

> Progress has been made to deliver assurance on ESG reporting, resilience, risk management and controls.
>
> **Grahame Cook**
> Chair of the Audit and Risk Committee

Non-audit services

The External Auditor may provide non-audit services where it is in the Group's best interests, provided certain criteria are met. The External Auditor must not audit their own work, make management decisions for the Group, or create conflicts. The Committee's view is that any non-audit service performed by the External Auditor should be assurance-related, where there is limited scope for such conflict.

There was one project in 2024 where expenditure exceeded the £10,000 threshold for approval by the Committee, which was the £45,000 fee for audit-related assurance services relating to the review of the Interim Statements, which is a permitted service. The Company's policy on non-audit services complies with the FRC's 2019 Revised Ethical Standard.

Deloitte LLP has been the External Auditor for 17 financial years. A performance, effectiveness and independence evaluation led the Committee to recommend the reappointment of Deloitte LLP as the Group's External Auditor for the next financial year. In accordance with best practice, the audit partner rotates every five years.

Periodic consideration is given to tendering the position of external auditor. In the opinion of the Committee, Deloitte continue to provide an effective service.

ATTENDANCE RECORD AND TENURE IN 2024



Grahame Cook
(Chair)
Tenure: 4 years
Meetings attended:

3/3



Douglas Le Fort
Tenure: 3.5 years
Meetings attended:

3/3



Liz Shanahan
Tenure: 2.5 years
Meetings attended:

3/3

Audit & Risk Committee activities

During 2024 the Committee undertook the following activities:

Topic	2024 main activities and key areas of focus
Financial Statements and Reports	• Reviewed and approved the External Audit fees for 2024. • Reviewed the annual and half-yearly financial reports and related statements. • Assessed key accounting judgements. • Reviewed all significant matters in relation to the Financial Statements and how these have been addressed including: – Going Concern – Code Provision 31 requires the Directors to explain in the Annual Report how they assessed the prospects of the Company, over what period and why that period is appropriate. The Committee considered a wide range of information relating to present and future projections of profitability, cash flows, capital requirements and capital resources. These considerations include stressed scenarios that reflect any external uncertainties we may have on the Group's operations. The statement to be made by the Directors was considered and it was concluded that the Group and Parent Company will be able to continue in operation and meet liabilities as they fall due, and that it is appropriate that the long-term viability covers a period of at least 12 months beyond the date of the Financial Statements. – Assessed risk management, internal controls, the risk and control reporting structure and the ongoing process to monitor the principal risks of the Group. – Assessed preparation for the Climate-Related Financial Disclosures ('CFD').
External Audit	• Monitored the independence and ensured the objectivity of the External Auditor, approved the Audit Plan for the 2024 audit, reviewed the performance of the External Auditor, considered the reappointment of Deloitte LLP as Auditor for 2025 and recommended their reappointment to the Board. As a consequence of unforeseen changes within the audit team, the audit partner responsibility rotated in May 2025. In line with best practice, the Committee meets periodically with the External Auditor without management being present.
Internal Audit	• Continued the rolling Internal Audit Plan from RSM, including reports on supply chain and a follow-up on business continuity and disaster planning.

Topic	2024 main activities and key areas of focus
Risk Management	• Reviewed and considered key risks to the Group, the plans and controls to mitigate these risks and scoring criteria. • Developed and implemented a new Risk Management system to provide further reassurance that the risks facing the enlarged Group are being identified, managed and mitigated.
Effectiveness of External Auditor	An annual performance review of the External Auditor was undertaken in December 2024 to assess: • Effectiveness of the audit process. • Resource quality – ensuring the right quality and balance of audit team resource and that the team provides continuity, knowledge and a fresh perspective through new team members. • Effective communication – ensuring key audit judgements are communicated at the earliest opportunity to promote discussion and challenge between the External Auditors, management and the Committee. • Communication regarding good practice, changes to reporting requirements and accounting standards enables the Group to be properly prepared. Timely provision of audit papers enables adequate management review, Committee consideration and feedback. • Scoping and planning – timely provision of the External Audit Plan and timetable. • Fees – ensuring they are transparent, appropriate and communicated prior to the commencement of any work being undertaken. Variations are challenged at the earliest opportunity to enable dialogue and agreement. • Auditor independence – the Committee monitors the External Auditor's compliance with ethical guidelines and considers their independence and objectivity. It is agreed that the External Auditor will generally not be considered for external due diligence support, with non-audit services typically being assurance-related. The Committee received and reviewed written confirmation from the External Auditor that there were no relationships that, in their judgement, may impact their independence. The External Auditor has confirmed that they consider themselves independent within the meaning of UK regulatory and professional requirements.

Internal Audit

Internal Audit is delivered by RSM against an agreed plan under the guidance of the Committee. RSM report directly into the Committee, to avoid undue influence from management, and focuses on areas of potential risk and process improvement.

A three-year Internal Audit Plan with RSM was agreed in December 2024 to cover 2025–2027. The Committee:

- Ensures the Internal Audit function has the necessary resources, independence and access to information, employees, the Board and the Committee Chairs to enable it to fulfil its mandate.
- Approves the Internal Auditor appointment and termination.
- Reviews and assesses the Internal Audit work plan and receives a report at least twice per year.
- Reviews and monitors management's responsiveness to the Internal Auditor's findings and recommendations.
- Monitors and reviews the effectiveness of controls in relation to the overall risk management system.

All reports are discussed with the Committee and the External Auditor. Recommendations are considered and acted upon as appropriate. RSM attends Committee meetings twice a year and provides a report for each meeting.

In 2024 the Internal Auditor undertook reviews in line with the Internal Audit Plan previously agreed by the Committee. In 2024 the principal areas were:

- Management of Research and Development ('R&D') spend.
- IT systems and architecture (in progress at year-end).
- Key controls: Inventory Management (in progress at year-end).

These reports highlighted to the Committee that, although the Group's internal controls give very good assurance, there are some specific non-critical improvements that could be made within the Internal Controls Framework and Risk Management Strategy. These have been implemented.

This Framework and Strategy is updated regularly and is available on the Company's Intranet. Policies are updated and formally approved by the Committee at least once a year, including where necessary to give the Committee stronger assurance about areas of key risk.

The Group also calls on the services of external bodies to review the controls in certain areas of the Group. The quality assurance systems are reviewed by the Group's Notified Bodies, the British Standards Institute ('BSI'), TÜV Rheinland, TÜV Sud, DEKRA Certification GmbH and PCBC.

Risk management and internal controls

The Board, taking guidance from the Committee, monitors and reviews all material controls including financial, operational and compliance controls. Only reasonable and not absolute assurances can be made against material loss or misstatement. Key features of the internal control systems are:

- The Group has an organisational structure with clear responsibility and accountability.
- The Board has a schedule of matters reserved for its consideration which includes potential acquisitions, significant capital projects, appointment of Senior Management, treasury policies, risk management, approval of budgets and re-forecasts, Health and Safety, Corporate Governance and Environmental, Social and Governance ('ESG').
- The Board monitors the activities of the Group through monthly management accounts, half-year and full-year forecasts, and reports on current activities and plans. The Executive Committee also regularly monitors financial and operational performance.
- The Group has set appropriate levels of authorisation which must be adhered to. These levels were comprehensively reviewed by the Board and the Committee during the year.
- An Enterprise Resource Planning ('ERP') system, with in-built controls over process and authority, minimising manual intervention, is in place in the UK, the Netherlands and Germany, with equivalent systems in other jurisdictions.
- The Group operates a 'Whistleblowing' Policy enabling individuals to report any concerns to Senior Management or the Company Chair. This policy allows for reporting to be made on a confidential basis if necessary. This was last updated in December 2024.

Any weaknesses identified in the Group's internal control system are reported to the Committee and corrective actions agreed. Creating long-term shareholder value is the reward for taking controlled risk. Risk management is crucial to the Group's success and is given a high priority to ensure that adequate systems are in place to evaluate and limit risk exposure.

The Committee, Board and Management each formally review the Risk Register at least twice a year. The process was updated in 2024 to ensure all risks are identified and to provide the Committee with further reassurance. Risks are evaluated for both likelihood and financial impact, helping to identify the most significant risks the business faces. Actions are agreed to mitigate the risks and progress is regularly assessed. The process for identifying, evaluating and managing the risks faced by the Group is ongoing throughout the year. As part of the External Auditor's annual review process, any key risks and areas of audit focus are also identified and agreed with the Committee.

The Committee also reviewed an External Assurance List, a summary of all audits and checks of various functions (such as IT) conducted by external parties in 2024, and a list of all Group insurance policies, to ensure there is sufficient coverage in all key areas. These reviews will continue to be held annually.

CREATING A SURGICAL POWERHOUSE

LONG-TERM SUSTAINABLE GROWTH

by aligning the interests of our key stakeholders



Dear Shareholder,

I am pleased to present the Remuneration Committee Report for the year ended 31 December 2024.

The Remuneration Committee was made up of myself as Chair, Grahame Cook and Liz Shanahan throughout the year. The Committee formally met three times during 2024.

Liz Shanahan stepped down from the Committee in March 2025. Susan Searle joined the Committee upon her appointment to the Board, which was also in March 2025.

The Committee's role is to ensure that our Remuneration Policy is appropriate for a successful, growing business with the size and profile of AMS, reflecting the need to engage the right calibre of employees to deliver our strategy. This is particularly critical as we integrate Peters Surgical and harmonise our remuneration structures moving forward.

AMS remains committed to high standards of corporate governance. Our Remuneration Policy is designed to ensure that we are able to attract, motivate and retain the talent we need to ensure the resilience of the expanded Group. The Committee continues to be committed to positive and proactive engagement with shareholders, as we have shown in prior years with a number of consultations.

A resolution will be put to shareholders at the AGM on 30 June 2025 asking them to consider and approve this Report. I hope that we can count on your support. Shareholders considered as similar resolution at the 2024 AGM and supported it by 98.45% of the votes cast.

On behalf of the Committee, I would like to thank you for your support and I trust you will find the Directors' Remuneration Report useful and informative.

Douglas Le Fort
Chair of the Remuneration Committee
27 May 2025

Remuneration for 2024

The annual bonus awards and Long-Term Incentive Plan ('LTIP') vesting in 2024 for the Executive Directors were as follows:

Annual bonus

The performance conditions for the 2024 annual bonus for the Executives were based on the achievement of two financial targets (Revenue and Adjusted PBT – accounting for 70% of the total bonus) and an assessment of the delivery of personal objectives (accounting for 30% of the total bonus). In view of performance, the Committee determined:

- Revenue of (£177.5m) was above the threshold (£133.4 million) and target (£140.4.million).
- Adjusted PBT of £29.4 million was above the threshold figure of £29.0 million.
- Personal objectives are linked to corporate, financial, strategic and non-financial objectives (see Pages 103 and 106). The Committee determined that 70% of these objectives were achieved.

LTIP

LTIP awards granted to Chris Meredith and Eddie Johnson in April 2021 vested in 2024 with performance criteria and weightings as follows:

- **TSR (50%)** – the performance period ended on 22 April 2024. The Company ranked above the upper quartile of the comparator group (9th out of 64 comparators) which resulted in a vesting of 100%.
- **EPS (50%)** – the growth in EPS was calculated over three financial years to 31 December 2023. The average annual growth was 25.21%, above the threshold level of 5% and maximum target of 20% and resulted in a vesting of 100%.
- **Overall** across both elements the final vesting result was 100%.

Implementation of Remuneration Policy in 2024

The Committee undertook a review of the Remuneration Policy ('Policy') in 2022 which reviewed salaries and the bonus scheme.

In January 2024 Chris Meredith's salary was increased from £378,560 to £390,484. Eddie Johnson's salary was increased at the same time from £250,000 to £257,585. Both increases were 3%, in line with the workforce.

The Committee has continued to review the Policy throughout 2024, focusing on the incentives (annual bonus and LTIP) which have both seen low pay-outs and vesting in recent years. This is a concern in terms of retention and future recruitment as the Policy focuses on lower base salaries and higher incentives. In addition, we have an expanded Group while having to manage our dilution level. In 2024 we introduced the below:

LTIP

- Minor amendments to TSR and EPS calculations in line with market practice and guidance from Ellason.
- Reviewed and selected a more appropriate peer group to determine the proportion of the Award vesting under Total Shareholder Return ('TSR').
- For Senior Managers apart from the Executive Directors, introduced a Conditional Award alongside the existing Performance Conditions (Total Shareholder Return and EPS growth), providing a proportion for continued employment throughout the vesting period (Good Leaver provisions outlined in the LTIP rules apply).
- In 2025, we will further utilise the LTIP to make Conditional Awards (RSU's) to a smaller pool of employees where we used to use the Group Share Option Plan ('GSOP').

Bonus

- Bonus minimum and maximum thresholds ranges will be standardised at +/-5% for both Revenue and PBT.
- In 2025 we will move to Revenue and EBITDA, bringing us in line with the market and providing a better measure for the enlarged Group.

ATTENDANCE RECORD AND TENURE IN 2024



Douglas Le Fort
(Chair)
Tenure: 3.5 years
Meetings attended:

3/3



Grahame Cook
Tenure: 4 years
Meetings attended:

3/3



Liz Shanahan
Tenure: 2.5 years
Meetings attended:

3/3

Compliance with the UK Corporate Governance Code ('Code')

As a large AIM quoted company, AMS has chosen to follow the Code and is compliant in the majority of areas. The Code was updated in January 2024 and we have implemented the changes required with effect from 1 January 2025 and report on any areas where we do not comply.

Full details of the share schemes offered to the Executive Directors can be found on Pages 103 and 104. Provision 38 of the Code outlines that pension contribution rates for Executive Directors, or payments in lieu, should be aligned with those available to the workforce. The Committee does not consider the current contributions of 10% to be excessive and this issue will be addressed for any new appointments. Full details of compliance with the Code can be found on the Company's website www.admedsol.com. When determining the Policy the Committee is aware of the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture. We believe that these requirements are met as follows:

Clarity

- Our Policy is well understood with a clear aim; support the delivery of strategy and promote long-term sustainable growth.
- To achieve this the Policy aims to be strategically aligned, promote pay for performance, be competitive in the market and provides a commitment to employees to pay fairly and in a clear, transparent and simple way.
- Each component of remuneration is clearly explained in the Policy table, including its purpose, how it is operated, the maximum potential and any relevant performance measures, which are disclosed for shareholders' consideration.

Simplicity

- The Policy reflects standard UK market practice with an annual performance bonus and LTIPs.
- All payments are in the form of cash or AMS shares and no artificial structure is used to deliver remuneration.

Risk

- The Committee can use its discretion to override the formulaic outcomes of the incentive plans if it is felt appropriate in certain circumstances.
- Malus and clawback provisions operate in the LTIP and Deferred Annual Bonus plan ('DAB') allowing payments to be adjusted or withheld, and LTIP awards now include a market-standard vesting and holding period totalling five years for Executive Directors.
- There is an appropriate mix of financial, non-financial and share price measures to avoid undue risk taking.

Predictability

- Appropriate limits are set out in the Policy and within the respective share scheme rules so outcomes can be predicted.
- In operating the Policy, the Committee continually monitors the performance of share scheme awards so that it is aware of potential outcomes and forewarned of potential issues.

Proportionality

- The outcomes of our share schemes are aligned to delivery of strategy and are measured against various metrics.

Alignment of culture

A focus of the Policy is long-term sustainable growth which is reflected in our values. The annual bonus requirements ensure that the Executive Directors take account of and reflect these values (including ESG and sustainability targets) in their roles, over and above pure financial performance. We voluntarily seek advisory shareholder approval for our Remuneration Report and feedback helps inform the Committee's approach. Specific comments on the Policy can be sent to the Company Secretary (companysecretary@admedsol.com).

As an AIM-quoted company, Advanced Medical Solutions Group plc is not required to comply with the Directors' Remuneration Report Regulations requirements under Main Market UK Listing Rules or those aspects of the Companies Act applicable to listed companies. The following disclosures are made voluntarily.

The Committee comprises three Non-Executive Directors and the Chair of the Board. Biographical information on the members is set out on Pages 80 and 81. They have no personal financial interest in decisions other than as shareholders, no conflict of interest from cross-directorships and no day-to-day involvement in running the business. They do not participate in bonus, share option or pension arrangements.

On behalf of the Board, the Committee, in consultation with the Chief Executive Officer, determines the policy for Directors' remuneration and setting remuneration for the Company's Chair and Executive Directors and Senior Management, including the Company Secretary, and recruitment at Executive Committee level or for other senior roles where shares are included in the joining package.

The Committee administers the share option schemes, determines the design of performance-related pay schemes, sets targets and approves payments under such schemes. The Board has accepted the Committee's recommendations in full. The Terms of Reference of the Committee are reviewed annually and are available on the Company's website www.admedsol.com.

The activities the Remuneration Committee undertook in 2024 are outlined below:

Month	Principal activities
March	• Review of 2023 personal objectives and implications for Bonus and Deferred Annual Bonus awards. • Discussion on 2024 personal objectives for the Executive Directors and review of 2024 Corporate Objectives. • Review and ratification of the 2024 annual bonus scheme. • Review of 2024 LTIP and share option awards (Executive Directors, SMT and key employees). • Review of Gender Pay Gap Report. • Decision on how to run the Share Incentive Plan in 2024 and set investment limits. • Review of incentives (bonus, LTIPs and share options) using external consultant.
October	• Reviewed progress of 2024 personal objectives for Executive Directors. • Reviewed status of 2024 bonus. • Ratification of 2024 LTIP and share options for key employees. • Renewal of Executive Shareholding Policy and Good Leaver Delegation Policy. • Cost-of-Living and 2025 Budget planning discussion. • Review and discussion of current dilution and dilution planning. Engaged external consultant to provide analysis.
December	• Discussed 2025 salaries for the Executive Directors, Executive Management Team and workforce overall. • Review of report from external consultant on management of dilution moving forward, including integrating Peters Surgical. • Initial review of achievement of 2024 personal objectives and corporate objectives. • Discussion regarding 2025 personal objectives for Executive Directors. • Review of compliance with Executive Shareholding Policy. • Review of Gender Pay analysis. • Reviewed Terms of Reference, Directors' Expenses Policy and 2025 Committee Meeting dates.

Remuneration Policy

The objective of the Policy is to attract, retain and motivate management of the calibre required to develop and implement the strategy and enhance earnings over the long-term without paying more than is necessary, having regard to views of shareholders and other stakeholders. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of Group and individual performance and wider circumstances. The Policy aims to conform to best practice as far as reasonably practicable and the Committee retains the right to exercise discretion.

There are four key aspects to the Policy:

- **Strategically aligned** – Aligned with our strategy and culture. Share ownership drives the right long-term behaviour. Executive Directors and Senior Management are required to build a significant shareholding aligning their interests with the stakeholders' interests. Design of long-term incentives will be prudent and will not expose shareholders to unreasonable financial risk.
- **Pay for performance** – Senior Management remuneration promotes long-term success and rewards value creation for our stakeholders. Assessment of short-term incentives under the Annual Performance Bonus is made against corporate, financial, strategic and other non-financial objectives. A proportion of the bonus is deferred for Executive Directors and Senior Management for three-years. Long-term incentives are linked to long-term financial and strategic objectives, and now include a five-year total vesting and holding period.
- **Market-competitive** – All elements of our remuneration are reviewed regularly to ensure they remain market-competitive to attract and retain talent, as well as to avoid excessive overpayment.
- **Employee commitment** – We are committed to paying our people fairly and in a clear, transparent and simple way.

The Policy supports strategy and promotes long-term sustainable success. Executive remuneration is aligned to our strategy, performance and values, and linked to the delivery of long-term strategy. The Policy enables the use of discretion to override formulaic outcomes and to withhold sums or share awards under appropriate specified circumstances. In considering reward elements, account will be taken of both Group performance and the performance of each individual Executive Director. Discretion can also be used when making grant awards.

The Committee previously appointed Ellason LLP in 2021 to provide independent advice on the remuneration of Executives,Non-Executive Directors and Executive Committee. Details of the work carried out by Ellason are set out below. Executive Director remuneration consists of basic salary, bonus, LTIPs, health and insurance benefits, and pension contributions. A balance between fixed and performance-related remuneration elements is maintained.

