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Advanced Medical Solutions Group plc
("AMS" or the "Group")

Proposed acquisition of Peters Surgical

~ Transformational acquisition of Peters Surgical strengthens AMS's position as a leading global specialist in tissue repair and skin closure ~

~ Acquisition expected to deliver high single-digit earnings accretion in the first full year ~

Winsford, UK: Advanced Medical Solutions Group plc (AIM: AMS), a world-leading specialist in tissue-healing technologies, is pleased to announce it has entered into an agreement for the proposed acquisition of Peters Surgical, a leading global provider of specialty surgical sutures, mechanical haemostasis and internal cyanoacrylate devices.

The total maximum cash consideration payable is €141.4 million (approximately £120.8 million) structured as follows:

- Initial cash payment of €132.5 million (approximately £113.2 million) payable on completion on a debt-free, cash-free basis
- Earnout of up to €8.9 million (approximately £7.6 million) payable on delivery of US regulatory approvals, achievement of FY24 revenue and gross margin targets, and satisfying certain inventory and tax conditions

Highlights

- Peters Surgical is one of the leading European providers of speciality surgical products, generating revenues of €84.0 million in the twelve months to 31 December 2023
- Strengthens AMS's position as a leading global specialist in tissue repair and skin closure, with a complementary product portfolio
- Significant long-term cost and commercial synergies, including increased direct sales capabilities, geographic expansion and cross-selling opportunities
- Expected to deliver high single digit earnings accretion in the first full year of ownership, being FY25
- Transaction is expected to complete at the end of June 2024
- Post-acquisition pro forma leverage of c. 1.5x which is expected to reduce materially thereafter

Chris Meredith, Chief Executive Officer of AMS, said: "Peters Surgical is 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, AMS will benefit from the shared capabilities of the two companies, including direct sales channels, distribution networks, and manufacturing locations. We're thrilled to have secured such a transformational deal which aligns perfectly with our acquisition strategy."

Liz Shanahan, Chair of AMS, said: "AMS has successfully delivered organic and M&A growth via strategic bolt-on deals over the past few years. Today sees us deliver a much larger transformative acquisition according to plan and this significantly expands and strengthens the Group's product offering and global reach. This deal puts us on a very strong footing and the Board is extremely confident in the Group's future outlook."

Thierry Herbreteau, Chief Executive Officer of Peters Surgical, said: "Peters Surgical has grown into one of the leading European providers of speciality surgical products thanks to the hard efforts of all the team and the support of Eurazeo. We are excited about the opportunities that this combination with AMS, a world leading specialist in tissue-healing technologies, and the benefits that the transaction can bring to physicians, patients and employees."

A briefing for sell-side analysts will take place at 10am this morning. Please contact AMS@consilium-comms.com for further details.

Information on Peters Surgical

The Board of AMS has conditionally agreed to acquire 100 per cent. of the share capital and voting rights of Peters Surgical from Peters Surgical shareholders including the private asset manager, Eurazeo. Peters Surgical is a manufacturer and distributor of high-quality surgical closure devices including sutures, haemostatic clips, haemostatic clamps and internal glues. The portfolio is focused on surgical specialties in the Cardiovascular ("CV"), Visceral, and Digestive Urology and Gynaecological ("DUG") surgical indication areas. Headquartered in France, Peters Surgical was founded in 1926 and today employs approximately 650 people around the world.

Peters Surgical operates a fully integrated business model including research and product development, regulatory and clinical affairs, device manufacture, distribution, commercial and after-sales service. It owns manufacturing facilities in France, Thailand, India and Germany.

Peters Surgical sells products in over 90 countries with direct sales infrastructure in France, Belgium, Germany, Poland and India; and with a hybrid sales model in the APAC region and the US. Peters Surgical generated revenues of €75.5 million in 2022 and €84.0 million in 2023.

Products

The largest product category by revenue is the Peters Surgical range of absorbable and nonabsorbable sutures. Peters Surgical promotes speciality focused products including CV, thoracic, DUG and ophthalmic sutures. The suture portfolio has been largely designed by surgeons and is supported by a significant number of internationally renowned surgeons around the globe and will significantly enhance AMS's suture positioning and the RESORBA® range. In addition, Peters Surgical has a comprehensive range of titanium haemostatic clips and Vascular Temporary Occlusion (VTO) clamps and supplies a range of internal surgical glue products using a novel cyanoacrylate formulation which can complement the AMS LiquiBand® Fix8 range.