Enhanced shareholding guidelines

Executive Directors and Senior Management are expected to accumulate and maintain a significant shareholding. The holding requirements for the Executive Shareholding Policy are 200% and 100% of salary respectively for the Executive Directors and Executive Committee in order to align their interests with our stakeholders and encourage share ownership. All Executive Directors and Executive Management Team members met or exceeded the shareholding target in 2024, except for two members. One of the members had been with the Company for less than five years (since the acquisition of Peters Surgical) and the remaining member is marginally beneath the target, impacted by the lower share price in December 2024.

If an Executive Committee member does not comply at the end of the five-year period the Committee retains discretion to decide on any sanction, which may include a simple 'warning' or a reduction in the next LTIP grant or bonus opportunity.

Ellason LLP were engaged in 2024 to provide guidance. Ellason are the only adviser which provides material assistance to the Committee:

Advisors	Fees for Committee assistance
Ellason LLP	£37,955 (2023: £Nil)

Consideration of employment conditions elsewhere in the Group

The Committee considers the general basic salary increase for the broader employee population when determining the annual salary increases and remuneration of Executive Directors. The cost-of-living increase for the 2024 financial year was 3% for the Executive Management Team and the broader employee population, which took effect from 1 January 2024.

Additionally, the Group awarded a small number of merit-based increases over and above this cost-of-living increase to employees at various levels of the organisation. Details of the increases awarded to Executive Directors are set out on Page 99. Non-Executive Director fees were also increased by 3%. Details of these increases are provided below. The Committee will continue to review Executive Director and Non-Executive Director salaries against industry benchmarks during 2025.

In the second half of 2022, AMS started to provide additional financial support to its lower-paid employees across the Group to help them to cope with the cost-of-living crisis. This support ended in 2024 as inflation fell.

Statement of voting at Annual General Meeting ('AGM')

At the 2024 AGM the percentages of votes cast 'for', and 'against' in respect of the Directors' Remuneration Report were:

Resolution	Number of shares voted	Votes cast 'for'	Votes cast 'against'
To approve the Directors' Remuneration Report	136,122,093	98.45%	1.55%

Overview of Director and Senior Management Remuneration Policy

Element of remuneration	Purpose and how it supports strategy	How the element operated and maximum opportunity	Framework used to assess performance
Base salary	To provide competitive fixed remuneration. To attract, retain and motivate Executive Directors and Senior Management of the right calibre to deliver the Company's strategy and to provide a core level of reward for the role.	In line with the Policy, salary levels are set taking into account experience, responsibilities and performance, both from an individual and business perspective and from utilising external market data (benchmarking). Salaries are reviewed annually. Changes are usually effective from 1 January. Current salaries of the Executive Directors are set out on Page 109. A review was last carried out in December 2024.	Where there is a change in responsibility, progression in the role, change in size or structure of the Group or increased experience of the Executive Director or member of Senior Management, the Committee retains the discretion to award a higher increase than the standard increase for the UK workforce.
Benefits	To provide a competitive level of benefit provision.	Executive Directors and their families receive private medical insurance. No maximum cost.	N/A
Annual Performance Bonus	To drive and reward performance against annual financial and operational goals which are consistent with the medium to long-term strategic needs of the business.	Executive Directors are entitled to receive an Annual Performance Bonus to be determined by the Committee based on the Group's financial performance and the achievement of specific personal targets set by the Committee. There is no financial underpin, which allows the Committee a greater level of discretion when determining the payment of a bonus in respect of personal objectives. The maximum percentages of salary achievable are set out on Page 107.	Both financial and non-financial measures are used for Executive Directors. Financial targets are set against Group revenue (35%), PBT (35%) and personal objectives (30% based on non-financial objectives, including ESG and Care, Fair, Dare values). Business need may alter future bonus measures or weightings.
Deferred Annual Bonus ('DAB')	Provides mechanism to exercise malus provisions.	The DAB requires Executive Directors and Executive Committee members to defer up to 25% of their Annual Performance Bonus for three years. The DAB includes malus provisions which are laid out on Page 109. Clawback provisions also apply to the DAB.	N/A
Share Incentive Plan ('SIP')	To align the interests of all employees with shareholders, incentivise long-term value creation and act as a retention tool.	The SIP is available to all employees and allows investment of bonus and/or salary into shares. It also allows for the provision of matching shares and free shares if the shares are held for a set period.	N/A

Element of remuneration	Purpose and how it supports strategy	How the element operated and maximum opportunity	Framework used to assess performance
Long-Term Incentive Plan ('LTIP')	To align the interests of the Executive Directors and Executive Committee with shareholders and to incentivise long-term value creation.	The LTIP permits an annual grant that vests subject to performance and employment. Under LTIP rules, the maximum annual award is 200% of salary. Details of the award levels for 2023 are set out below. Awards under the LTIP may be granted in the form of nil-cost options or cash (where they cannot be settled in shares). Awards have a £1 consideration. 50% of the vesting is based on the Total Shareholder Return ('TSR') performance compared with the AIM Healthcare Share Index over the three-year period and 50% of the vesting is determined by the growth in the average Earnings Per Share ('EPS') per year of the Group over a three-year period. The calculation analyses the 90 dealing-day-period to the date of grant measured against the 90 dealing-day-period prior to the three-year anniversary following the date of grant. For Senior Management apart from the Executive Directors and below, these elements are reduced to 25% each and a conditional award of 50% is awarded for continuous employment in the vesting period. There are malus and clawback provisions in place. In 2024, and moving forward, there were minor amendments to the awards as outlined on Page 99 in line with market practice.	No shares shall vest from the proportion of the Award determined by reference to a selection of peer companies (previously the AIM Healthcare Share Index) if the Company is ranked below median. Awards vest on a sliding scale from 25% to 100% for performance from median to upper quartile. Performance against EPS will be based on performance against targets in pence of the percentage increase in the Group's EPS over a three-year period commencing on 1 January of the year in which the Award is made (previously a sliding scale from 25% to 100% for an average annual EPS growth rate over the vesting period of a minimum of 5% rising to 20%). The conditional award provides full vesting for employment throughout the vesting period. The Committee has flexibility to make adjustments to performance conditions to ensure the Award achieves its purpose. Vesting is subject to the Committee being satisfied that the Group's performance on these measures is consistent with the performance of the business.
Pension	To provide a market-competitive remuneration package to enable the recruitment and retention of Executive Directors and Senior Management.	Executive Directors contribute up to 10% of salary into a defined contribution plan with the Group contributing a fixed 10%. All other UK employees contribute a minimum of 3% which is matched by a Company contribution of 6%. An employee may substitute pension contributions for salary if they are impacted by limitations on the size of individual personal pension funds. It is intended that any new Executive Directors will have a pension in line with the workforce.	N/A

Malus and clawback provisions – 2014 LTIP/DAB

The 2014 LTIP and DAB incorporate malus and clawback provisions. The Committee may, in its absolute discretion, resolve to vary an Award in the event that any of the Financial Statements or results for the Company, or for any Group company, are materially restated (other than restatement due to a change in accounting policy or to rectify a minor error) or if, in the reasonable opinion of the Committee and following consultation with the relevant employing Group company, a participant has deliberately misled the management of the Company and/or the market and/or the Company's shareholders regarding the financial performance of any Group company or any subsidiary, or a participant's actions amount to serious misconduct or conduct which causes significant financial loss for the Company, any Group company and/or the participant's Business Unit.

If it is determined that the malus provision applies then the number of shares comprised in an Award that are not vested and/ or vested shares in the case of an unexercised Option should be reduced (to Nil if appropriate). The clawback provisions allow for clawback of previously granted Awards in the same circumstances as set out above.

Directors' emoluments – single figure of remuneration (2023 and 2024)

	Salary and fees		Annual Performance Bonus		Deferred Bonus		LTIPs vested[1]		Gains on SIP vested[1]		Benefits		Pensions		Total remuneration	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Chris Meredith	**390**	379	**133**	–	**–**	–	**455**	317	**56**	78	**1**	1	**39**	38	**1,074**	813
Eddie Johnson	**258**	250	**58**	–	**–**	–	**129**	90	**38**	49	**1**	1	**26**	25	**510**	415
Peter Allen[2]	**–**	97	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	97
Grahame Cook	**58**	57	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**58**	57
Douglas Le Fort	**55**	54	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**55**	54
Liz Shanahan[3]	**97**	46	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**97**	46
Total	**858**	883	**191**	–	**–**	–	**584**	407	**94**	127	**2**	2	**65**	63	**1,795**	1,482

1. Gains on LTIPs and SIPs vested is based on the share price at vesting date. Details of the SIP can be found on Page 103.
2. Peter Allen retired on 31 December 2023.
3. Liz Shanahan was appointed as Chair on 1 January 2024.

The table above summarises the payments made and amounts earned by the Executive and Non-Executive Directors for the 2023 and 2024 financial years. The fees for the Chair of the Audit & Risk Committee and Remuneration Committee (Grahame Cook and Douglas Le Fort) include a fee of £8,000 for chairing a Committee and a £3,000 fee for the Senior Independent Director (Grahame Cook). The Executive Directors were granted LTIPs as detailed on Page 99. All Directors have confirmed that they have not received remuneration save as disclosed above.

Salaries and fees

Details of 2024 salaries for the Executive Directors are outlined on Page 99 and for the prior year in the table above.

Annual Performance Bonus and Deferred Annual Bonus

Details of the Annual Performance Bonus and Deferred Annual Bonus are outlined on Page 103. The personal objectives for the Executive Directors for the year ended 31 December 2024 included strategic growth and innovation, operational efficiency and execution, and succession planning (75%) with further objectives covering the successful conclusion of negotiations with US distributors to put the business in a stronger position from the beginning of 2024, progress in OTIF and backorder, quality and margins (25%). The table below summarises 2024 performance against the targets:

Performance measures	Weighting	Threshold £m	Target £m	Stretch £m	Achievement £m	2024 result (% of maximum)
Group Revenue	35%	133.4	140.4	147.4	177.5	100%
Adjusted Profit Before Tax	35%	29.0	30.5	32.0	29.4	30%
Personal objectives/values assessment	30%	Executive Director bonuses were paid at 23% despite achievement of performance measures significantly above this level (including the impact of acquisitions)			70%	70%
Total	**100%**					**23%**

The bonus for 2024 was paid in April 2025 as threshold PBT was achieved as well as with Revenue. The Remuneration Committee assessed that the Personal Objectives for Chris Meredith and Eddie Johnson were 70% achieved.

Director	Revenue	PBT	Objectives	Total %
Chris Meredith	100%	30%	70%	23%*
Eddie Johnson	100%	30%	70%	23%*

* Executive Director bonuses were paid at 23% despite achievement of performance measures significantly above this level.

2025 objectives are commercially sensitive and not detailed in this Report.

2024 bonus payments in respect of 2023 were as follows:

Director	Bonus paid in 2024 (FY 2023)	Deferred	Percentage of salary (total bonus)	Maximum % of salary
Chris Meredith	£Nil	£Nil	0%	150%
Eddie Johnson	£Nil	£Nil	0%	100%

Vesting of LTIPs for the year ended 31 December 2024

Details of the LTIP performance conditions for the LTIPs granted on 23 April 2021, which produced a 100% vesting result on 23 April 2024, are shown on Page 107.

Directors' interests in the LTIP

On 23 April 2024 the Committee approved LTIP awards as outlined below.

Director	Type of award	Basis of grant awarded	Share price at date of grant (£)	Number of shares granted	Face value of grant	Vesting determined by performance over 3 years
Chris Meredith	Nil-cost option	200% of salary	1.84	411,478	£855,874	See Page 104
Eddie Johnson	Nil-cost option	125% of salary	1.84	169,837	£353,260	See Page 104

Outstanding Share Awards – Maximum under the LTIP

Director	As at 1 January 2024	Exercised in the year	Issued in the year	Lapsed in the year	As at 31 December 2024	Market price at grant date (p)	First vesting date
Chris Meredith	132,247	–	–	–	132,247	239.00	14 April 2023 (vested)
	238,963	–	–	–	238,963	257.40	23 April 2024 (vested)
	239,552	–	–	–	239,552	303.90	14 April 2025
	324,805	–	–	–	324,805	233.10	14 April 2026
	–	–	411,478	–	411,478	184.00	23 April 2027
Eddie Johnson	34,235	34,235	–	–	–	132.00	2 April 2018 (vested)
	28,126	–	–	–	28,126	184.60	18 April 2019 (vested)
	17,379	–	–	–	17,379	246.69	6 April 2020 (vested)
	8,221	–	–	–	8,221	328.75	24 April 2022 (vested)
	37,470	–	–	–	37,470	239.00	14 April 2023 (vested)
	67,706	–	–	–	67,706	257.40	23 April 2024 (vested)
	89,832	–	–	–	89,832	303.90	14 April 2025
	134,063	–	–	–	134,063	233.10	14 April 2026
	–	–	169,837	–	169,837	184.00	23 April 2027

Chris Meredith exercised Nil LTIPs in 2024 (2023: Nil). Eddie Johnson exercised 34,235 LTIPs in 2024 (2023: Nil). Awards have no performance re-testing facility.

Approach to remuneration of Executive Directors at the time of recruitment

When appointing an Executive Director the Committee may utilise all existing remuneration components. Salary will reflect experience, skills, market data and current salary. They will be eligible for a personal pension, medical insurance and share schemes. In line with the Code, it is the intention that pension contributions will be set at a rate available to the wider workforce in respect of future Executive Director appointments.

Non-Executive Directors

Non-Executive Directors are appointed under arrangements that may be terminated by either party on six months' notice. Their fees are determined by the Executive Directors, taking into account the time and responsibility of the role. They receive travel expenses, do not participate in incentive arrangements and have confirmed they have not received any other remuneration in 2024 save as disclosed on Page 105. Further details of Non-Executive Director fees are below:

Element of remuneration	Purpose and how it supports strategy	How the element operated and maximum opportunity	Framework used to assess performance
Non-Executive Director Fees	Reflects time commitments and responsibilities of each role.	There is no maximum annual increase. The Board is guided by the market and broader employee population. On occasion they may need to recognise an increase in the scales or scope of the role. Fees were increased by 3% in 2024, in line with the workforce.	Non-Executive Directors do not participate in variable pay arrangements and do not receive retirement benefits.

Service agreements

Executive Director service contracts are not fixed term, are terminable by either party giving not less than 12-months' written notice and can be viewed at the Company's registered office and at the AGM. The Committee reviews the contractual terms for new Executive Directors to ensure they reflect best practice. Details of the service contracts are as follows:

	Date of contract	Unexpired term (months) or rolling contract	Notice period (months)
Executive Director			
Chris Meredith	1 July 2005 (updated 1 July 2021)	Rolling contract	12
Eddie Johnson	1 January 2019 (updated 1 July 2021)	Rolling contract	12
Non-Executive Directors			
Grahame Cook	1 February 2021 (updated 31 March 2025)	Rolling contract (appointed Chair 31 March 2025)	6
Douglas Le Fort	2 August 2021	Rolling contract	6
Susan Searle	31 March 2025	Rolling contract	6
Liz Shanahan	1 August 2022 (updated 1 January 2024)	Rolling contract (stepped down 31 March 2025)	6

Policy on Payment for Loss of Office – Executive Directors

The Committee considers individual cases of early termination and determines compensation on a case-by-case basis. There are no special provisions in the event of loss of office or for Payment in Lieu of Notice ('PILON'). If such circumstances were to arise, the Executive Director would have no claim against the Company for damages or any other remedy in respect of the termination. The Committee would apply principles of mitigation to any payment made to a departing Executive Director.

Whilst the Committee retains overall discretion for 'Good Leaver' status, it typically defines a 'Good Leaver' for the Annual Performance Bonus and 2014 and 2024 LTIP plans as retirement, ill health or injury, disability, redundancy or the employing company ceasing to be under the control of the Group. The 2014 and 2024 DAB defines a 'Good Leaver' as ceasing to be a Director or employee of a Group company where that individual is not a 'Bad Leaver'. A 'Bad Leaver' is defined as a Director or employee leaving the business due to the Financial Statements requiring restatement. Final treatment is subject to the Committee's discretion.

Non-Executive Directors

Liz Shanahan received a PILON payment in April 2025 for her six month notice period after she stepped down as Chair on 31 March 2025.

Event	Timing of vesting/award	Calculation of vesting/payment
Bonus/DAB		
Good Leaver	Annual Performance Bonus payment would be negotiated as part of the leaving arrangements (at the discretion of the Remuneration Committee). Unvested Deferred Annual Bonus share awards vest at the normal vesting date (or earlier at the Remuneration Committee's discretion).	No automatic entitlement to Annual Performance Bonus on a pro-rata basis – it is at the discretion of the Remuneration Committee.
Bad Leaver	Not applicable.	Individuals lose the right to their Annual Performance Bonus and unvested Deferred Annual Bonus shares.
Change of Control	Annual Performance Bonuses are paid and unvested Share Incentive Plan shares vest on the date of change of control notification to the Executive Directors.	Annual Performance Bonus is paid to the extent that performance conditions have been satisfied and are pro-rated to the effective date of change of control.
LTIP		
Good Leaver	On normal vesting date (or earlier at the Remuneration Committee's discretion).	Unvested awards vest to the extent that performance conditions have been satisfied and are reduced pro-rata to account for any part of the vesting period remaining.
Bad Leaver	Unvested awards lapse on cessation of employment.	Unvested awards lapse on cessation of employment.
Change of Control	Unvested awards vest on the date of notification to the Executive Directors regarding the change of control.	Unvested awards vest and a pro-rata reduction applies for the proportion of the vesting period not served.

Upon a Director's exit or a change of control situation, Share Incentive Plan awards will be treated in line with the plan rules. If employment is terminated by the Company, an Executive Director may have a legal entitlement to additional amounts, which would need to be met. The Committee retains discretion to settle other amounts reasonably due to the Executive Director.

The Committee may approve new contractual arrangements with departing Executive Directors including (but not limited to) settlement and/or consultancy arrangements which will be used sparingly and only where it is in the best interests of the Company and shareholders. There are no agreements between the Group and its Directors or employees for loss of office or employment (whether through resignation, purported redundancy or otherwise) which may occur as a result of a takeover bid.

Statement of Directors' shareholdings and share interests

Director	Beneficially owned[1] at 31 December 2023	Beneficially owned[1] at 31 December 2024	Outstanding LTIP awards at 31 December 2024	Outstanding DAB awards at 31 December 2024	Outstanding share awards under SIP and ESPP at 31 December 2024	Shareholding as a % of Issued Share Capital at 31 December 2024
Chris Meredith	1,788,221	**1,799,205**	**1,347,045**	**37,357**	**197,605**	**0.83%**
Eddie Johnson	125,721	**170,001**	**552,634**	**26,265**	**184,534**	**0.08%**
Grahame Cook	Nil	**48,864**	**–**	**–**	**–**	**–**
Douglas Le Fort	Nil	**Nil**	**–**	**–**	**–**	**–**
Liz Shanahan	54,785	**54,785**	**–**	**–**	**–**	**–**

1. Includes all shares beneficially held by the Executive Director (or their spouse and children) and vested SIPs.

Executive Directors are required under the Executive Shareholding Policy to hold shares equivalent in value to 200% of pre-tax annual salary. Compliance with this policy as at 31 December 2024 is shown below, using the share price at that date:

Director	Shares held*	Vested SIPs	LTIPs (50% of vested/ unexercised)	DAB awards	Total shares	Shareholding target (£)	Shareholding value (£)	% holding vs target
Chris Meredith	1,737,212	209,636	185,605	37,357	2,169,810	£780,968	£4,287,545	549%
Eddie Johnson	73,957	201,477	62,716	26,265	364,415	£515,750	£720,083	140%

* Includes all shares beneficially held by the Executive Director (or their spouse and children).

CEO total remuneration

The total remuneration figure for the Chief Executive Officer during each of the last five financial years is shown below.

Total remuneration includes salary, Annual Performance Bonus, gains on SIPs in that year and LTIP awards vesting in the year. The Annual Performance Bonus and LTIP vesting level as a percentage of the maximum opportunity is given for each year.

Year ended 31 December	2020	2021	2022	2023	2024
Total remuneration (£'000)	537	543	832	813	**1,075**
Annual Performance Bonus (% of maximum)	0%	32.2%	57.8%	86%	**23%**
LTIP vesting (% of maximum)	73.1%	0%	21.2%	51.9%	**100%**

Relative importance of spend on pay

Year ended 31 December	2023 (£m)	2024 (£m)	Change %
Staff costs	49.0	**66.5**	**35.7%**
Dividends*	4.8	**5.2**	**8.3%**
Tax**	5.3	**2.7**	**-49.1%**
Profits for year attributable to owners of the Parent**	15.9	**7.1**	**-55.3%**

* The dividend figures relate to amounts payable in respect of the prior year.

** Tax and profits attributable to owners of the Parent include exceptional costs in 2024 (see Pages 66 and 67.

£1,722,000 (2023: £1,582,000) of staff costs relate to pay for the Directors, of which £983,000 relates to the highest-paid Director (2023: £874,000). Total pension contributions were £1,584,000 (2023: £1,615,000) and for the highest-paid Director £39,000 (2023: £38,000).

During 2024, distributions to shareholders included a dividend of £3,600,000 paid on 21 June 2024 (2023: £3,265,000) and £1,645,000 paid on 18 October 2024 (2023: £1,510,000). It is proposed that a dividend of 1.83p per share be paid on 17 July 2025. Further details are provided in Note 22 on Page 159.

Private healthcare

Executive Directors and other senior employees are entitled to private healthcare and permanent health insurance.

Share options

Employees may be granted share options under the 2019 Share Option Plan ('GSOP'). Options granted under the GSOP are not offered at a discount. The exercise of options is conditional on performance conditions, normally after the third anniversary of the date of grant and no later than the tenth anniversary of grant. Full details are included in Note 23 on Pages 160 to 162.

The GSOP allows employees to be granted approved or unapproved options. Under the approved part of the GSOP, UK employees can receive up to £60,000 by market value of the shares on the grant date and benefit from the growth in value of those shares.

Share performance – 2024

The opening share price for 2024 was 208p and the closing price, on the last trading day of the year, was 197.60p. The range during the year was 254.00p (high) and 179.20p (low) (Source: Daily Official List of the London Stock Exchange).

Directors' Report
For the year ended 31 December 2024

This Directors' Report includes disclosures required under the Companies Act 2006, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the 2018 UK Corporate Governance Code ('Code'). Additional information can be located as follows:

Disclosure	Location
Principal activities and business review Results	Throughout the Strategic Report – Pages 6 to 77
	Financial Statements – Pages 115 to 173
Corporate Governance	Corporate Governance Report – Pages 83 to 89
Directors' remuneration including Directors' interest in the share capital of the Company	Remuneration Committee Report – Pages 98 to 111
Principal Risks and Uncertainties	Principal Risks and Uncertainties – Pages 74 to 77
Financial instruments and risk management	Note 20 to the Financial Statements – Pages 152 to 157 and in the Strategic Report – Pages 71 to 77
Research and development activities	Strategic Report – Pages 6 to 77
	Financial Review on Pages 66 to 70
Shareholder, employee and stakeholder engagement	Section 172 – Pages 58 to 61
Environmental, Social and Governance, Health and Safety and Streamlined Energy and Carbon Reporting ('SECR') report	ESG Report – Pages 41 to 44
Climate-Related Financial Disclosures ('CFD')	Non-Financial and Sustainability Information Statement – Pages 45 to 57
Key Performance Indicators	Key Performance Indicators – Pages 26 to 27
Company's capital structure	Consolidated Statement of Changes in Equity – Page 127
	Financial Statements – Note 22 on Page 159
Long Term Incentive Plan and share schemes	Remuneration Report – Pages 98 to 111
Events after the balance sheet date	Financial Statements – Note 33 on Page 139
Significant subsidiary undertakings	Financial Statements – Note 3 on Pages 169 to 171
Non-Financial Reporting Statement	Page 70

Dividends

The Group made a profit before tax for the year to 31 December 2024 of £9.4 million (2023: £21.2 million). The Directors are recommending a final dividend of 1.83p per share (2023: 1.66p per share). The final dividend will, subject to shareholders' approval, be paid on 17 July 2025 to shareholders on the register at the close of business on 20 June 2025. This would make a total dividend of 2.60p for the full year (2023: 2.36p). The Board will continue to review the Group's dividend policy.

Events after the Reporting Date

There have been no material events subsequent to the end of the reporting period ended 31 December 2024.

Going Concern

The Directors continue to adopt the Going Concern basis in preparing the Financial Statements. Details of Going Concern can be found on Page 89 and in the Notes Forming Part of the Financial Statements on Pages 129 to 130.

Capital Structure

As at 31 December 2024 the Group had net cash of £17.0 million (2023: £60.2 million). To fund the acquisition of Peters Surgical, which completed in mid 2024, new debt facilities were arranged which comprise:
(i) a £60 million amortising term loan facility; and
(ii) a £30 million revolving credit facility.

Both the term loan and the revolving credit facility mature in March 2027 and thereafter can be extended by two consecutive 12 month periods. Interest on drawn funds will be charged at the SONIA interest rate plus an initial bank margin of 1.75%, with this margin expected to reduce in 2025 in line with forecasted leverage reductions. The Directors expect the initial proforma net debt to EBITDA ratio of the enlarged Group to be approximately 1.5x and to reduce materially thereafter.

Ordinary Shares are admitted to, and traded on, the Alternative Investment Market ('AIM'), a market operated by the London Stock Exchange. Further information regarding the Company's share capital, including movements during the year, are set out in Note 22 to the Financial Statements on Page 159.

Creditor Payment Policy

It is the policy and normal practice of the Group to make payments due to suppliers in accordance with agreed terms and conditions, generally less than 60 days. Where suppliers offer early settlement discounts, these may be taken advantage of. This policy will also be applied for 2025.

Share Capital and Issue of Ordinary Shares

At 30 April 2025 the Group's issued share capital is:

	Number	£'000	% of issued Share Capital
Ordinary Shares of 5p each	218,107,619	10,905	100

Substantial Shareholdings

Details of the interests in voting rights in the Company's shares with substantial interests of 3% or more in the Ordinary Share capital of the Company as at 30 April 2025, in accordance with the Disclosure and Transparency Rules:

	30 April 2025	% of issued Share Capital
Octopus Investments Limited	26,235,934	12.03
Rathbone plc	19,939,040	9.14
Canaccord Genuity Group Inc	16,042,818	7.36
Charles Stanley Group	10,256,740	4.70
BlackRock Inc	6,761,737	3.10
Invesco Ltd	6,641,019	3.04

Re-election of Directors

The Chair has determined that each Director demonstrates commitment to their role and displays effective performance, and is recommending the re-election of all Directors. AMS has elected to comply with 2018 Code Provision 18 and therefore all Directors will retire and shall stand for re-election at the AGM to be held on 30 June 2025.

The Board has procedures for Directors' conflicts of interest. Only Directors who have no interest in the matter under consideration participate in the decision. The Board reports annually on the procedures for ensuring that the Board's power of authorisation in respect of conflicts of interest operated effectively. None of the Directors had any conflicts of interest during or at the end of the year in any contract relating to the business of the Company or its subsidiaries.

Directors' and Officers' Liability Insurance

Insurance cover is in force in respect of the personal liabilities that may be incurred by Directors and Officers of the Company in the course of their service with the Group, as permitted by the Companies Act 2006. No cover is provided in respect of any fraudulent or dishonest act.

Employees – Equal Opportunities and Development

AMS is an equal opportunities employer committed to eliminating all forms of discrimination and to giving fair and equal treatment to all employees and job applicants. In the event of existing employees becoming disabled, every effort is made to ensure that their employment with the Group continues, and that appropriate training is arranged.

It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of an able-bodied person. An Equality, Diversity and Inclusion Policy, to reflect best practice in this area, is in force. Further detail on this area can be found in our ESG Report on Pages 28 to 40.

Employees and other Stakeholders

The Group has chosen, in accordance with Section 414(c)(ii) of the Companies Act 2006 to set out in the Strategic Report the following which the Directors believe are important:

- Review of the business;
- Relevant aspects of Section 172 statement (Sch 7.11(1)(b); and
- Employee engagement and Sch 7.11B(1) – Business relationships).

Further employee policies are discussed in the ESG Report. See Pages 58 to 61 for disclosure of employee engagement and stakeholder engagement statements. We provide monthly updates to employees through an Executive Committee communication session, which includes details of financial and economic factors, and is uploaded to the Intranet, where a Portal is also available to ask questions to the Executive Committee. We have an Employee Consultative Group across all sites in the UK, and a number of other sites outside of the UK, which allow employees to share their views and any concerns. We run a number of share schemes, as outlined on Pages 103 to 104, including a Share Incentive Plan ('SIP') and Employee Share Purchase Plan ('ESPP'), which is open to all employees and we encourage investment by offering both lump sum and monthly contributions.

Political Donations

In line with the established policy, the Group made no political donations.

Annual General Meeting

The AGM will be held at 11.00am on 30 June 2025. Further details are outlined in the AGM Notice.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards ('IFRSs') as issued by the IASB. The Directors have chosen to prepare the Parent Company Financial Statements in accordance with United Kingdom' Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of profit or loss of the Company for the period.

In preparing the Parent Company Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the Going Concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group Financial Statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide disclosures when compliance with specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a Going Concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Responsibility Statement

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Provision of Information to the Independent Auditors

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditors

Deloitte LLP has expressed their willingness to continue in office as Auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The Directors' Report and Responsibility Statement has been approved by the Board and authorised for issue and is signed on its behalf by:

Owen Bromley
Company Secretary
27 May 2025

Independent Auditor's Report
to the members of Advanced Medical Solutions Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Advanced Medical Solutions Group plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Parent Company Statements of Financial Position;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the Consolidated Statement of Cash Flows;
- the related Consolidated Financial Statement notes 1 to 27; and
- the related Parent Company Financial Statement notes 1 to 8.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Revenue recognition • Acquisition accounting Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the group financial statements was £1m which was determined on the basis of 5% of profit before tax and exceptional items.
Scoping	Our work was focused on Advanced Medical Solutions Limited (UK), Peters Surgical Group and Resorba Medical GmbH (Germany). Together, these represent 82% of the group's revenue, 79% of the group's profit before tax and 90% of net assets.
Significant changes in our approach	No significant changes in our approach as compared to prior year with the exception of the current year acquisition accounting key audit matter which relates to the acquisition of Peters Surgical Group.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the available, uncommitted, financing facilities including nature of the facilities, repayment terms and covenants;
- linking the assessment and the forecasts to the business model and medium-term risks;
- assessing the reasonableness and appropriateness of the assumptions used in the forecasts;
- assessing the impact of the expected macroeconomic information including uncertainties in respect of US tariffs to assess whether there were indicators of management bias;
- assessing the amount of headroom in the forecasts and covenant compliance;
- evaluating the appropriateness of, and headroom within, the sensitivity analysis;
- assessing the sophistication of the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and assessing the historical accuracy of forecasts prepared by management; and
- assessing the appropriateness of the disclosures made within the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Revenue recognition

Key audit matter description	The group sells medical devices across a number of geographical regions generating revenue of £177.5 million (2023: £126.2 million). The timing of when revenue is recognised is relevant to the reported performance of the group. There is a risk of material misstatement due to error or fraud as a result of misstating the allocation of revenue between periods. This timing of revenue recognition, in particular around year end, is a focus for material group revenue streams. Pressures to meet stakeholder expectations could provide incentives to record revenues where control has not passed. We have specifically focused this key audit matter on the timing of recognition of revenue recorded within December 2024 and January 2025 based upon the Group's customer shipping terms. We have also focused on other one-off material revenue transactions based on our understanding of monthly peaks in sales reported and the associated credit terms with those, and other major, customers. The associated disclosure and specific detail on the group's accounting policy, see Note 3 to the Financial Statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the relevant controls over the revenue process. We performed a detailed analysis of revenue trends within each business unit including performing enquiries of management and key members of the commercial team to identify any key changes to sales terms in force compared to the previous year. To evaluate the timing of revenue recognised within the risk period: • For the population identified we evaluated a sample of sales transactions to despatch record to evaluate timing and occurrence of the transaction including consideration of the specific shipping terms attached to the sale; • we assessed reasonableness of material journal amounts; • we evaluated revenue transactions outside non-standard shipping revenue streams; and • we investigated and analysed any credit notes post year end which may contradict recognition of revenue. We also analysed the receivables ledgers at year end and post year end to identify and consider if any material overdue debts were deemed irrecoverable. We evaluated whether the policy and disclosures for revenue within the Financial Statements are consistent with the principles of IFRS 15 Revenue Recognition and whether they have been applied appropriately.
Key observations	Based on the work performed we concluded that revenue has been recognised appropriately.

5.2. Acquisition accounting

Key audit matter description	During the year, the group acquired Peters Surgical Group. Accounting for acquisitions under IFRS 3 Business Combinations is complex as management is required to separately identify and value the intangible assets acquired. This involves a high level of estimation uncertainty, particularly with regards to valuation model inputs such as growth rate, discount rate, valuation multiples and cash flow forecasts, hence management engaged a third-party expert to support the valuation work. The acquisition resulted in £47.1m of separately identifiable intangible assets and £39.7m of goodwill. The associated disclosure is included within Note 26 to the Financial Statements. For specific detail on the group's accounting policy, see Note 2 to the Financial Statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the relevant controls over acquisition accounting. We reviewed the sale and purchase agreement, other transactional documentation and third-party purchase price allocation reports to evaluate the goodwill and intangible assets recognised and to evaluate the consideration paid. With the involvement of our valuation specialists, we evaluated the valuation techniques and the reasonableness of assumptions applied, such as long-term growth rate and valuation multiples. We challenged the discount rate used by independently setting expectations based on various competitors to the group and third-party information available, such as beta values, risk-free rates and cost of debt and premiums based on the size of the acquisition or the risk profile of the entity. We challenged the key assumptions in the cash flow forecasts, including assessing the potential impact of market developments and strategic plans allowing us to consider sensitivities and whether they reflect a reasonable possible change. We evaluated the competence, capabilities and objectivity of the third-party expert engaged. We evaluated whether the policies and disclosures for acquisition accounting within the financial statements are consistent with the principles of IFRS 3 Business Combinations and whether they have been applied appropriately.
Key observations	Based on the work performed we are satisfied that the separately identified intangibles and goodwill generated on acquisition have been valued appropriately.

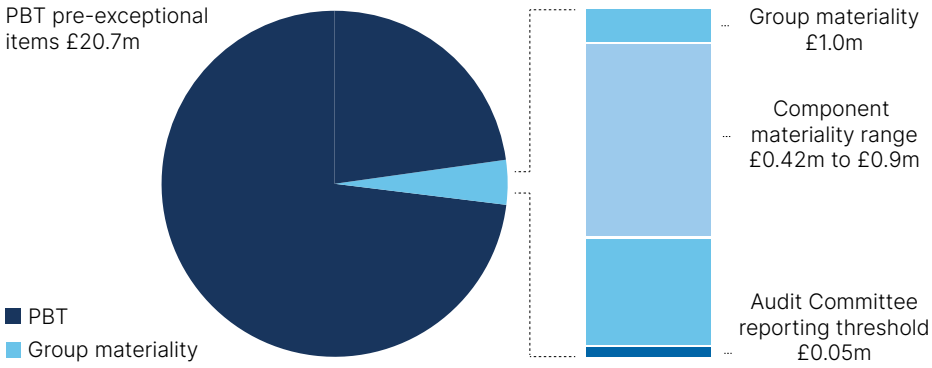
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£1.0m (2023: £1.0m)	£0.9m (2023: £0.9m)
Basis for determining materiality	5% of profit before tax and exceptional items (2023: 5% of profit before tax)	Parent company materiality is based on 2% of the company's net assets, however this was capped at 90% of group materiality (2023: 90% of group materiality).
Rationale for the benchmark applied	Profit before tax before exceptional items is determined to be the most relevant performance measure to the users of the financial statements as a key driver of the equity share price. This is consistent with prior years except for the normalisation of exceptional items which largely relate to the Peters Surgical acquisition and Syntacoll costs.	As a non-trading parent company, net assets is the key driver of the company.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2023: 70%) of group materiality	70% (2023: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • the quality of the control environment; and • our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.05m (2023: £0.05m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level. Based on that assessment, we focused our group audit scope primarily on the audit work at three components: Advanced Medical Solutions Limited (UK), Peters Surgical Group and Resorba Medical GmbH (Germany). Two of these components were subject to an audit of the entire financial information, with the remaining component subject to an audit of one or more account balances of the component. Our audit work on the components was executed at levels of performance materiality applicable to each individual entity which were lower than group performance materiality and ranged from £0.42m to £0.9m (2023: £0.35m to £0.9m). Our components subject to audit procedures represent 82% (2023: 81%) of the group's revenue, 79% (2023: 94%) of the group's profit before tax and 90% (97%) of net assets.

At the group entity level, we also tested the consolidation process, goodwill, acquired intangibles and share based payments. Additionally, we carried out review at the group level to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information not subject to further audit procedures.

7.2. Our consideration of the control environment

We involved our IT specialists to gain an understanding of the IT environment and general IT controls. In assessing the IT environment, we identified deficiencies in general IT controls which resulted in no controls reliance being taken. Whilst our risk assessment and design of further audit procedures took into account our assessment of the control environment, the audit we performed was fully substantive. We have reported the identified control deficiencies to management and the Audit Committee. Management is in the process of remediating the deficiencies as they develop the IT environment as referenced in the Audit Committee Report.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the group's business and its financial statements.

We have held discussions with the Company Secretary and with the Directors to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the group's financial statements.

We performed our own qualitative risk assessment of the potential impact of climate change on the group's account balances and classes of transactions and did not identify any additional risks of material misstatement beyond those identified by management, see page 45. Our procedures included reading disclosures included in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

Audit work to respond to the risks of material misstatement was performed directly by the group audit engagement team except for the Peters Surgical Group component and Resorba component which were audited by the component auditors Deloitte SAS and Deloitte & Touche GmbH, respectively. In directing and supervising the component auditors throughout the course of the group audit, we held meetings or calls with them to discuss identified and assessed risks, issues, findings, and conclusions. We were involved in the risk assessment of the components, as needed, to identify significant and higher risks of material misstatement of the consolidated financial statements and evaluated the appropriateness of the audit procedures performed on the identified risks. We also attended an in-person meeting with Deloitte SAS considering their first year of involvement as component auditor. We virtually attended planning, close meetings and held various meetings virtually, reviewed component audit files and reviewed their reporting deliverables.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including valuations and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud within revenue recognition due to possible pressures to meet stakeholder expectations that could provide incentives to record revenues where performance obligations have not been satisfied. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty such as those set out by the relevant regulatory bodies.