Financial information

The table below summarises Peters Surgical's audited financial information from 31 December 2021 and 2022 and Peters Surgical's unaudited financial information extracted from management information for the financial year to 31 December 2023.

| Year ended 31 December (€ millions) | 2021 | 2022 | 2023 |
|-------------------------------------|------|------|------|
| Revenue | 64.6 | 75.5 | 84.0 |
| Reported EBITDA ¹ | 1.9 | 7.1 | 10.6 |

1. 2021 and 2022 EBITDA presented on pre-IFRS 16 and 2023 EBITDA is the assessment by AMS's Directors based on extractions from unaudited financial information

The Directors believe that under AMS ownership, excluding synergies, Peters Surgical should deliver organic revenue growth of more than 4% at a gross margin of approximately 55% and an adjusted EBITDA margin of approximately 13%.

Acquisition rationale

In Peters Surgical, the Board believes it has identified a substantial acquisition that fulfils all of AMS's strategic criteria: expanding the Group's presence in the operating room, increasing the portfolio and sales of AMS branded products, increasing direct selling capabilities and volumes and expanding its global footprint.

In addition to capitalising on existing technologies and infrastructure, the transaction provides the Group with substantial long-term cost and commercial synergies:

- **Portfolio & indication expansion** - Combining highly complementary portfolios of surgical products creates a leading player in tissue repair and skin closure and can accelerate the move to expanded indications for current products;
- **Formation of a major global speciality supplier** - Positioning AMS as one of the world's most complete, diverse, and unique suture, glue and clip manufacturers with a focus on high-quality, specialty products;

- **Increased direct sales capability in key territories** - Adding direct sales teams in France, Belgium, India and Poland allows AMS products to be sold directly into these strategic markets while adding Peters Surgical products into AMS's direct channel portfolios in UK, Germany, Austria, the Czech Republic;
- **Expansion of commercial footprint in key regions** - Utilising Peters Surgical's APAC, US and EMEA commercial footprint will expedite and expand AMS's ambitions in those regions;
- **Leverage of distribution networks** - Optimising each of AMS's and Peters Surgical's global partnerships and distribution networks would maximise cross-selling opportunities in markets where both businesses are strongest, with complementary yet differentiated footprints in Europe and Asia;
- **Improved manufacturing efficiency** - Leveraging the enlarged Group's manufacturing capacity to optimise production capabilities and profitability.

Anticipated impact of the Acquisition on AMS

The Acquisition is expected to complete at the end of June 2024 following the completion of the anticipated requirement for French Foreign Direct Investment screening, which the Directors are confident will be approved without condition. No other regulatory approvals are anticipated. The cash consideration will be funded by a new debt facility which includes a £60 million term loan facility and £30 million revolving credit facility, together (the "New Debt Facility") with the balance of the consideration to be funded by the Group's cash.

The Directors anticipate that the Acquisition will deliver significant commercial and operational synergies, the majority of which will crystallise in 2026 and beyond once the regulatory aspects are completed.

The Directors expect the Acquisition to be earnings neutral in 2024 (excluding transaction-related costs) and to deliver high single-digit earnings accretion in the twelve months ending 31 December 2025^[1], the first full financial year post-completion.

AMS plans to work with Peters Surgical's senior management (including the current Peters Surgical CEO, Thierry Herbreteau) during the integration to identify how best to utilise the additional substantial skills and experiences of Peters Surgical's employees for the benefit of the new enlarged AMS Group. The Directors' primary focus is on maintaining business continuity and retaining critical talent, to ensure a smooth transition whilst also dedicating resource to the successful integration and future growth of the two businesses.

New Debt Facilities

AMS has arranged new debt facilities to fund part of the cash consideration of the Acquisition which comprise:

- a £60 million amortising term loan facility; and
- 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 twelve-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 1.5 x and to reduce materially thereafter.

Group current trading and prospects

The Group announced its preliminary results to 31 December 2023 today. The preliminary results were in line with guidance and detailed the significant commercial, regulatory and clinical progress being made by the Group as it continues to build its platform for growth and invest in its portfolio of next-generation products.

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About Advanced Medical Solutions Group plc

AMS is a world-leading independent developer and manufacturer of innovative tissue-healing technology, focused on quality outcomes for patients and value for payers. AMS 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™ and Seal-G®. AMS 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 five 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 and Connexicon, an Irish tissue adhesives specialist.

AMS's products, manufactured in the UK, Germany, France, the Netherlands, the Czech Republic and Israel, are sold globally via a network of multinational or regional partners and distributors, as well as via AMS's own direct sales forces in the UK, Germany, Austria, 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 800 employees. For more information, please see www.admedsol.com.

¹ This statement is not intended, nor is to be construed as a profit forecast or to be interpreted to mean that earnings per AMS Share for the current or future financial years, or those of the Enlarged Group, will necessarily match or exceed the historical earnings per AMS share.

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