11.2. Audit response to risks identified

As a result of performing the above, we identified revenue recognition as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Hughes, ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom

27 May 2025

Consolidated Income Statement
For the year ended 31 December 2024

	Note	Before exceptional items	Exceptional Items (Note 5)	2024 £'000	Before exceptional items	Exceptional Items (Note 5)	2023 £'000
Revenue	3	**177,521**	**–**	**177,521**	126,210	–	126,210
Cost of sales		**(84,903)**	**–**	**(84,903)**	(56,070)	–	(56,070)
Gross profit		**92,618**	**–**	**92,618**	70,140	–	70,140
Distribution costs		**(2,348)**	**–**	**(2,348)**	(1,520)	–	(1,520)
Administration costs		**(69,033)**	**(10,924)**	**(79,957)**	(50,669)	–	(50,669)
Other income		**906**	**–**	**906**	931	–	931
Operating profit	3, 4	**22,143**	**(10,924)**	**11,219**	18,882	–	18,882
Finance income	9	**2,161**	**–**	**2,161**	2,659	–	2,659
Finance costs	10	**(3,557)**	**–**	**(3,557)**	(384)	–	(384)
Profit before taxation		**20,747**	**(10,924)**	**9,823**	21,157	–	21,157
Income tax	11	**(4,662)**	**1,981**	**(2,681)**	(5,268)	–	(5,268)
Profit for the year		**16,085**	**(8,943)**	**7,142**	15,889	–	15,889
Profit for the year attributable to:							
Owners of the parent		**16,037**	**(8,943)**	**7,094**	15,889	–	15,889
Non-controlling interest		**48**	**–**	**48**	–	–	–
Earnings per share							
Basic	12	**7.48p**	**(4.17p)**	**3.31p**	7.36p	–	7.36p
Diluted	12	**7.35p**	**(4.10p)**	**3.25p**	7.25p	–	7.25p

The above results relate to continuing operations.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Profit for the year		**7,142**	15,889
Items that will potentially be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		**(6,177)**	(3,126)
(Loss)/gain arising on cash flow hedges	20	**(3,104)**	3,984
Deferred tax credit/(charge) arising on cash flow hedges	11	**664**	(465)
Total other comprehensive (expense)/income for the year		**(8,617)**	393
Total comprehensive (loss)/income for the year		**(1,475)**	16,282
Total comprehensive income for the year attributable equity holders of the parent		**(1,523)**	16,282
Total comprehensive income for the year attributable to Non-controlling interest		**48**	–

Consolidated Statement of Financial Position
At 31 December 2024

	Note	2024 £'000	2023 £'000
Assets			
Non-current assets			
Intangible assets	13	**97,412**	55,864
Goodwill	15	**116,884**	80,435
Property, plant and equipment	14	**45,871**	29,601
Deferred tax asset	11	**1,022**	356
Derivative financial assets	20	**–**	520
Other receivables	17	**1,029**	73
		262,218	166,849
Current assets			
Inventories	16	**55,259**	36,046
Trade and other receivables	17	**52,451**	23,583
Current tax assets		**1,233**	388
Derivative financial assets	20	**296**	2,145
Cash and cash equivalents	18	**17,039**	60,160
		126,278	122,322
Total assets		**388,496**	289,171
Liabilities			
Current liabilities			
Trade and other payables	19	**33,782**	19,254
Current tax liabilities		**1,780**	1,165
Derivative financial liabilities	20	**261**	–
Borrowings	18	**5,421**	–
Lease liabilities	20	**3,087**	1,164
		44,331	21,583
Non-current liabilities			
Other non-current liabilities	19	**3,873**	4,400
Deferred tax liabilities	11	**20,246**	11,013
Derivative financial liabilities	20	**474**	–
Borrowings	18	**67,428**	–
Lease liabilities	20	**10,628**	7,973
		102,649	23,386
Total liabilities		**146,980**	44,969
		241,516	244,202

Consolidated Statement of Financial Position continued
At 31 December 2024

Equity			
Share capital	22	**10,892**	10,865
Share premium		**37,525**	37,473
Other reserves	22	**16,625**	13,453
Hedging reserve	22	**(440)**	2,000
Translation reserve	22	**(4,299)**	1,878
Retained earnings		**180,474**	178,533
Equity attributable to equity holders of the parent		**240,777**	244,202
Non-Controlling interest	22	**739**	–
Total Equity		**241,516**	244,202

The consolidated financial statements of Advanced Medical Solutions Group plc (registration number 2867684) on Pages 123 to 164 were approved by the Board of Directors and authorised for issue on 27 May 2025 and were signed on its behalf by:

Chris Meredith
Chief Executive Officer
27 May 2025

Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

	Share capital £'000	Share premium £'000	Other reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total attributable to owners £'000	Non-controlling interest £'000	Total £'000
At 1 January 2023	10,843	37,269	17,606	(1,519)	5,004	167,419	236,622	–	236,622
Consolidated profit for the year to 1 January 2023	–	–	–	–	–	15,889	15,889	–	15,889
Other comprehensive income/(expense)	–	–	–	3,519	(3,126)	–	393	–	393
Total comprehensive income/(expense)	–	–	–	3,519	(3,126)	15,889	16,282	–	16,282
Share-based payments (Note 23)	–	–	2,916	–	–	–	2,916	–	2,916
Excess Deferred tax on share-based payments	–	–	(381)	–	–	–	(381)	–	(381)
Share options exercised (Note 23)	22	204	22	–	–	–	248	–	248
Own shares purchased	–	–	(6,710)	–	–	–	(6,710)	–	(6,710)
Non-controlling interest (Note 22)	–	–	–	–	–	–	–	–	–
Dividends paid (Note 22)	–	–	–	–	–	(4,775)	(4,775)	–	(4,775)
At 31 December 2023	10,865	37,473	13,453	2,000	1,878	178,533	244,202	–	244,202
Consolidated profit for the year to 31 December 2023	**–**	**–**	**–**	**–**	**–**	**7,142**	**7,142**	**–**	**7,142**
Other comprehensive (expense)/ income	**–**	**–**	**–**	**(2,440)**	**(6,177)**	**–**	**(8,617)**	**–**	**(8,617)**
Total comprehensive (expense)/ income	**–**	**–**	**–**	**(2,440)**	**(6,177)**	**7,142**	**(1,475)**	**–**	**(1,475)**
Share-based payments (Note 23)	**–**	**–**	**3,086**	**–**	**–**	**–**	**3,086**	**–**	**3,086**
Excess Deferred tax on share-based payments	**–**	**–**	**74**	**–**	**–**	**–**	**74**	**–**	**74**
Share options exercised (Note 23)	**27**	**52**	**12**	**–**	**–**	**–**	**91**	**–**	**91**
Own shares purchased	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Changes in non-controlling interest (Note 22)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**739**	**739**
Dividends paid (Note 22)	**–**	**–**	**–**	**–**	**–**	**(5,201)**	**(5,201)**	**–**	**(5,201)**
At 31 December 2024	**10,892**	**37,525**	**16,625**	**(440)**	**(4,299)**	**180,474**	**240,777**	**739**	**241,516**

Consolidated Statement of Cash Flows
For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Operating profit		**11,219**	18,882
Adjustments for:			
Depreciation	14	**6,453**	4,375
Amortisation – intellectual property rights	13	**7,804**	4,887
– software intangibles	13	**537**	522
– development costs	13	**1,508**	1,004
Increase in inventories		**(2)**	(8,064)
Increase in trade and other receivables		**(10,384)**	(2,515)
Increase/(decrease) in trade and other payables		**4,318**	(5,249)
Share-based payments expense	23	**3,086**	2,916
Taxation paid		**(5,050)**	(4,413)
Net cash inflow from operating activities		**19,489**	12,345
Cash flows from investing activities			
Purchase of software		**(572)**	(89)
Capitalised research and development		**(4,115)**	(6,216)
Purchases of property, plant and equipment		**(4,057)**	(3,544)
Disposal of property, plant and equipment		**27**	42
Interest received		**1,229**	2,470
Acquisition of subsidiaries (net of cash acquired)	26	**(54,132)**	(5,529)
Payment of contingent consideration	20	**(5,529)**	(7,399)
Net cash used in investing activities		**(67,149)**	(20,265)
Cash flows from financing activities			
Dividends paid	22	**(5,201)**	(4,775)
Repayment of principal under lease liabilities		**(2,605)**	(1,472)
Repayment of loan	18	**(62,192)**	(480)
Borrowings received		**79,453**	–
Issue of equity shares		**12**	181
Own shares purchased		**–**	(6,710)
Interest paid		**(3,989)**	(362)
Net cash inflow/(used in) financing activities		**5,478**	(13,618)
Net decrease in cash and cash equivalents		**(42,182)**	(21,538)
Cash and cash equivalents at the beginning of the year		**60,160**	82,262
Effect of foreign exchange rate changes		**(939)**	(564)
Cash and cash equivalents at the end of the year		**17,039**	60,160

Notes Forming Part of the Consolidated Financial Statements

1. Reporting entity

Advanced Medical Solutions Group plc ('the Company') is a public limited Company, limited by shares, incorporated and domiciled in England and Wales (registration number 2867684). The Company's registered address is Premier Park, 33 Road One, Winsford Industrial Estate, Cheshire, CW7 3RT.

The Company's Ordinary Shares are traded on the AIM market of the London Stock Exchange plc. The Consolidated Financial Statements of the Company for the twelve months ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is a world-leading independent developer and manufacturer of innovative tissue-healing technology, focused on quality outcomes for patients and value for payers. The Group has a wide range of surgical products including tissue adhesives, sutures, haemostats, internal fixation devices and internal sealants, which it markets under its brands LiquiBand®, RESORBA®, LiquiBandFix8®, LIQUIFIX™, Peters Surgical, Ifabond, Vitalitec and Seal-G®. The Group also supplies wound care dressings such as silver alginates, alginates and foams through its ActivHeal® brand as well as under white label. Since 2019, the Group has made seven acquisitions: Sealantis, an Israeli developer of innovative internal sealants, Biomatlante, a French developer and manufacturer of surgical biomaterials, Raleigh, a leading UK coater and converter of woundcare and bio-diagnostics materials, AFS Medical, an Austrian specialist surgical business, Connexicon, an Irish tissue adhesives specialist, Syntacoll, a German specialist in collagen-based absorbable surgical implants and Peters Surgical, a global provider of specialty surgical sutures, mechanical haemostasis and internal cyanoacrylate devices.

The Group's products, manufactured in the UK, Germany, France, the Netherlands, Thailand, India, the Czech Republic and Israel, are sold globally via a network of multinational or regional partners and distributors, as well as via the Group's own direct sales forces in the UK, Germany, Austria, France, Poland, Benelux, India, the Czech Republic and Russia. The Group has R&D innovation hubs in the UK, Ireland, Germany, France and Israel. Established in 1991, the Group has more than 1,600 employees.

2. Basis of preparation

The Group's financial statements have been prepared in accordance with the United Kingdom adopted international accounting standards and with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB').

The Financial Statements have been prepared on the historical cost basis of accounting except as disclosed in the accounting policies set out below.

The individual Financial Statements for each Group Company are presented in the currency of the primary economic environment in which it operates (its 'functional currency'). For the purpose of the Consolidated Financial Statements, the results and financial position of each Group Company are expressed in Pounds Sterling, which is the functional currency of the Company and the presentation currency for the Consolidated Financial Statements.

In the current year the Group has applied amendments to IFRSs issued by the IASB. Their adoption has not had a material impact on the disclosures or on the amounts reported in the Annual Financial Statements. The following amendments were applied:

- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases
- Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements; and
- Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

Going Concern

With regards to the Group's financial position, it had cash and cash equivalents at the 31 December 2024 of £17.0 million and continues to be profitable with positive operational cash flow.

The 2024 acquisition of Peters Surgical has resulted in the Group obtaining a new debt facility which includes a £60 million term loan facility and £30 million revolving credit facility, together the 'New Debt Facility'. The balance of the consideration was funded by the Group's existing cash resources. £12 million of the revolving credit facility is drawn at 31 December 2024, with £18 million available if required.

2. Basis of preparation continued

Going Concern continued

Both the term loan and the revolving credit facility mature in March 2027 and thereafter can be extended by two consecutive twelve months periods with the banks' agreement. Interest on drawn funds is charged at the SONIA interest rate plus a current bank margin of 1.75%. This margin is expected to reduce in 2025 in line with forecasted leverage reductions.

The Group is required to comply with the following financial covenants a) Interest cover in respect of any relevant period shall not be less than 4.0:1.0 and b) Net leverage in respect of each relevant Period shall not exceed 3.0:1.0. The EBITDA to finance charge ratio of the Group at 31 December 2024 is 7.8 and is expected to increase as the borrowing facilities are repaid. The net debt to EBITDA ratio of the Group at 31 December 2024 is 1.2 and is expected to reduce as the borrowing facilities are repaid.

In carrying out their duties in respect of going concern, the Directors have carried out a review of the Group's financial position and cash flow forecasts for a period of 12 months from the date of signing the accounts . These have been based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the current economic environment. Sensitivity analysis has been prepared to stress test forecasts and the Directors are confident the business is a going concern given the significant headroom available. The Directors also considered whether any factors exist that might reasonably impact the Group's ability to continue as going concern beyond the period of 12 months from the date of this preliminary announcement, with no factors considered reasonably possible.

The Group operates in markets whose demographics are favourable, underpinned by an increasing need for products to treat chronic and acute wounds. Consequently, market growth is predicted. The Group has a large number of contracts with customers across different geographic regions and also with substantial financial resources, ranging from government agencies through to global healthcare companies. The acquisition of Peters Surgical will further expand AMS's product portfolio, add additional direct sales capability in key territories, improve manufacturing efficiency and further expand the Group's specialist development and commercialisation function.

Having taken the above into consideration, the Directors have reached a conclusion that the Group and Company are well placed to manage its business risks in the current economic environment. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Critical accounting judgments and Key sources of estimation uncertainty

The preparation of Financial Statements, in conformity with adopted IFRS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported value of assets and liabilities, income and expense.

Actual results may differ from these estimates. In preparing these Financial Statements, one critical accounting judgment "CJ" and three key source of estimation uncertainty "SE" have been identified that could potentially have a material adjustment to the carrying amounts of assets and liabilities in future financial years.

Capitalisation of development and recertification costs (CJ)

The Group capitalises development and recertification costs once it can be demonstrated that the product or process is clearly identifiable, technically and commercially feasible and will generate future economic benefits. There is judgement involved in determining the point at which capitalisation commences and that the product or process is at a point where it is technically and commercially feasible and that future economic benefits will be generated.

Impairment of Goodwill and Intangible assets (SE)

In carrying out impairment reviews of goodwill and intangible assets, a number of significant assumptions have to be made when preparing cash flow projections which include market growth rates, size and share, revenue growth rates, discount rates and cash flows. If actual results should differ or changes in expectations arise, impairment charges may be required. See note 15 for further information on impairment of goodwill.

Valuation of assets and liabilities acquired on acquisition (SE)

The Group has identified assets and liabilities arising on acquisitions and determined fair values for them. In the year assets and liabilities have been recognised following the acquisition of Peters Surgical (see Note 26). Third-party valuation specialists were engaged to assist in the identification and valuation of separable intangible assets. Management considers that the methodologies adopted in the valuation are supportable and reasonable but there are inherent sources of estimation uncertainty due to the inclusion of future cash flows in the valuation which include estimates of sales growth, production costs and operating expenditure. Discount rates used in determining the fair values are based on management's assessment of risk inherent in the current business model and are an area of judgment.

Valuation of Contingent Consideration (SE)

The Group has recognised Contingent consideration on acquisition of a number of subsidiaries which have inherent sources of estimation uncertainty. Management has identified that reasonably possible changes in certain key assumptions, including the likelihood of achieving regulatory approval, the projected revenue of relevant products, gross margin of relevant acquired entities and utilisation of tax losses, may cause the calculated fair value of the above contingent consideration to vary materially in future years. For further information on the valuation of Contingent Consideration see note 20.

2. Basis of preparation continued

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to retain benefits from its activities. The Financial Statements of the subsidiaries are included in the Consolidated Financial Statements on the basis of acquisition accounting, from the date that control commences until the date that control ceases. All entities within the Group have the same year-end.

Where not all of the equity of a subsidiary is acquired the non-controlling interest is recognised at the non-controlling interest's share of the net assets of the subsidiary.

Intercompany transactions and balances between Group entities are eliminated upon consolidation.

IFRS not yet effective and not adopted early

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the group. These standards are not expected to have a significant impact on the Group's net results.

3. Revenue and segment information

Accounting policy

Revenue is recognised when control of the products has transferred to the customer in accordance with the contractual shipping terms, the customer has discretion over the channel and price to sell the products in accordance with the sales contract, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Transfer occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

Occasionally, the products are sold with volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience and customer-provided forecasts are used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of finance is deemed present as the sales are made with a credit term of up to 90 days, which is consistent with market practice. A receivable is recognised when the goods are transferred as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group also recognises revenue from royalty income receivable under licence agreements from external customers at amounts excluding value added tax as the products under licence are sold and the revenue can be reliably measured. For the year ended 31 December 2024, £3.0 million (2023: £4.2 million) revenue from royalty income was recognised.

Other income relates to tax credits received such as those under the UK Research and Development Expenditure Credit ('RDEC') scheme and is recognised in the Income Statement in the same period in which the expense is incurred.

At the end of 2024, the Group was reorganised into four product category Business Units. Financial performance continued to be assessed under two Business Units and internal reporting provided to the Group's Chief Operating Decision Maker ('CODM') was prepared on this basis. The Group's Board of Directors ('the Board') is the Group's Chief Operating Decision Maker, as defined by IFRS 8, and all significant operating decisions are taken by the Board. The Surgical Unit focused on selling, marketing, research, development and innovation of all our surgical products and the Woundcare unit focused on all advanced woundcare sales, marketing, research, development and innovation of all woundcare devices.

3. Revenue and segment information continued

Year ended 31 December 2024	Surgical £'000	Woundcare £'000	Consolidated £'000
Revenue	**135,768**	**41,753**	**177,521**
Result			
Adjusted segment operating profit	**30,132**	**2,604**	**32,736**
Amortisation of acquired intangibles	**(6,864)**	**(940)**	**(7,804)**
Unwind of Inventory fair value accounting			
Segment operating profit	**23,268**	**1,664**	**24,932**
Exceptional items			**(10,924)**
Unallocated expenses			**(2,789)**
Operating profit			**11,219**
Finance income			**2,161**
Finance costs			**(3,557)**
Profit before tax			**9,823**
Tax			**(2,681)**
Profit for the year			**7,142**

Year ended 31 December 2024 Other information	Surgical £'000	Woundcare £'000	Consolidated £'000
Capital additions:			
Software intangibles	**494**	**78**	**572**
Research & development	**3,517**	**598**	**4,115**
Property, plant and equipment	**2,607**	**1,450**	**4,057**
Depreciation and amortisation	**(13,198)**	**(3,104)**	**(16,302)**
At 31 December 2024 Statement of Financial Position			
Assets			
Segment assets	**333,709**	**55,787**	**388,496**
Liabilities			
Segment liabilities	**115,729**	**30,023**	**145,752**
Unallocated liabilities			**1,228**
Consolidated total liabilities			**146,980**

Year ended 31 December 2023	Surgical £'000	Woundcare £'000	Consolidated £'000
Revenue	79,093	47,117	126,210
Result			
Adjusted segment operating profit	19,985	5,317	25,302
Amortisation of acquired intangibles	(3,944)	(943)	(4,887)
Segment operating profit	16,041	4,374	20,415
Exceptional costs			–
Unallocated expenses			(1,533)
Operating profit			18,882
Finance income			2,659
Finance costs			(384)
Profit before tax			21,157
Tax			(5,268)
Profit for the year			15,889

Year ended 31 December 2023 Other information	Surgical £'000	Woundcare £'000	Consolidated £'000
Capital additions:			
Software intangibles	47	42	89
Research & development	5,222	994	6,216
Property, plant and equipment	2,337	1,207	3,544
Depreciation and amortisation	(7,504)	(3,284)	(10,788)
At 31 December 2023 Statement of Financial Position			
Assets			
Segment assets	207,647	81,524	289,171
Liabilities			
Segment liabilities	34,810	10,159	44,969

3. Revenue and segment information continued

Geographical segments

Segment revenue is based on the geographical location of customers. Segment assets are based on the country by which the legal entity resides.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods or services, based upon location of the Group's customers:

Year ended 31 December	2024 £'000	2023 £'000
United Kingdom	**16,606**	17,385
Germany	**32,288**	26,365
France	**14,790**	6,217
Rest of Europe	**46,314**	32,716
United States of America	**43,382**	31,875
Rest of World	**24,141**	11,652
	177,521	126,210

The following table provides an analysis of the Group's non-current assets by geographical location:

As at 31 December	2024 £'000	2023 £'000
United Kingdom	**46,027**	50,754
Germany	**64,538**	60,168
France	**99,539**	8,801
Rest of Europe	**29,686**	28,809
Rest of World	**22,428**	18,317
	262,218	166,849

4. Operating profit

Accounting policy:

Research expenditure is expensed as incurred. Internal development expenditure is only capitalised if the recognition criteria in IAS 38 Intangible Assets have been satisfied.

Grants are recognised only when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Grants related to income are presented as a deduction of the related cost. Grants that are receivable as compensation for expenses already incurred are recognised in the Income Statement in the period in which they become receivable.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Pension entitlements and other benefits vary according to the jurisdiction, ensuring remuneration meets local expectations and are compliant with relevant requirements. Pension amounts charged against the Income Statement represents the contributions payable to the scheme in respect of the accounting period. The assets of the scheme are held separately from those of the Group in an independently administered fund.

4. Operating profit continued

Operating profit is arrived at after charging/(crediting):

Year ended 31 December	2024 £'000	2023 £'000
Depreciation of property, plant and equipment	**6,453**	4,375
Amortisation of:		
– acquired intellectual property rights and other intangible assets	**7,804**	4,887
– software intangibles	**537**	522
– development costs	**1,508**	1,004
Research and development costs expensed excluding regulatory costs	**5,745**	5,597
Cost of inventories recognised as expense	**84,269**	55,733
Write-down of inventories expensed	**634**	337
Staff costs	**66,496**	49,024
Net foreign exchange loss	**141**	1,955

Year ended 31 December	2024 £'000	2023 £'000
Staff costs for all employees, including Executive Directors, consists of:		
Wages and salaries including bonuses	**52,680**	38,777
Social Security costs	**9,146**	5,716
Pension costs	**1,584**	1,615
Share-based payments (see Note 23)	**3,086**	2,916
	66,496	49,024

The average monthly number of employees of the Group during the year, including Executive Directors, was as follows:

Year ended 31 December	2024 Number	2023 Number
Production	**634**	440
Research and development	**89**	92
Sales and marketing	**230**	155
Administration	**276**	158
	1,229	845

5. Exceptional items

Accounting policy:

Exceptional items are those items that are sufficiently significant for separate disclosure by virtue of their size, nature or incidence, or that the Directors consider should be disclosed separately to enable a full understanding of the Group's financial performance. Exceptional items have been presented separately on the face of the Income Statement. The Directors consider that this presentation gives a fairer presentation of the results of the Group.

Year ended 31 December	2024 £'000	2023 £'000
Syntacoll	**1,890**	–
Risk Management	**2,017**	–
Peters acquisition-related	**5,090**	–
Peters integration activities	**1,927**	–
Total exceptional items	**10,924**	–

5. Exceptional items continued

Exceptional items of £10.9 million were incurred in the year in relation to the acquisition and integration of Peters Surgical and Syntacoll. Given the significance of these costs in the year, in comparison to costs incurred for acquisitions in previous years, they have been disclosed separately.

Syntacoll exceptional costs relate to legal fees, staff termination costs, an initial idle Period following when no manufacturing was undertaken and some integration related costs.

Risk management exceptional costs relate to foreign currency risk management costs to protect against adverse movements in the euro rate whilst the Group awaited FDI approval to complete the acquisition of Peters Surgical. Risk and warranty insurance was also obtained.

Acquisition related costs include costs for advisory services, legal, financial, tax, HR and operational due diligence services, as well as legal services relating to the share purchase agreement and related banking facility required as part of the acquisition funding.

Integration-related costs predominately relate to consultancy services to lead the integration project as well as the costs of an internal dedicated integration team and other relevant integration activities.

6. Auditor's remuneration

Amounts payable to Deloitte LLP and their associates in respect of both audit and non-audit services:

Year ended 31 December	2024 £'000	2023 £'000
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	**25**	23
Fees payable to the Company's auditor and their associates for other audit services to the Group and the audit of the Company's subsidiaries	**631**	301
Total audit fees	**656**	324
Audit related assurance services	**47**	35
Total non-audit fees	**47**	35
	703	359

Fees payable to the Company's auditor, Deloitte LLP and its associates, for non-audit services to the Company are not required to be disclosed in subsidiaries' accounts because the Consolidated Financial Statements are required to disclose such fees on a consolidated basis.

A description of the work of the Audit Committee is set out in the Governance section of the Annual Report which includes explanations of how the audit objectivity and independence is safeguarded when non-audit services are provided by the Auditor.

7. Directors' emoluments

Year ended 31 December	2024 £'000	2023 £'000
Remuneration for management services	**1,050**	883
Pension costs	**64**	63
Share-based payments	**608**	636
	1,722	1,582

The Group's highest paid Director is disclosed in the Remuneration Report on Page 105.

Retirement benefits are accruing to the following number of Directors under money purchase schemes	**2**	2

8. Remuneration of Key Management Personnel

The key management of the Group comprises the Directors of the Group together with senior members of the management team. Their aggregate compensation is shown below:

Year ended 31 December	2024 £'000	2023 £'000
Salaries, fees and short-term employee benefits	**2,188**	1,983
Pension costs	**118**	126
Share-based payments	**946**	1,002
	3,253	3,111

Following the acquisition of Peters Surgical, the Senior Management Team of ten was restructured into an Executive Committee of five with effect from Senior Leadership team from 10 to 5 effective from 1 July 2024.

9. Finance income

Accounting policy:

Finance income relates to interest earned on cash and cash equivalents. Interest income is accrued on a time-basis, by reference to the principal outstanding and at the effective interest rate applicable. The movement in long-term acquisition liabilities are measured at fair value. Changes in the liabilities occur as the liabilities unwind and as the probability of a performance condition being met changes based on actual and estimated performance subsequent to acquisition. The movement in the fair value is recognised as the finance income.

Year ended 31 December	2024 £'000	2023 £'000
Movement in Long-term acquisition liability	**868**	186
Bank interest	**1,293**	2,473
	2,161	2,659

The movement in long-term acquisition liabilities expense and credit relate to movements in the long-term liabilities arising on the acquisition of Sealantis in 2019, AFS in 2022, Connexicon in 2023 and Peters Surgical in 2024 (See note 20 for further information).

10. Finance costs

Accounting policy:

Finance costs arise from interest on the Group's credit facilities, lease liabilities and financial liabilities. They are recognised in the Income Statement as they accrue using the effective interest method.

Year ended 31 December	2024 £'000	2023 £'000
Amortisation of facility fees	**155**	–
Finance lease interest	**463**	364
Interest on borrowings	**2,880**	–
Other interest	**59**	20
	3,557	384

11. Taxation

Accounting policy:

Taxation expense includes the amount of current income tax payable and the charge for the year in respect of deferred taxation.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax is charged or credited to the Income Statement, except when it relates to items charged or credited directly to equity, in which case it is dealt with within equity.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the Income Statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

11. Taxation continued

The Group is subject to taxation in several jurisdictions and makes estimates of the taxation charges before completing tax returns at a later date. The Group's approach to transfer pricing is to apply OECD guidelines. Estimates are based on tax rates enacted in law and calculations are prepared with the assistance of professional advisors. Therefore, the taxation charge is not deemed to be a key source of estimation uncertainty.

a) Analysis of charge for the year

Year ended 31 December	2024 £'000	2023 £'000
Current tax:		
Tax on ordinary activities – current year	**5,044**	5,516
Tax on ordinary activities – prior year	**140**	(540)
	5,184	4,976
Deferred tax:		
Tax on ordinary activities – current year	**(2,351)**	(183)
Tax on ordinary activities – prior year	**(152)**	475
	(2,503)	292
Tax charge for the year	**2,681**	5,268

b) Factors affecting tax charge for the year

The Group has chosen to use a weighted average country tax rate rather than the UK tax rate for the reconciliation of the charge for the year to the profit per the Income Statement. The Group operates in several jurisdictions, some of which have a tax rate in excess of the UK tax rate. As such, a weighted average country tax rate is believed to provide the most meaningful information to the users of the Financial Statements.

The Group has applied the appropriate rate to the Deferred Tax Liability, measured using the tax rates that are expected to apply when the liability is settled or the asset realised based on the tax rates that have been enacted or substantively enacted by the balance sheet date.

The tax assessed for the year is lower (2023: lower) than the weighted average Group tax rate of 29.0% (2023: 28.0%) as explained below:

Year ended 31 December	2024 £'000	2023 £'000
Profit before taxation	**9,823**	21,157
Weighted average Group tax rate 29.0% (2023: 28.0%)	**2,850**	5,918
Effects of:		
Expenses not deductible for tax purposes and other timing differences	**1,189**	605
Utilisation and recognition of trading losses	**(301)**	(526)
Patent Box Relief	**(1,129)**	(817)
Net impact of deferred tax on capitalised development costs and R&D relief	**16**	(245)
Share-based payments	**68**	398
Adjustments in respect of prior year – current tax	**140**	(540)
Adjustments in respect of prior year and rate changes - deferred tax	**(152)**	475
Taxation	**2,681**	5,268

In addition to the amounts charged to the Income Statement and the Statement of Comprehensive Income, the Group has recognised directly in equity:

- Excess tax deductions related to share-based payments on exercised options.
- Changes in excess deferred tax deductions related to share-based payments, totalling £0.1 million deficit: (2023: £0.4 million surplus).

11. Taxation continued

c) Deferred tax

Following are the major deferred tax liabilities and assets recognised by the Group and movements thereon.

At 1 January 2023	Share-based payments £'000	Advanced capital allowances £'000	Intangible assets £'000	Research and development assets £'000	Other £'000	Total £'000
	1,493	(849)	(7,425)	(2,617)	(195)	(9,593)
Credit/(charge) to income	109	(333)	830	(672)	358	292
Credit to equity	(381)	–	–	–	(465)	(846)
Exchange adjustment	–	–	162	–	–	162
Acquisition of subsidiary	–	–	(672)	–	–	(672)
At 31 December 2023	1,221	(1,182)	(7,105)	(3,289)	(302)	(10,657)
Credit/(charge) to income	**332**	**(55)**	**1,562**	**(192)**	**856**	**2,503**
Charge to equity	**74**	**–**	**–**	**–**	**664**	**738**
Exchange adjustment	**–**	**19**	**383**	**–**	**183**	**585**
Acquisition of subsidiary	**–**	**(983)**	**(11,075)**	**–**	**(335)**	**(12,393)**
At 31 December 2024	**1,627**	**(2,201)**	**(16,235)**	**(3,481)**	**1,066**	**(19,224)**

Certain deferred tax assets and liabilities have been offset where there is a legal, enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2024 £'000	2023 £'000
Deferred tax liabilities	**(20,246)**	(11,013)
Deferred tax assets	**1,022**	356
	(19,224)	(10,657)

At the Statement of Financial Position date, the Group has approximately £52 million of unused tax losses (2023: £25 million), relating to tax losses in Israel, France and Ireland available for offset against future profits. These have not been recognised in the Statement of Financial Position as there is not currently sufficient evidence to prove that sufficient taxable profit will be available to utilise these losses. The losses do not have time limits.

12. Earnings per share

Accounting policy:

Earnings per share Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year, excluding shares held by the Company in the Employees' Share Trust or as treasury shares.

Diluted earnings per share Diluted earnings per share is calculated by adjusting the basic earnings per share for the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, which comprise share options and awards granted to employees.

Adjusted earnings per share Adjusted earnings per share (or adjusted basic earnings per share) is a trend measure which presents the long-term profitability of the Group excluding the impact of specific transactions that management considers affects the Group's short-term profitability. The Group presents this measure to assist investors in their understanding of trends. Adjusted attributable profit is the numerator used for this measure. The Group has identified the following items as those to be excluded when arriving at adjusted attributable profit: acquisition and disposal-related items including amortisation and impairment of acquisition intangible assets; significant restructuring programmes. Adjusted diluted earnings per share is calculated by adjusting the adjusted basic earnings per share for the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, which comprise share options and awards granted to employees.

The calculation of basic and diluted earnings per share, based on statutory earnings and adjusted earnings, is based on the following data:

Year ended 31 December	2024 000 Number of shares	2023 000 Number of shares
Weighted average number of ordinary shares in issue	**217,561**	217,093
Basic weighted average number of Shares held by EBT	**(3,222)**	(1,195)
Weighted average number of ordinary shares for the purposes of basic earnings per share	**214,339**	215,898
Effect of dilutive potential Ordinary Shares: share options, deferred share bonus and LTIPs	**3,959**	3,391
Weighted average number of Ordinary Shares for the purposes of diluted earnings per share	**218,298**	219,289

	£'000	£'000*
Profit for the year attributable to equity holders of the parent	**7,094**	15,889
Amortisation of acquired intangible assets	**7,804**	4,887
Movement in long-term acquisition liabilities	**(868)**	(186)
Exceptional items	**10,924**	–
Unwind of Inventory fair value accounting	**1,726**	–
Tax on adjusted items	**(3,857)**	(755)
Adjusted profit for the year attributable to equity holders of the parent pre exceptional costs	**22,823**	19,835

Earnings per share	Pence	Pence*
Basic	**3.31**	7.36
Diluted	**3.25**	7.25
Adjusted basic	**10.65**	9.19
Adjusted diluted	**10.45**	9.05

* Adjusted basic and adjusted diluted earnings per share have been revised to include Tax on adjusted items to ensure comparability with the current period.

13. Acquired intangible assets, software intangibles and development costs

Accounting policy:

Acquired intangible assets

Acquired intangible assets that are acquired in a business combination consist mainly of research and device technologies and customer-related intangible assets acquired on acquisition and are initially recognised at their fair value. Acquired intangible assets are amortised over their estimated useful economic lives, usually not exceeding 12 years. In determining the useful economic life, each asset is reviewed separately and consideration given to the period over which the Group expects to derive economic benefit from the asset.

Development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge, is recognised in the Income Statement as an expense in the period in which it is incurred.

Expenditure on development activities, where research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised once it can be demonstrated that the product or process is clearly identifiable, technically and commercially feasible, will generate future economic benefits, that the development costs of the asset can be measured reliably and the Group has sufficient resources to complete development. Expenditure capitalised is stated as the cost of materials and direct labour less accumulated amortisation.

Where development expenditure results in new or substantially improved products or processes and it is probable that recovery will take place, it is capitalised and amortised on a straight-line basis over the product's useful life starting from the date on which serial production commences, which is between one and ten years unless there is commercial evidence demonstrating that this will not be a materially appropriate allocation, in which case amortisation is allocated based on a five year revenue forecast to ensure the expense is allocated against the benefit arising from the asset. Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis.

Regulatory certification costs

Expenditure on regulatory certification costs, where the certificate allows a product to be sold into a market for a period of time greater than one year, is capitalised once it can be demonstrated that the product is clearly identifiable, technically and commercially feasible, will generate future economic benefits, that the certification costs of the asset can be measured reliably and the Group has sufficient resources to complete certification. Expenditure capitalised is stated as the cost of materials less accumulated amortisation. Internal costs relating to regulatory certification costs are not capitalised unless they can be identified as directly attributable to the certification process. Capitalised certification costs are amortised over the term of the certificate which can be up to five years and is deemed to be the useful economic life. Clinical and regulatory data supporting the certification are amortised over ten years reflecting the estimated useful economic life.

Software intangibles

Where computer software is not integral to an item of property, plant or equipment its costs are capitalised as intangible assets when there is sufficient levels of customisation and control of future economic benefits or where other contractual rights exist. Amortisation is provided on a straight-line basis over its useful economic life, which is in the range of three to ten years.

Impairment of intangible assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

13. Acquired intangible assets, software intangibles and development costs continued

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income Statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in the Income Statement.

	Acquired Intangible assets				
	Customer related £'000	Product related £'000	Software intangibles £'000	Development and recertification costs £'000	Total £'000
2024					
Cost					
At beginning of year	**22,978**	**29,855**	**5,898**	**28,007**	**86,738**
On acquisition	**19,244**	**25,271**	**593**	**3,696**	**48,804**
Additions	**–**	**–**	**572**	**4,115**	**4,687**
Disposals	**–**	**–**	**(27)**	**–**	**(27)**
Exchange differences	**(878)**	**(1,060)**	**(96)**	**(610)**	**(2,644)**
At end of year	**41,344**	**54,066**	**6,940**	**35,208**	**137,558**
Amortisation					
At beginning of year	**5,257**	**13,941**	**4,656**	**7,019**	**30,873**
Charged in the year	**2,653**	**5,151**	**537**	**1,508**	**9,849**
Disposals	**–**	**–**	**(27)**	**–**	**(27)**
Exchange differences	**(47)**	**(351)**	**(55)**	**(96)**	**(549)**
At end of year	**7,863**	**18,741**	**5,111**	**8,431**	**40,146**
Net book value					
At 31 December 2024	**33,481**	**35,325**	**1,829**	**26,777**	**97,412**
At 31 December 2023	17,721	15,914	1,242	20,988	55,864

Customer related intangible assets consist of customer lists, brands and other marketing-related intangible assets. Product related intangible assets primarily consist of patents and technology based know-how.

Customer and product related intangible assets arising on acquisition in 2024 relate to technology-based and customer-related assets arising on the acquisition of Peters Surgical (see note 26).

13. Acquired intangible assets, software intangibles and development costs continued

Customer and product related intangible assets arising on acquisition in 2023 relate to technology-based and customer-related assets arising on the acquisition of Connexicon.

Intangible assets are amortised on a straight-line basis and the amortisation is recognised within administration costs with the exception of the RESORBA® brand name. The RESORBA® brand name has a carrying value of £9.0 million and is not being amortised as the Directors believe it has an unlimited useful economic life. In reaching this assessment, the Directors have considered that the RESORBA® brand has existed for over 80 years and is widely recognised as a market leader in the surgical market.

	Acquired Intangible assets				
	Customer related £'000	Product related £'000	Software intangibles £'000	Development and recertification costs £'000	Total £'000
2023					
Cost					
At beginning of year	22,699	22,917	5,875	21,854	73,345
On acquisition	587	7,951	–	–	8,538
Additions	–	–	89	6,216	6,305
Disposals / impairment	–	–	(35)	–	(35)
Exchange differences	(308)	(1,013)	(31)	(63)	(1,415)
At end of year	22,978	29,855	5,898	28,007	86,738
Amortisation					
At beginning of year	3,823	10,968	4,186	5,995	24,972
Charged in the year	1,476	3,411	522	1,004	6,413
Disposals / impairment	–	–	(34)	–	(34)
Exchange differences	(42)	(437)	(18)	20	(477)
At end of year	5,257	13,942	4,656	7,019	30,874
Net book value					
At 31 December 2023	17,721	15,913	1,242	20,988	55,864
At 31 December 2022	18,876	11,949	1,689	15,859	48,373

14. Property, plant and equipment and Right of use assets

Accounting policy:

Land and buildings and plant and equipment held for use in the production of goods and services or for administrative purposes are carried in the Statement of Financial Position at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Group elected to use the fair value as the deemed cost in respect of land and buildings at the date of transition to IFRS. Fair value was calculated by reference to their existing use at the date of transition.

Depreciation is provided to write off the cost, less estimated residual values, of all property, plant and equipment, over the expected useful life of the asset from the date that the asset is brought into use. It is calculated at the following rates:

- Freehold land – Not depreciated
- Freehold property and improvements – 25 years
- Leasehold improvements and Right-of-use assets – Shorter of useful economic life and unexpired period of the lease
- Plant and machinery – 3 to 15 years
- Fixtures and fittings – 3 to 5 years
- Motor vehicles – 4 to 5 years

Property, plant and equipment in the course of construction for production are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property, plant and equipment assets, commences when the assets are ready for their intended use.

For all assets, the lessee recognises a right-of-use asset and a corresponding liability at the date at which the leased asset is available to use. Assets and liabilities arising from a lease are initially measured on a present value basis using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Lease payments are allocated between the liability and finance expense. The finance expense is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with leases with a lease term of 12 months or less and leases of low-value assets are recognised as an expense in the Income Statement on a straight-line basis.

Impairment of property, plant and Equipment

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income Statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in the Income Statement.

14. Property, plant and equipment and Right of use assets continued

	Freehold land, property and improvements £'000	Right-of-use assets £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
2024						
Cost						
At beginning of year	7,516	15,409	39,472	1,504	372	64,273
On acquisition	7,452	3,634	4,146	50	–	15,282
Additions	305	4,071	3,609	205	–	8,190
Disposals	–	(336)	(243)	(7)	–	(586)
Exchange adjustment	(131)	(421)	(273)	(33)	(19)	(877)
At end of year	15,142	22,357	46,711	1,719	353	86,282
Depreciation						
At beginning of year	1,857	6,782	24,718	1,112	203	34,672
Provided for the year	525	2,776	2,967	185	–	6,453
Disposals	–	(336)	(220)	(7)	–	(563)
Exchange adjustment	(18)	(103)	(1)	(24)	(5)	(151)
At end of year	2,364	9,119	27,464	1,266	198	40,411
Net book value						
At 31 December 2024	12,778	13,238	19,247	453	155	45,871
At 31 December 2023	5,659	8,627	14,754	392	169	29,601

Freehold land has a carrying value of £2.0 million (2023: £1.2 million).

At 31 December 2024, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £0.7 million (2023: £0.4 million).

14. Property, plant and equipment and Right of use assets continued

	Freehold land, property and improvements £'000	Right-of-use assets £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
2023						
Cost						
At beginning of year	7,542	15,101	36,054	1,160	419	60,276
On acquisition	–	15	785	–	–	800
Additions	61	914	3,092	391	–	4,458
Disposals	–	(513)	(284)	(37)	(35)	(869)
Exchange adjustment	(87)	(108)	(175)	(10)	(12)	(392)
At end of year	7,516	15,409	39,472	1,504	372	64,273
Depreciation						
At beginning of year	1,688	5,796	22,692	881	204	31,261
Provided for the year	187	1,548	2,335	275	30	4,375
Disposals	–	(513)	(235)	(37)	(35)	(820)
Exchange adjustment	(18)	(49)	(74)	(7)	4	(144)
At end of year	1,857	6,782	24,718	1,112	203	34,672
Net book value						
At 31 December 2023	5,659	8,627	14,754	392	169	29,601
At 31 December 2022	5,854	9,305	13,362	279	215	29,015

15. Goodwill

Accounting policy:

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually on the basis of the recoverable amount for the relevant cash-generating unit. In assessing recoverable amount, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time. Any impairment is recognised immediately in the Income Statement and is not subsequently reversed.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income Statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in the Income Statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Income Statement to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

Calculation of recoverable amount

The recoverable amount is the higher of fair value less costs to sell or value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money.

Reversal of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

15. Goodwill continued

	2024 £'000	2023 £'000
Cost		
At 1 January	**80,435**	70,859
Acquisitions	**39,707**	11,040
Exchange differences	**(3,258)**	(1,464)
At 31 December	**116,884**	80,435

The Group has two cash generating units ('CGU') whereby goodwill has been allocated (2023: two) and reports CGUs on the same basis as the Group's reportable segments (See note 4). Following the acquisition of Peters Surgical in the year and subsequent commercial restructure, they have been deemed to be sufficiently integrated into the Surgical CGU. See note 32 for details of assets arising on acquisition.

Goodwill in the Surgical CGU also arose on the acquisition of RESORBA® in 2011, the acquisition of Sealantis Limited in 2019, the acquisition of Biomatlante SA in 2019, the acquisition of AFS Medical GmbH in 2022 and the acquisition of Connexicon Medical Ltd in 2023.

Goodwill in the Woundcare CGU arose on the acquisition of Advanced Medical Solutions B.V. in 2009 and on the acquisition of Raleigh Adhesive Coatings Limited in 2020.

The goodwill and intangible assets with indefinite useful economic life have been allocated to the relevant CGU based upon the underlying identification of operations and assets to which the goodwill and intangible assets relate.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The following table demonstrates the allocation and key assumptions used in management's impairment test:

At 31 December 2024	Discount rate	Long-term growth rate	Goodwill £'000	Intangible assets with indefinite useful life £'000	Carrying value £'000
Surgical CGU	**13.0%**	**2.0%**	**100,930**	**8,577**	**109,507**
Woundcare CGU	**12.5%**	**2.0%**	**15,954**	**–**	**15,954**
Consolidated			**116,884**	**8,577**	**125,461**

At 31 December 2023	Discount rate	Long-term growth rate	Goodwill £'000	Intangible assets with indefinite useful life £'000	Carrying value £'000
Surgical CGU	12.8%	2.0%	64,347	9,019	73,366
Woundcare CGU	11.8%	2.0%	16,088	–	16,088
Consolidated			80,435	9,019	89,454

The recoverable amounts have been determined based on a value-in-use calculation on a CGU basis, which uses cash flow projections based on financial budgets approved by the Directors covering a 12-month period. These budgets have been adjusted for specific risk factors that take into account sensitivities of the projection. The base 12-month projection is extrapolated using reasonable growth rates based on a combination of past experience and market growth data, specific to each CGU, up to year five of 5% for Surgical and 0% for Woundcare. A terminal value calculation is then prepared to complete the value-in-use calculation using the long-term growth rate and applying the discount rate to the cash flows which is derived from the Group's current pre-tax weighted average cost of capital adjusted for the risk of each CGU, being an estimation of current market risks and the time value of money.

The Group has conducted a sensitivity analysis on the impairment tests of both CGU's. An increase of 1% in the discount rate wound not result in an impairment in the Woundcare or Surgical CGU. A reduction of 1% of the long-term growth rate would also not result in an impairment in either CGU. The changes required to generate an impairment charge are not considered to be reasonably possible.

16. Inventories

Accounting policy:

Inventory is valued at the lower of cost or net realisable value. Cost comprises direct materials and, where applicable, direct labour costs that have been incurred in bringing the inventories to their present location and condition, and an attributable proportion of manufacturing overheads based on normal levels of activity.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

The Group makes provision for inventory deemed to be irrecoverable or where the net realisable value is lower than cost. This provision is established on a stock keeping unit ('SKU') basis by reference to the age of the stock, the forward order book, management's experience and its assessment of the present value of estimated future cash flow.

At 31 December	2024 £'000	2023 £'000
Raw materials	**19,688**	13,243
Work in progress	**9,617**	7,796
Finished goods	**25,954**	15,007
	55,259	36,046

There is no material difference between the replacement cost of stock and the amount at which it is stated in the Financial Statements.

Included above are finished goods of £nil (2022: £nil) carried at net realisable value.

At 31 December	2024 £'000	2023 £'000
Total gross inventories	**62,719**	39,303
Inventory provision	**(7,460)**	(3,257)
Net inventory	**55,259**	36,046

The Group performs a detailed assessment of all inventory and provisions are made for items identified as obsolete or slow-moving.

17. Trade and other receivables

Accounting policy:

Financial assets included in Trade and other receivables are recognised initially at fair value. The Group holds the Trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less any impairment, based on expected credit losses. Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there may be no reasonable expectation of recovery include ageing of the debt past 180 days, unwillingness to engage in correspondence and changes in credit quality from the date credit was initially granted up to the reporting date. No interest is charged on receivables within the contracted credit period. Thereafter, interest may be charged on the outstanding balance.

Trade receivables that are subject to debt factoring arrangements are derecognised if they meet the conditions for derecognition detailed in IFRS 9 'Financial Instruments'.

At 31 December	2024 £'000	2023 £'000
Current assets		
Trade receivables	**45,906**	20,908
Other receivables	**4,427**	1,383
Prepayments	**2,118**	1,292
	52,451	23,583
Non-current assets		
Prepayments	**70**	73
Other receivables	**959**	–
	1,029	73

	2024 £'000	2023 £'000
Amount receivable for the sale of goods	**46,351**	21,268
Loss allowance	**(445)**	(360)
Net trade receivables	**45,906**	20,908

17. Trade and other receivables continued

The Group's principal financial assets are cash and trade receivables. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits are reviewed on an ongoing basis and reflect current payment history. The concentration of credit risk is limited due to the Group's large and unrelated customer base. Accordingly, the Directors believe that there is no further credit provision required in excess of the loss allowance.

The Group believes that the unimpaired amounts that are past due are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk. A large proportion of debts overdue over 30 days were recovered post the Statement of Financial Position date. The Group does not hold any collateral or other credit enhancements over these balances. No expected credit loss provision is believed to be required for other receivables. Accrued income is not significant and no expected credit loss is believed to be required. The carrying amount and ageing of these debtors is summarised below:

Other receivables principally relates to lease deposits and deposits as part of the French social security scheme.

Ageing of overdue trade receivables but not impaired receivables

	2024 £'000	2023 £'000
31 to 60 days overdue	**1,599**	913
61 to 90 days overdue	**183**	85
> 90 days overdue	**2,174**	476
Total	**3,956**	1,474

Movement in loss allowance for trade receivables

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Balance at the beginning of the year	**360**	275
On acquisition	**211**	–
Impairment losses recognised	**156**	333
Amounts written off as uncollectible	**(225)**	(82)
Amounts recovered during the year	**(57)**	(166)
Balance at the end of the year	**445**	360

Analysis of customers

In the year ended 31 December 2024, no customer accounted for more than 10% of the Group's revenue (2023: no customer with more then 10% revenue).

18. Cash and borrowings

Accounting policy:

Cash and cash equivalents comprise cash and short-term bank deposits. Short-term deposits are classed as cash and cash equivalents when they are satisfied by a pre-determined amount of cash on a known maturity date of 90 days or less or when they can be readily converted into cash within 24 hours. The carrying amount of these assets is approximately equal to their fair value.

Bank borrowings and Other Loans are initially measured at fair value (with direct transaction costs being amortised over the life of the loan) and are subsequently measured at amortised cost using the effective interest method at each reporting date. Changes in carrying value are recognised in the Consolidated Statement of Comprehensive Income.

Net Debt/Cash

	2024 £'000	2023 £'000
Cash held at banks	**17,039**	60,160
Facility A borrowings	**(59,548)**	–
Facility B borrowings	**(11,902)**	–
Other Debt	**(1,399)**	–
Net (Debt)/Cash	**(55,810)**	60,160

The 2024 acquisition of the Peters Surgical has resulted in the Group obtaining a new debt facility which includes a £60 million term loan facility 'Facility A' and £30 million revolving credit facility 'Facility B'. £12 million of the revolving credit facility is drawn at 31 December 2024, with £18 million available if required.

Both the term loan and the revolving credit facility mature in March 2027 and thereafter can be extended by two consecutive twelve months periods with the banks agreement. Interest on drawn funds will be charged at the SONIA interest rate plus an initial bank margin of 1.75%, with this margin expected to reduce in 2025 in line with forecasted leverage reductions.

18. Cash and borrowings continued

Facility A requires a £5 million repayment on the 1st July 2025 anniversary date and £5 million each anniversary date thereafter.

Other debt consists of bank borrowings and overdraft facilities at legal entities which joined the Group as part of the Peters Surgical acquisition.

Movement in borrowings

	2024 £'000	2023 £'000
Facility A funds received	**59,494**	–
Facility B funds received	**19,831**	–
Other borrowings received	**128**	–
Facility B repayment	**(8,000)**	–
Repayment of Peters Surgical loan balances	**(50,630)**	–
Other borrowings repaid	**(3,562)**	(480)
Total movement in borrowings	**17,261**	(480)

Funds received under facilities A and B were received net of arrangement fees.

Other borrowings received include short-term borrowing facilities available at Peters Surgical. Other borrowings repaid primarily relate to factoring facilities at Peters Surgical.

Borrowings in 2023 arose on the acquisition of Connexicon Medical which were subsequently repaid.

19. Trade and other payables

Accounting policy:

Financial liabilities included in Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method with the exception of Contingent consideration arising on acquisitions which continue to be measured at fair value.

	2024 £'000	2023 £'000
Current liabilities		
Trade payables	**13,855**	6,227
Other payables	**10,993**	9,109
Lease liabilities	**3,087**	1,164
Accruals and deferred income	**8,934**	3,918
	36,869	20,418
Non-current liabilities		
Other payables	**3,873**	4,400
Lease liabilities	**10,628**	7,973
	14,501	12,373

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs.

Other payables principally comprise Contingent consideration, amounts due in respect of payroll taxes, pension costs and indirect taxes yet to be remitted. See note 20 for additional information relating to contingent consideration.

Accruals and deferred income principally comprise amounts outstanding for trade purchases and ongoing costs but not yet invoiced and an insignificant amount of Deferred Income.

No interest is charged on trade payables that are within pre-agreed credit terms. Thereafter, interest may be charged on the outstanding balances at various interest rates. The Group has financial risk management procedures in place to ensure that all payables are paid within the pre-agreed credit terms.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

20. Financial instruments

Accounting policy:

Classification of financial instruments

Financial instruments are classified as financial assets, financial liabilities or equity instruments.

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- They include no contractual obligations upon the Group to deliver cash or other financial assets that are potentially unfavourable to the Group; and
- Where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Financial instruments are classified as Level 1, Level 2 or Level 3 in the fair value hierarchy in accordance with IFRS 13, Fair Value Measurements. Fair value measurements are based upon the degree to which the fair value movements are observable and are summarised as follows:

Level 1: Fair value measures are defined as those with quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Fair value measurements are defined as those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (prices from third parties) or indirectly (derived from third-party prices).

Level 3: Fair value measurements are defined as those derived from significant unobservable inputs.

Derivative financial instruments are classified as Level 2 whilst Contingent consideration arising on business combinations are classified as Level 3.

Recognition and valuation of financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and cash deposits and amounts under short-term guarantees, usually three months or less, that are held for the purpose of meeting short-term cash commitments and are subject to insignificant risk in change in value and which are readily convertible to a known amount of cash. Cash held in accounts with more than 90 days' notice that are not required to meet short-term cash commitments are shown as an investment.

Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequent to initial recognition they are measured at amortised cost including a provision for expected credit losses. The Group measures the provision at an amount equal to lifetime expected credit losses, estimated by reference to past experience and relevant forward-looking factors. The Group writes off a receivable when there is objective evidence that the debtor is in significant financial difficulty and there is no realistic prospect of recovery, for example, when a debtor enters bankruptcy or financial reorganisation.

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

An allowance for expected credit losses is recognised for expected lifetime credit losses that result from the failure or inability of customers to make required payments. It is not necessary for a credit event to have occurred before credit losses are recognised. Instead, the Group accounts for expected lifetime credit losses and changes in those expected lifetime credit losses. In determining the allowance, consideration includes the probability of recoverability based on past experience, general economic factors and adjustments for specific customers whose specific circumstances indicate a higher or lower risk of default. The amount of expected credit losses, if any, are required to be updated at each reporting date.

20. Financial instruments continued

De-recognition of financial assets:

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Income Statement. In addition, on de-recognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to the Income Statement. In contrast, on de-recognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the Income Statement, but is transferred to retained earnings.

Recognition and valuation of equity instruments

Equity instruments are stated at par value. Any premium on issue is taken to the share premium account.

Recognition and valuation of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade payables

Trade payables are initially recognised at fair value and are subsequently recognised at amortised cost using the effective interest method.

Other loans

Other loans are initially recognised at fair value and are subsequently recognised at amortised cost using the effective interest method.

Financial liabilities at Fair Value Through Profit or Loss ('FVTPL')

A derivative that is not designated and effective as a hedging instrument is classified as held for trading. Financial liabilities are classified as FVTPL where the financial liabilities are held for trading.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in the Income Statement.

Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each Statement of Financial Position date. The resulting gain or loss is recognised in the Income Statement (administrative costs) immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Income Statement depends on the nature of the hedge relationship. The Group currently designates certain derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Derivatives with remaining maturity of less than 12 months are presented as current assets or current liabilities.

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedges. Hedges of foreign exchange risk on highly probable forecast transactions are accounted for as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions in order to confirm the principle of an 'economic relationship' exists.

20. Financial instruments continued

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the Income Statement in the periods when the hedged item affects the Income Statement, in the same line as the recognised hedged item. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to the Income Statement.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to the Income Statement when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to the Income Statement.

The Group's risk management strategies and hedge documentation are aligned with the requirements of IFRS 9.

Contingent consideration

Contingent consideration arising from a business combination is recognised at fair value on acquisition and include research & development, regulatory, financial and commercial milestones. It is subsequently measured at fair value using decision-tree analysis with key inputs including probability of success, potential for delays and financial projections based on the Group's internal forecasts. Contingent consideration liabilities are classified as financial liabilities measured at fair value. Changes in fair value are recognised in the Consolidated Income Statement.

Right to offset

Financial assets and liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Categories of financial instruments

Financial instruments held by the Group are summarised in the table below and are held at amortised cost with the exception of Derivative financial instruments and financial liabilities measured at fair value.

	Carrying value	
	2024 £'000	2023 £'000
Financial assets		
Trade receivables	**45,906**	20,908
Other receivables	**5,386**	1,383
Cash and cash equivalents	**17,039**	60,160
Derivative instruments in designated hedge accounting relationships	**296**	2,665
Financial liabilities		
Derivative instruments in designated hedge accounting relationships	**735**	–
Financial liabilities measured at amortised cost	**106,559**	13,993
Financial liabilities measured at fair value	**3,945**	9,661
Lease liabilities	**13,715**	9,137

The Risk Management section on Pages 71 to 77 provides an explanation of the financial risks faced by the Group and the objectives and policies for managing those risks including hedging practices adopted. The information below deals with the financial assets and liabilities.

20. Financial instruments continued

(a) Maturity of financial liabilities

The maturity profile of the Group's financial liabilities, of which finance lease liabilities are at fixed rates and denominated in Sterling whilst derivative financial instruments are non-interest bearing, is as follows:

At 31 December 2024	On demand or within one year £'000	Between one and two years £'000	Between two and five years £'000	Five years or more £'000	Total financial liabilities £'000
Trade and other payables	**33,782**	**952**	**1,503**	**1,418**	**37,655**
Borrowings	**5,421**	**4,956**	**62,472**	**–**	**72,849**
Lease liabilities	**3,087**	**2,854**	**5,092**	**2,682**	**13,715**
Financial derivatives	**261**	**474**	**–**	**–**	**735**
At 31 December 2024	**42,551**	**9,236**	**69,067**	**4,100**	**124,954**

At 31 December 2023	On demand or within one year £'000	Between one and two years £'000	Between two and five years £'000	Five years or more £'000	Total financial liabilities £'000
Trade and other payables	19,254	1,497	1,620	1,283	23,654
Lease liabilities	1,164	1,326	3,088	3,559	9,137
Financial derivatives	–	–	–	–	–
At 31 December 2023	20,418	2,823	4,708	4,842	32,791

The Group enters lease arrangements to acquire right-of-use assets, predominately relating to premises from which the Group operates, vehicles and office equipment. Material leases include the lease of the Group's headquarters, factory and distribution centre in Winsford, UK, a factory in Etten-Leur, the Netherlands and an office in Paris following the acquisition of Peters Surgical in the year.

The Winsford leases were entered into in 2017 and expire in 2032. They have a total lease liability net present value of £5.2 million (2023: £5.9 million) and attract increases at five-year intervals linked to market rate. The incremental borrowing rate is 4%.

The Etten-Leur lease was entered into in 2020 and expires in 2033 and has a lease liability net present value of £1.5 million (2023: £1.7 million). Rent increases are indexed linked on an annual basis. The incremental borrowing rate is 0.62%.

The Paris office lease expires in 2027 and has a lease liability net present value of £1.3 million and an incremental borrowing rate of 3%.

(b) Contingent consideration

Financial liabilities measured at fair value consists of Contingent consideration which has arisen on acquisitions. This is reconciled as follows:

	2024 £'000	2023 £'000
Balance at the beginning of the year	**9,661**	3,753
Additions through Business combinations	**951**	13,638
Settlements	**(5,529)**	(7,399)
Revaluations	**(1,349)**	(1,439)
Discount Unwind	**439**	1,347
Currency revaluations	**(228)**	(239)
Balance at the end of the year	**3,945**	9,661

Management has identified that reasonably possible changes in certain key assumptions, including the likelihood of achieving regulatory approval, the projected revenue of relevant products, gross margin of relevant acquired entities and utilisation of tax losses, may cause the calculated fair value of the above contingent consideration to vary materially in future years and is a key source of estimation uncertainty.

Within financial liabilities measured at fair value are liabilities which arose on the acquisition of Sealantis in 2019 and relate to contingent consideration as well as amounts due to the Israeli Innovation Authority ('IIA').

Contingent consideration arising on the acquisition of Sealantis in 2019 relate to contingent consideration on a royalty basis as well as amounts due to the Israeli Innovation Authority ('IIA') which are also on a royalty basis in respect of historical funding for Sealantis. Contingent consideration is based on future sales of existing products in development at the time of acquisition and are due until the end of 2027. Amounts due to the IIA does not have a time limit and is to be repaid as a royalty on sales until the balance is repaid. The liabilities are calculated based on the net present value of future sales projections with a 8.0% discount rate applied (2023: 9.4%). The discount rate used to calculate the liability is the Group's weighted average cost of capital.

20. Financial instruments continued

(b) Contingent consideration continued

Amounts due to the IIA are linked to grants received prior to acquisition and are payable based on a percentage of the net present value of future sales projections with a 8.0% (2023: 9.4%) discount rate applied and subject to at least 10% of manufacturing being retained in Israel. The Group expects to continue to perform at least 10% of manufacturing in Israel of the relevant products. The liability is calculated based on the net present value of future sales projections on the basis that the liability does not expire until the liability is settled. At 31 December 2024 the estimated fair value of contingent consideration arising on the acquisition of Sealantis is £1.3 million (2023: £1.2 million). A 10% change in projected future sales, whether increase or decrease, would result in a corresponding £0.1 million increase or decrease to the contingent consideration.

Contingent consideration arose on the acquisition of AFS, payable €0.5 million per year subject to EBITDA delivery in financial years 2022-2024. The remaining €0.5 million EBITDA milestone was met in FY2024 and paid subsequent to 31 December 2024. At 31 December 2024 the fair value of this liability is £0.4 million (2023: £0.8 million).

Contingent consideration arose on the acquisition of Connexicon in respect of up to €18 million which is payable subject to delivery of certain research & development, regulatory and commercial milestones between 2023 and 2027. During the year several milestones were met resulting in payment of €6.0 million of contingent consideration (2023: €8 million). Up to €4 million of contingent consideration could be paid in future periods and is based on commercial milestones. The estimated fair value at 31 December 2024 is £1.4 million (2023: £7.6 million). The remaining Commercial milestone is linked to additional growth on a linear basis up to a maximum of €4 million.

Contingent consideration arose on the acquisition of up to €8.9 million (approximately £7.5 million) payable on delivery of US regulatory approvals, achievement of FY24 revenue and gross margin targets, and satisfying certain inventory and tax conditions. £1.0 million was the estimated fair value at the acquisition date and £0.8 million is the estimated fair value at 31 December 2024. See Note 26 for further information on Peters Surgical acquisition accounting. At 31 December 2024 US regulatory approvals had not been achieved and therefore this contingent consideration has not been achieved. Gross margin targets had been partially achieved and therefore have been recognised at fair value. A 10% increase in taxable profit in France will not result in the achievement of the relevant milestone. A 10% increase in the achievement of the Inventory milestone will impact this element of contingent consideration by less than £0.1 million.

(c) Interest rate

Interest on drawn funds will be charged at the SONIA interest rate plus a current bank margin of 1.75%. An increase of 100 basis points to the SONIA interest rate will add approximately £0.7 million of additional interest costs assuming borrowings levels remain unchanged from those at 31 December 2024 and all other variables are unchanged.

(d) Currency exposures

The currency profile of the financial assets of the Group is as follows:

Cash and cash equivalents

	2024 £'000	2023 £'000
Currency		
Sterling	**5,612**	54,269
US Dollar	**2,002**	771
Euro	**8,201**	4,988
Other	**1,224**	132
At 31 December 2023	**17,039**	60,160

Trade and other receivables

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Trade and other receivables are in the following currencies:

	2024 £'000	2023 £'000
Sterling	**13,025**	9,860
US Dollar	**15,184**	7,194
Euro	**21,250**	6,563
Other	**4,021**	39
	53,480	23,656

20. Financial instruments continued

(d) Currency exposures continued

The financial assets all mature within one year. Credit risk is discussed in Note 17.

The Group hedges significant currency transaction exposure by using forward contracts, and aims to hedge approximately 80% of its estimated transactional exposure for the next 18 months.

Risk sensitivity

The Group estimates that a 10% movement in the £:US$ or £:€ exchange rate will impact Sterling revenues by approximately 2.5% and 4.4% respectively and, in the absence of any hedging, this would have an impact on the Group operating margin of 1.7% and 0.7% percentage points respectively.

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts.

The following table details the forward foreign currency contracts outstanding as at the year-end:

	Average contract rate		Foreign currency		Fair value	
Outstanding contracts	**2024 USD:£1**	**2023 USD:£1**	**2024 USD '000**	**2023 USD '000**	**2024 £'000**	**2023 £'000**
Cash flow hedges						
Sell US dollars						
Less than 3 months	**1.28**	1.26	**9,500**	7,500	**(143)**	51
3 to 6 months	**1.23**	1.15	**8,500**	7,500	**131**	617
6 to 12 months	**1.25**	1.15	**18,000**	18,500	**47**	1,468
Over 12 months	**1.30**	1.24	**18,000**	22,500	**(474)**	520
			54,000	56,000	**(439)**	2,656

	Average contract rate		Foreign currency		Fair value	
	2024 EUR:£1	**2023 EUR:£1**	**2024 EUR '000**	**2023 EUR '000**	**2024 £'000**	**2023 £'000**
Sell Euros						
Less than 3 months	**–**	1.14	**–**	600	**–**	5
3 to 6 months	**–**	1.13	**–**	600	**–**	4
6 to 12 months	**–**	–	**–**	–	**–**	–
Over 12 months	**–**	–	**–**	–	**–**	–
	–		**–**	1,200	**–**	9

The fair value amounts (classified under level two of the fair value hierarchy) presented above are the difference between the market value of equivalent instruments at the Statement of Financial Position date and the contract value of the instruments. No profits or losses are included in operating profit in the year (2023: £nil) in respect of FVTPL contracts.

The following table presents the impact of hedging in other comprehensive income:

Impact of hedging on other comprehensive income

	2024 £'000	**2023 £'000**
At beginning of year	**2,000**	(1,519)
Cash flow hedges reclassified to the Consolidated Income Statement	**(2,361)**	1,358
Movement in cash flow hedges recognised in Other Comprehensive Income	**(743)**	2,626
Movement in Deferred tax arising on cash flow hedges	**664**	(465)
Total	**(440)**	2,000

21. Foreign exchange rates

Accounting policy:

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Income Statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the date the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates ruling at the Statement of Financial Position date. The revenue and expenses of foreign operations are translated at an average rate for the period unless exchange rates fluctuate significantly. Exchange differences arising on consolidation are recognised in equity within the Group's translation reserve. Such translation differences are recognised as income or expense in the period in which the operation is disposed of.

The Group uses the average of exchange rates prevailing during the period to translate the results and cash flows of overseas subsidiaries into Sterling and period-end rates to translate the net assets of those entities. The currencies which most influence these translations and the relevant exchange rates were:

	Average rate		Closing rate		Percentage change	
	2024	2023	2024	2023	Average %	Closing %
Currency						
US Dollar	**1.28**	1.24	**1.25**	1.27	**3**	**(2)**
Euro	**1.18**	1.15	**1.21**	1.15	**3**	**5**

22. Equity

Accounting policy:

Equity includes share capital, share premium, other reserves, translation reserve, retained earnings reserve and non-controlling interest. There are no externally imposed capital requirements on the Group.

Working capital is managed in order to generate maximum conversion of profits into cash and cash equivalents thereby maintaining capital. A schedule of net debt is provided in note 18.

The Group returns cash to shareholders by means of dividends whilst ensuring the Group has the cash available to develop the products and services provided by the Group in order to provide an adequate return to shareholders.

The Group has de facto control of the assets, liabilities and shares of the Trust and bear their benefits and risks. The Group records assets and liabilities of the Trust as its own.

In compliance with IAS 32 'Financial Instruments: Presentation Group', shares held by the EBT are included in the Consolidated Statement of Financial Position are recorded at cost and as a reduction in equity. Gains and losses on Group shares are recognised directly in reserves.

The Group established a second EBT (The Advanced Medical Solutions Group PLC Employee Benefit Trust) in July 2023 to enable shares to be bought in the market to satisfy the demand from share awards under the Group's employee share plans. The EBT is a separately administered trust and is funded by loans from Group companies. The assets of the trust comprise shares in the Group and cash balances. The Group recognises the assets and liabilities of the trust in the Consolidated Financial Statements and shares held by the trust are recorded at cost as treasury shares as a deduction from shareholders' equity. Consideration received for the sale of shares held by the trust is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

22. Equity continued

Share capital

Number of Ordinary Shares of 5p each	Allotted, called up and fully paid '000
At 1 January 2023	216,878
Share capital allotted for share schemes	451
At 31 December 2023	217,329
Share capital allotted for share schemes	535
At 31 December 2024	**217,864**

At the Statement of Financial Position date, 3.8 million (2023: 3.8 million) shares are retained by the Trust to meet a proportion of the requirements of the schemes. For further information on the Share option plans, see Note 23.

Ordinary Shares of 5p each	Allotted, called up and fully paid £'000
At 1 January 2023	10,843
Share capital allotted for share schemes	22
At 31 December 2023	10,865
Share capital allotted for share schemes	27
At 31 December 2024	**10,892**

Other reserves

Other reserves includes a merger reserve, share-based payments reserve, Share-based payments deferred tax reserve and Investment in own shares reserve.

The merger reserve represents Advanced Medical Solutions Limited's share premium account arising from merger accounting.

The Investment in own shares relates to shares held in trust on behalf of employees in respect of the Share Incentive Plan by The Advanced Medical Solutions Group UK PLC Employee Benefit Trust which held at nominal value. 0.1 million shares were issued to the Trust in 2024 at nil cost, whilst 0.1 million shares left the Trust following employee exercise of the shares.

The shares held in trust on behalf of employees in respect of the Group Share Option Plan by The Advanced Medical Solutions Group PLC Employee Benefit Trust were shares purchased in the open market and held at the weighted average cost of the shares.

The Advanced Medical Solutions Group PLC Employee Benefit Trust was established in July 2023. During the year, no shares (2023: 3.2 million shares at an average price of £2.12) were purchased by the Trust. 3.2 million shares are held at 31 December 2024.

Own shares held represent 1.7% (2023: 1.5%) of the called-up share capital of the Group.

Hedging reserve

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instruments are recognised in the Income Statement only when the hedged transaction impacts the Income Statement or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

Translation reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations, which relate to subsidiaries only, from their functional currency into the parent's functional currency, being Sterling, are recognised directly in other comprehensive income and the translation reserve.

Non-Controlling interest

A non-controlling interest in SPA Sutural, an Algeria based manufacturer and distributor of Sutures, arose as a result of the acquisition of Peters Surgical.

Dividends

Amounts recognised as distributions to equity holders in the period:

Year ended 31 December	2024 £'000	2023 £'000
Final dividend for the year ended 31 December 2023 of 1.66p (2022: 1.51p) per Ordinary Share	**3,556**	3,265
Interim dividend for the year ended 31 December 2024 of 0.77p (2023: 0.70p) per Ordinary Share	**1,645**	1,510
	5,201	4,775
Proposed final dividend for the year ended 31 December 2024 of 1.83p (2023: 1.66p) per Ordinary Share	**3,928**	3,556

The proposed final dividend is subject to approval by the shareholders and has not been included as a liability in these Financial Statements.

23. Share-based payments

Accounting policy:

The Group issues equity–settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value, as determined at the grant date of equity–settled share-based payments, is expensed on a straight-line basis over the vesting period, based on the Group's estimate of options that will eventually vest. At each Statement of Financial Position date the Group revises its estimate of the number expected to vest as a result of the effect of non-market based vesting conditions. The impact, if any, is recognised in the Income Statement with a corresponding adjustment to reserves.

Fair value is measured by use of a Black-Scholes Merton or Monte Carlo model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

The charge for share-based payments under IFRS 2 arises across the following schemes:

	2024 £'000	2023 £'000
Unapproved Executive Share Option Scheme and Company Share Option Scheme	**755**	564
Long-Term Incentive Plan	**1,098**	1,161
Share Incentive Plan and Deferred Annual Bonus Scheme	**1,233**	1,191
	3,086	2,916

Unapproved Executive Share Option Scheme and Company Share Option Plan ('CSOP')

The following table reconciles the number of share options outstanding:

	2024 Number of Options	2023 Number of Options
Outstanding at beginning of the year	**7,528,135**	4,692,677
Issued	**1,573,670**	3,650,616
Exercised	**(24,938)**	(151,476)
Lapsed	**(383,393)**	(663,682)
Outstanding at end of the year	**8,693,474**	7,528,135
Exercisable at end of the year	**2,592,848**	1,979,510

The weighted average remaining contractual life of the options outstanding at 31 December 2024 is 7.3 years (2023: 7.9 years).

The weighted average exercise price of options exercised in the year was £2.53 (2023: £2.34)

The weighted average exercise price of options remaining is £2.28 (2023: £2.38) with a range of exercise prices from £1.17 to £3.29. The weighted average exercise price of options exercisable is £2.58 (2023: £2.67).

The fair value of the executive options is calculated based on a Black-Scholes Merton model. The following table gives the assumptions applied to the options granted in the respective period:

	2024	2023
Share price at grant date	**184p**	182p – 240p
Exercise price	**184p**	182p – 240p
Expected life	**3 yrs**	3 yrs
Contractual life	**10 yrs**	10 yrs
Risk free rate	**4.22%**	3.66%
Expected volatility	**36%**	34%
Expected dividend yield	**1.24%**	0.90%
Fair value of options	**41p**	38p – 50p

23. Share-based payments continued

Under the terms of the Company's Share Option Schemes, approved by shareholders in 2019, the Board may offer options to purchase Ordinary Shares in the Company to all employees of the Company at the market price on a date determined prior to the date of the offer. Individuals who are entitled to awards under the LTIP are not eligible to receive options under the Company's Share Option Schemes.

Performance targets are assessed over a three-year period from the date of grant. Once options have vested they can be exercised during the period up to ten years from the date of grant.

The expected volatility was determined by calculating the historic volatility of the Group's share price over the previous three years.

Long Term Incentive Plan ('LTIP')

The following table reconciles the number of share options outstanding:

	2024 Number of Options	2023 Number of Options
Outstanding at beginning of the year	**2,839,886**	2,152,706
Issued	**1,520,761**	1,117,968
Exercised	**(193,047)**	(63,419)
Lapsed	**(80,076)**	(367,369)
Outstanding at end of the year	**4,087,524**	2,839,886
Exercisable at end of the year	**836,735**	537,770

The exercise price of these options is £1 for each issue of LTIPs.

The weighted average exercise price of the Long-Term incentive Plan in the year was £2.10 (2023: £2.24)

The weighted average remaining contractual life of the LTIPs outstanding at 31 December 2023 is 7.9 years (2023: 7.7 years).

The fair value of the LTIP options is calculated using the monte carlo method. The following table gives the assumptions applied to the options granted in the respective period:

	2024	2023
Share price at grant date	**190p**	239.5p
Exercise price	**0p**	0p
Expected life	**3 yrs**	3 yrs
Contractual life	**10 yrs**	10 yrs
Risk free rate	**4.22%**	3.66%
Expected volatility	**36%**	33%
Expected dividend yield	**1.24%**	0.90%
Fair value of option	**164p–183p**	211p

The expected volatility was determined by calculating the historic volatility of the Group's share price over the previous three years.

The entitlement to shares under the LTIP is subject to achieving the performance conditions referred to in the remuneration report on Pages 98-111. The numbers shown are maximum entitlements and the actual number of shares issued (if any) will depend on these performance conditions being achieved.

Share Incentive Plan ('SIP')

The following table reconciles the number of share options outstanding:

	2024 Number of Options	2023 Number of Options
Outstanding at beginning of the year	**2,661,699**	1,910,151
Issued	**841,398**	987,828
Exercised	**(237,514)**	(203,798)
Lapsed	**(33,500)**	(32,482)
Outstanding at end of the year	**3,232,083**	2,661,699
Exercisable at end of the year	**935,718**	814,287

The weighted average exercise price of the Share incentive Plan in the year was £2.05 (2023: £2.25).

The exercise price of the matching shares is £nil.

23. Share-based payments continued

The fair value of the SIP shares are calculated based on a Black-Scholes Merton model. The following table gives the assumptions applied to the options granted in the respective period:

	2024	2023
Share price at grant date	**203p–232p**	181p–252p
Exercise price	**0p**	0p
Expected life	**5 yrs**	5 yrs
Risk-free rate	**4.22%**	3.66%
Expected volatility	**36%**	33%
Expected dividend yield	**1.24%**	0.9%
Fair value of option	**171p–202p**	156p–218p

The expected volatility was determined by calculating the historic volatility of the Group's share price over the previous three years.

The entitlement to shares under the SIP is subject to a three-year holding period. The actual number of shares that will be matched will depend on these performance conditions being met. Details on the SIP are given on Page 103.

Deferred Annual Bonus Scheme ('DAB')

The following tables reconcile the number of share options outstanding

	2024 Number of Options	2023 Number of Options
Outstanding at beginning of the year	**127,144**	57,221
Issued	**–**	72,198
Exercised	**(520)**	(2,275)
Lapsed	**–**	–
Outstanding at end of the year	**126,624**	127,144
Exercisable at end of the year	**36,158**	37,349

The weighted average exercise price of the Deferred Annual Bonus Plan options in the year was £2.04 (2023: £2.51)

The weighted average remaining contractual life of the DAB options outstanding at 31 December 2023 is 6.6 years (2023: 7.6 years).

The fair value of the DAB options are calculated based on a Black-Scholes Merton model. The following table gives the assumptions applied to the options granted in the respective periods shown.

	2024	2023
Share price at grant date	**–**	239.5p
Exercise price	**–**	0p
Expected life	**–**	3 yrs
Contractual life	**–**	10 yrs
Risk-free rate	**–**	3.66%
Expected volatility	**–**	33%
Expected dividend yield	**–**	0.9%
Fair value of option	**–**	208p

As there was not a bonus paid in the financial year ending 31 December 2024, a Deferred annual bonus did not arise.

The expected volatility was determined by calculating the historic volatility of the Group's share price over the previous three years.

The DAB scheme began on 21 May 2014. Participants compulsorily defer part of their bonus for the relevant financial year and they vest at the end of a three-year period from the time of grant.

24. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. There are no other related party transactions to disclose.

The remuneration of the Directors, is set out in the Remuneration Committee Report on Pages 98-111. The remuneration of all key management personnel, which includes Directors, is disclosed in note 7 to the consolidated financial statements.

25. Audit Exemption

The Company is entitled to exemption from audit for its subsidiaries under Section 479A of the Companies Act 2006 for the period ended 31 December 2023.

The Directors have applied this exemption for the following subsidiaries:

Company Name	Company number
Raleigh Adhesive Coatings Limited	02300965
Advanced Medical Solutions (Europe) Limited	08819564

Advanced Medical Solutions Group PLC will guarantee all outstanding liabilities that these subsidiaries are subject to as at the period ended 31 December 2024 in accordance with Section 479C of the Act, as amended by the Companies and Limited Liability Partnerships (Accounts and Audit Exemptions and Change of Accounting Framework) Regulations 2012.

26. Acquisition

Accounting policy:

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, the equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the issue of debt or equity. Acquisition related expenses are accounted for as expenses in the period in which the costs are incurred and the services rendered, with the exception of directly attributable costs incurred as a result of raising equity, which are offset against share premium, and raising debt, which are capitalised and amortised over the term of the debt. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the Income Statement.

On 1 July 2024, the Group acquired 100% of the Share Capital of Peters Surgical ('Peters Surgical'), a leading global provider of specialty surgical sutures, mechanical haemostasis and internal cyanoacrylate devices headquartered in Paris, France.

In the six-month Period from acquisition to 31 December 2024, Peters Surgical contributed £37.2 million of revenue to the Group and £4.2 million of operating profit. Amortisation of intangible assets of £2.9 million has also been recorded in the period in respect of the acquisition in addition to £0.3 million of exceptional items. The resulting unwind in Inventory fair value accounting resulted in a £1.7 million expense being recorded as an adjusting item. An additional £37.0 million of revenue would have been recognised if Peters Surgical had been part of the group for the start of the year.

The results, assets and liabilities of Peters Surgical have been included in the Surgical business unit segment.

	£'000
Identifiable net assets acquired	
Technology Intangible	28,769
Customer Intangible	19,244
Property, plant and equipment	15,296
Software intangibles	891
Deferred tax asset	181
Inventory	19,482
Trade Receivables	20,681
Corporation tax debtor	1,954
Cash	10,526
Trade payables	(16,886)
Loan	(56,653)
Corporation tax liability	(2,454)
Deferred Tax liability	12,574
Lease liabilities	(3,480)
Total net assets acquired	24,977
Goodwill arising on acquisition	39,707
	64,864

26. Acquisition continued

Satisfied by	£'000
Cash consideration	63,733
Contingent consideration (Fair value)	951
	64,684

Net cash flow on acquisition	£'000
Cash consideration	63,733
Cash acquired	(10,526)
	53,207

Contingent consideration arose on the acquisition of up to €8.9 million (approximately £7.5 million) payable on delivery of US regulatory approvals, achievement of FY24 gross margin targets, and satisfying certain inventory and tax conditions. This Contingent consideration has been fair valued at £1.0 million at acquisition. No payments have been made in the Period in relation to this contingent consideration.

The goodwill represents the control premium, the acquired workforce and the synergies expected from integrating Peters Surgical into the Group.

None of the goodwill on the acquisition is expected to be deductible for income tax.

On 1 March 2024, the Group acquired the trade and assets of Syntacoll GmbH ('Syntacoll'), a specialist manufacturer of drug-eluting collagens that strengthens the Group's existing Biosurgical business based near Munich in Germany for approximately £1 million. The fair value of assets acquired are as follows:

	£'000
Identifiable net assets acquired	
Technology-based Intangible asset	214
Property, plant and equipment	111
Inventory	600
Total net assets acquired	925

27. Events after reporting period

There have been no material events subsequent to the end of the reporting period ended 31 December 2024.

Company Statement of Financial Position
At 31 December 2024

	Note	2024 £'000	2023 £'000
Non current assets			
Investments in subsidiaries	3	**169,344**	58,017
Trade and other receivables	4	**38,423**	34,271
		207,767	92,288
Current assets			
Trade and other receivables	4	**3,663**	546
Cash and cash equivalents		**6,037**	52,446
Corporation tax debtor		**1,529**	–
		11,229	52,992
Current liabilities			
Trade and other payables	5	**(10,255)**	(2,661)
Borrowings	6	**(4,755)**	–
Current tax liabilities		**–**	(741)
		(15,010)	(3,402)
Non-current liabilities			
Borrowings	6	**(66,695)**	–
Net current assets		**(3,781)**	49,590
Net assets		**137,291**	141,878
Equity shareholders' funds			
Share capital	7	**10,892**	10,865
Share premium		**37,525**	37,473
Other reserves	7	**14,870**	11,772
Retained earnings		**74,004**	81,768
Equity attributable to equity holders of the parent		**137,291**	141,878

The Company reported a net loss for the year ended 31 December 2024 of £2.6 million (2023: gain of £3.2 million) which includes £nil other comprehensive income (2023: £0.1 million).

The Financial Statements of Advanced Medical Solutions Group plc (registration number 2867684) on Pages 165 to 172 were approved by the Board of Directors and authorised for issue on 27 May 2025 and were signed on its behalf by:

Chris Meredith
Chief Executive Officer
27 May 2025

Company Statement of Changes in Equity
For the year ended 31 December 2024

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000
At 1 January 2023	10,843	37,269	15,544	83,379	147,035
Share-based payments	–	–	2,916	–	2,916
Share options exercised	22	204	22	–	248
Own shares purchased	–	–	(6,710)	–	(6,710)
Total comprehensive expense	–	–	–	3,164	3,164
Dividends paid	–	–	–	(4,775)	(4,775)
At 31 December 2023	10,865	37,473	11,772	81,768	141,878
Share-based payments	**–**	**–**	**3,086**	**–**	**3,086**
Share options exercised	**27**	**52**	**12**	**–**	**91**
Own shares purchased	**–**	**–**	**–**	**–**	**–**
Total comprehensive income	**–**	**–**	**–**	**(2,563)**	**(2,563)**
Dividends paid	**–**	**–**	**–**	**(5,201)**	**(5,201)**
At 31 December 2024	**10,892**	**37,525**	**14,870**	**74,004**	**137,291**

Notes to the Company Financial Statements
Year ended 31 December 2024

1. Material accounting policies

Basis of preparation

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The Financial Statements have been prepared on the historical cost basis of accounting except as disclosed in the accounting policies set out below.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, revenue, financial instruments, capital management, presentation of a Cash Flow Statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own Income Statement for the year. Advanced Medical Solutions Group plc reported a loss for the year ended 31 December 2024 of £2.6 million (2023: gain of £3.2 million) which includes £nil Other Comprehensive Income (2023: £0.1 million).

The Auditor's remuneration for audit and other services is disclosed in Note 7 to the Consolidated Financial Statements.

Critical judgements in applying the Company's accounting policies and areas of key estimation uncertainty

In the process of applying the Company's accounting policies, which are described below, no judgements have been made by the Directors, nor do any areas of key estimation uncertainty exist that have a significant effect on the amounts recognised in the Financial Statements.

Investment in subsidiaries

Investments in subsidiaries are shown at cost less provision for impairment. The Company assesses investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount of the investment is less than the carrying amount of the investment, the investment is considered to be impaired and is written down to its recoverable amount.

Foreign currencies

Transactions in currencies other than Pounds Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses arising on retranslation are included in the Income Statement for the period.

Finance income

Finance income relates to interest earned on cash and cash equivalents. Interest income is accrued on a time-basis, by reference to the principal outstanding and at the effective interest rate applicable.

Finance charges

Finance charges comprise interest payable on interest-bearing loans and borrowings and fair value losses on interest rate swap derivative financial instruments. Finance charges are recognised in the Income Statement on an effective interest method.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax.

Share based payments

The Company has applied the requirements of IFRS 2 Share-based payments.

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period. At each Statement of Financial Position date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the Income Statement such that the cumulative expense reflects the revised estimates with a corresponding adjustment to the equity-settled employee benefits reserve.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1. Material accounting policies continued

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences in respect of the initial recognition of assets and liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Trade and other creditors

Trade and other creditors are non-interest bearing and recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Derivatives

The Company uses derivative financial instruments to hedge its exposure to currency risks arising from operational, financing and investment activities. The Group's derivatives are governed by contracts based on the master agreement of the International Swaps and Derivatives Association (ISDA). In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivative financial instruments are recognised initially at fair value and remeasured at each period end.

The gain or loss on remeasurement to fair value is recognised immediately in the Income Statement. The Company has elected not to apply hedge accounting. Forward currency contracts are recognised at fair value in the Statement of Financial Position with movements in fair value recognised in the Income Statement for the period. The fair value of the instruments is the estimated amount that the Company would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the respective risk profiles of the swap counterparties.

Derivatives are presented as assets when the fair values are positive and as liabilities when the fair values are negative.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

2. Staff costs

The average number of employees in the year was 18 (2023: 18), all of whom were classified as Administration (2023: same). The Directors' remuneration is detailed in Note 7 to the Consolidated Financial Statements.

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Staff costs for all employees, including Executive Directors, consists of:		
Wages and salaries including bonuses	**4,687**	2,538
Social Security costs	**508**	363
Pension costs	**122**	92
Share-based payments (see Note 23 to the Consolidated Financial Statements)	**3,086**	2,916
	8,403	5,909

3. Investments in subsidiaries

	Investments in subsidiaries £'000
Cost	
At 1 January 2023	86,687
Additions	–
At 31 December 2023	86,687
Additions	111,327
At 31 December 2024	198,014
Provisions for impairment	
At 1 January 2023 and 2024	28,670
At 31 December 2023 and 2024	28,670
Net book value	
At 31 December 2022 and 2023	58,017
At 31 December 2024	169,344

An impairment assessment was performed on the investments in subsidiaries at 31 December 2024 with no impairment required in the year. (2023: £nil).

The following were subsidiary undertakings at the end of the year and have all been included in the consolidated accounts.

Name	Country of operation	Group interest	Nature of business	Registered address
Wholly owned subsidiaries:				
AFS Medical GmbH	Austria	100%	Distribution of medical products	Gewerbepark B17/ II, Straße 1/3, 2524 Teesdorf, Austria
Resorba s.r.o.	Czech Republic	100%	Manufacture and sales office of medical products	Haltravska No. 9/578, 34401, Domazlice, Czech Republic
Advanced Medical Solutions Limited	England	100%*	Development and manufacture of medical products	Premier Park, 33 Road One, Winsford Industrial Estate, Winsford, Cheshire, CW7 3RT, United Kingdom
Advanced Medical Solutions (UK) Limited	England	100%*	Holding Company	Premier Park, 33 Road One, Winsford Industrial Estate, Winsford, Cheshire, CW7 3RT, United Kingdom
Advanced Medical Solutions Trustee Company Limited	England	100%*	Trustee Company	Premier Park, 33 Road One, Winsford Industrial Estate, Winsford, Cheshire, CW7 3RT, United Kingdom
Advanced Medical Solutions (Plymouth) Limited	England	100%*	Dormant	Premier Park, 33 Road One, Winsford Industrial Estate, Winsford, Cheshire, CW7 3RT, United Kingdom
Advanced Healthcare Systems Limited	England	100%	Dormant	Premier Park, 33 Road One, Winsford Industrial Estate, Winsford, Cheshire, CW7 3RT, United Kingdom
MedLogic Global Holdings Limited	England	100%	Holding Company	Premier Park, 33 Road One, Winsford Industrial Estate, Winsford, Cheshire, CW7 3RT, United Kingdom
Innovative Technologies Limited	England	100%	Dormant	Premier Park, 33 Road One, Winsford Industrial Estate, Winsford, Cheshire, CW7 3RT, United Kingdom

3. Investments in subsidiaries continued

Name	Country of operation	Group interest	Nature of business	Registered address
Advanced Medical Solutions (Europe) Limited	England	100%*	Providing financial support to other Group entities	Premier Park, 33 Road One, Winsford Industrial Estate, Winsford, Cheshire, CW7 3RT, United Kingdom
Raleigh Adhesive Coatings Limited	England	100%	Development and manufacture of medical products	Premier Park, 33 Road One, Winsford Industrial Estate, Winsford, Cheshire, CW7 3RT, United Kingdom
Biomatlante S.A	France	100%*	Development and manufacture of medical products	5, Rue Edouard Belin, 44360 Vigneux de Bretagne, France
Groupe Peters Surgical	France	100%	Holding Company	1 Cours de l'Ile Seguin, 92100 Boulougne-Billancourt, Paris, France
Peters Surgical	France	100%	Development and manufacture of medical products	1 Cours de l'Ile Seguin, 92100 Boulougne-Billancourt, Paris, France
Advanced Medical Solutions (Germany) GmbH	Germany	100%*	Holding Company	Am Flachmoor 16, 90475 Nuremberg, Germany
Catgut GmbH	Germany	100%	Development and manufacture of medical products	Gewerbepark 18 · 08258 Markneukirchen, Germany
MPN Medizin Produkte Neustadt GmbH	Germany	100%	Manufacture of medical products	Sierkdorfer Str. 15, 23730, Neustadt in Holstein, Germany
Resorba Medical GmbH	Germany	100%	Development and manufacture of medical products	Am Flachmoor 16, 90475 Nuremberg, Germany
TNI Chirurgisches Nadelwerk GmbH	Germany	100%	Development and manufacture of medical products	Erfurter Straße 46 · 99334 Ichtershausen, Germany
Connexicon Medical Limited	Ireland	100%	Development and manufacture of medical products	Synergy Centre, TU Dublin, Tallaght, Dublin 24, D24 A386, Ireland
Peters Surgical India Private Limited	India	100%	Development and manufacture of medical products	E-25, B-1 Extn, Mcie Badapur, New Delhi, Delhi 110044, India
Advanced Medical Solutions Israel (Sealantis) Limited	Israel	100%	Development and manufacture of medical products	Malat Building, Technion City, Haifa, Israel 3200004
Peters Surgical Benelux S.A.	Luxembourg	100%	Distribution of medical products	Beelerstrooss 2 9991 Weiswampach, Luxembourg
Advanced Medical Solutions BV	Netherlands	100%*	Development and manufacture of medical products	Munnikenheiweg 35, 4879 NE Etten-Leur, Netherlands
Peters Surgical Polska SP Z.O.O.	Poland	100%	Distribution of medical products	Ul. Przasnyska 6b, 01-756 Warszawa, Poland
Resorba ooo	Russia	100%	Distribution of medical products	Fadeeva Str. 5, 125047 Moscow, Russia
Peters Surgical International Co. Limited	Thailand	100%	Development and manufacture of medical products	227 Lat Krabang Industrial Estate, Lat Krabang, Bangkok 10520, Thailand
Advanced Medical Solutions (USA) Inc	USA	100%	Marketing support of medical products	2711 Centerville Road, Suite 400, Wilmington, Newcastle, 19808, Delaware, USA

3. Investments in subsidiaries continued

Name	Country of operation	Group interest	Nature of business	Registered address
Vitalitec International Inc	USA	100%	Development and manufacture of medical products	10 Cordage Park # 200, Plymouth, MA 02360 USA
Subsidiaries not wholly owned:				
SPA Sutural	Algeria	49%	Development and manufacture of medical products	Centre Regus, Centre commerciale Bab Ezzouar, 16024 Bab Ezzouar, Algeria

* Held directly by Advanced Medical Solutions Group PLC.

^ s.291 of German Commercial Code invoked: No consolidated financial statements prepared for the German Companies.

The above table reflects the situation at the year-end.

The Company is the ultimate parent within the Group.

4. Trade and other receivables

	2024 £'000	2023 £'000
Non-current assets		
Amounts due from Group undertakings	**38,423**	34,271

	2024 £'000	2023 £'000
Current assets		
Prepayments	**96**	256
Amounts due from Group undertakings	**3,567**	290
	3,663	546

Amounts Owed by Group undertakings	2024 £'000	2023 £'000
At 1 January	**36,901**	38,957
Movement	**7,429**	(2,056)
At 31 December	**44,330**	36,901
Provisions for impairment		
At 1 January	**2,340**	2,340
At 31 December	**2,340**	2,340
Net book value		
At 31 December	**41,990**	34,561

Amounts owed by Group undertakings relates primarily to funds provided to Advanced Medical Solutions Limited, a related party, to make acquisitions. The borrowings are typically repayable on demand and attract no interest. A £30 million facility is available to Advanced Medical Solutions Limited until 31 December 2026 primarily to finance acquisitions. The Company also acts as the central treasury hub providing short-term working capital and longer-term funding to other Group entities depending on the specific needs of the individual entity. All amounts due from intercompany undertakings are unsecured.

An assessment was performed on the amount owed by Group undertakings with no provision required in the year ended 31 December 2024. (2023: £nil).

5. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Amounts owed to Group undertakings	**4,981**	1,939
Accruals and deferred income	**5,274**	633
Derivative financial instruments	**–**	89
	10,255	2,661

Amounts due to Group undertakings are repayable on demand and attract no interest expense. Amounts owed to Group undertakings have arisen as the Company acts as the central treasury hub for the Group, receiving funds from one subsidiary to provide funding to other subsidiaries within the Group.

6. Borrowings

Borrowings owed by the Company	2024 £'000	2023 £'000
Facility A borrowings	**59,548**	–
Facility B borrowings	**11,902**	–
	71,450	–

The 2024 acquisition of the Peters Surgical's Surgical has resulted in the Group obtaining a new debt facility which includes a £60 million term loan facility 'Facility A' and £30 million revolving credit facility 'Facility B'. £12 million of the revolving credit facility is drawn at 31 December 2024, with £18 million available if required.

Both the term loan and the revolving credit facility mature in March 2027 and thereafter can be extended by two consecutive twelve months periods with the banks agreement. Interest on drawn funds will be charged at the SONIA interest rate plus an initial bank margin of 1.75%, with this margin expected to reduce in 2025 in line with forecasted leverage reductions.

Facility A requires a £5 million repayment on the 1st July 2025 anniversary date and £5 million each anniversary date thereafter.

7. Equity

Details of the share capital of the Company are provided in Note 22 on Page 159 in the Notes to the Group's accounts. Other reserves contains Investment in Own shares and the share based payments reserve.

8. Share-based payments

The charge for share-based payments under IFRS 2 arises across the following schemes:

	2024 £'000	2023 £'000
Unapproved Executive Share Option Scheme and Company Share Option Scheme	**755**	564
Long-Term Incentive Plan	**1,098**	1,161
Share Incentive Plan and Deferred Annual Bonus Scheme	**1,233**	1,191
	3,086	2,916

Details on the share-based payments of the Company are provided in Note 29 on Pages 160 to 162 in the Notes to the Group's accounts.

Five-Year Summary

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Consolidated Income Statement					
Revenue	**177.5**	126.2	124.3	108.6	86.8
Profit from operations (Pre-exceptional)	**11.2**	18.9	24.9	23.0	11.6
Profit attributable to equity holders of the parent (Pre-exceptional)	**7.1**	15.9	20.4	17.5	9.4
Basic earnings per share (Pre-exceptional)	**3.3p**	7.4p	9.4p	8.1p	4.4p
Consolidated Statement of Financial Position					
Net assets employed					
Non-current assets	**262.2**	166.9	149.2	134.5	141.4
Current assets	**126.3**	122.3	131.9	115.0	97.2
Total liabilities	**(147.0)**	(45.0)	(44.5)	(36.8)	(36.4)
Net assets	**241.5**	244.2	236.6	212.7	202.2
Equity					
Equity attributable to equity holders of the parent	**240.8**	244.2	236.6	212.7	202.2
Non-controlling interest	**0.7**	–	–	–	–
Total equity	**241.5**	244.2	236.6	212.7	202.2

Alternative Performance Measures

The Group's performance is assessed using a number of financial measures which are not defined under IFRS and are therefore non-GAAP (or alternative) performance measures. These are set out as follows:

- Constant currency measures revenue when excluding the effects of currency movements by retranslating non-pounds sterling sales using foreign exchange rates from the previous financial year.

Adjusted measures are believed by the Directors to provide the reader with additional information and an alternative year-on-year comparison to further understand routine business operations since they exclude large, unusual or one-off activities, in particular as a result of business combinations, which if included may distort the underlying performance of the business. The principles to identify adjusting items have been applied to the current and prior year comparative numbers on a consistent basis, with the exception of tax on adjusted items which have been included as a result of their increased impact in the current. The prior year comparative has been revised for this impact to ensure comparability.

- Adjusted profit before tax is shown before exceptional items, amortisation of acquired intangible assets, movement in long-term liabilities recognised on acquisition and unwind of Inventory fair value accounting as reconciled in the Financial Review (See Page 67).
- Adjusted EBITDA is shown before exceptional items, interest, amortisation, depreciation and tax as reconciled in the Financial Review (See Page 45).
- Adjusted operating margin is shown before exceptional items, amortisation of acquired intangible assets and tax on adjusted items as reconciled in the Financial Review (See Page 67).
- Margin percentages (which are calculated by dividing the relevant profit figure by revenue) for each of the relevant profit metrics provide management with an insight into relative year-on-year performance.
- Adjusted earnings per share measures are derived from adjusted profit after tax with the rationale for their use being the same as for adjusted profit metrics and are reconciled to their IFRS equivalent in note 12 to the consolidated financial statements.
- Net debt is reconciled in note 18.

Further information regarding the profit adjusting items can be found in the notes to the Group Financial Statements:

- Exceptional items (Note 5).
- Amortisation of acquired intangible assets which was (Note 13).
- Movement in long-term acquisition liabilities (Note 9).
- Tax on adjusted items (Note 12).

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