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Advanced Medical Solutions Grp PLC
19 March 2025

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Advanced Medical Solutions Group plc

("AMS" or the "Group" or the "Company")

Unaudited preliminary results for the year ended 31 December 2024

~ Strong underlying growth maintained, and excellent progress made integrating recent acquisitions ~

Winsford, UK: Advanced Medical Solutions Group plc (AIM: AMS), a world-leading specialist in tissue-healing technologies, today announces its unaudited preliminary results for the year ended 31 December 2024.

Financial Summary:

	2024	2023	Reported change	Change at constant currency[1]	Growth excluding acquisitions[5]
Revenue (£ million)	**177.5**	126.2	+41%	+43%	+10%
Adjusted Measures					
Adjusted[2] EBITDA (£ million)	**40.2**	29.7	+35%		
Adjusted[2] EBITDA margin	**22.6%**	23.5%	-0.9pp		
Adjusted[2] profit before tax (£ million)	**29.4**	25.9	+14%		
Adjusted[2] profit before tax margin	**16.6%**	20.5%	-3.9pp		
Adjusted[3] diluted earnings per share (p)	**10.45**	9.05	+16%		
Reported Measures					
Profit before tax (£ million)	**9.8**	21.2	-54%		
Profit before tax margin	**5.5%**	16.8%	-11.2pp		
Diluted earnings per share (p)	**3.25**	7.25	-55%		
Net operating cash flow (£ million)	**19.5**	12.3	+58%		
Net (debt)/cash[4] (£ million)	**(55.8)**	60.2	-193%		
Proposed full year dividend per share (p)	**2.60**	2.36	+10%		

Business Highlights (including post Period end):

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

- 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 and February 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 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).

Commenting on the results Chris Meredith, Chief Executive Officer of AMS, said: "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."

Notes

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 the Financial Review*
3. *Reconciled in note 6 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 IFRS16 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*

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About Advanced Medical Solutions Group plc - see **www.admedsol.com**
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™, Peters Surgical, Ifabond, Vitalitec 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 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.

AMS'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 AMS'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 1,500 employees. For more information, please see **www.admedsol.com**.

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Chief Executive's Review

Summary and Outlook

Growth across all surgical product categories has resulted in a strong financial performance for the Group in the twelve months to December 2024, including a significant contribution from Peters Surgical from 1 July. The integration of Peters Surgical and Syntacoll has been a key focus in the second half of the year, and excellent progress has been made, supported by detailed operational plans to deliver further 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's expectations are in line with current consensus forecasts for the full year. As more revenue and operational synergies are generated, the Board expects further growth across the business in 2026 and 2027.

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®.

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	[illegible]	[illegible]	[illegible]	[illegible]

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 specialties 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.

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 Syntacoll which contributed £5.6 million during the Period.

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 expected around of the end of 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 program 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.

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.

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.

Regulatory

Despite enforcement dates for the Medical Devices Regulation (MDR) being delayed until 2027-2028, AMS has already substantially completed its established schedule of work to meet the new standards. Consequently, capitalisation of regulatory costs is expected to start to decline in 2025.

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, 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.

On 18 March it was announced that Grahame Cook, Senior Independent Non-Executive Director, will become Non-Executive Chair on 31 March following Liz Shanahan's decision to step down for personal reasons. In his new role, Grahame will retain his positions on the Audit, Nominations and Remuneration Committees. Grahame was appointed to the Board in February 2021 and has substantial global equity markets experience, having formerly worked as a managing director at UBS and joint Chief Executive of Panmure Gordon.

Stakeholders

On behalf of the Board, I would like to thank the Group's staff, partners and other stakeholders, without whose help and commitment, the achievements of this year, and the years prior, would not have been possible.

Chris Meredith

Chief Executive Officer

Financial Review

Summary

IFRS reporting

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

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. 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 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 has also had a slight dilutive impact as its gross margins are marginally below those of the AMS group.

As part of the IFRS3 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 £3.2 million of Peters Surgical related amortisation of acquired intangible assets. 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

	(Unaudited) 2024 £'000	Audited 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 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

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 5 to 10 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	2023
	£'000	£'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 the Period, 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 profit before tax to adjusted EBITDA

	(Unaudited)	Audited
	2024	2023
	£'000	£'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

	(Unaudited) 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 20 June 2025 to shareholders on the register at the close of business on 30 May 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%

Note 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 Dollar.

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 8.

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 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 6 months ended 30 June 2023: £1.5 million in October 2023). No cash outflows relating to share purchases occurred during the year (2023: £6.7 million).

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.

CONDENSED CONSOLIDATED INCOME STATEMENT

Year ended 31 December		**(Unaudited) 2024**			(Audited) 2023		
		Before Exceptional items	**Exceptional items Note 8**	**Total**	Before Exceptional items	Exceptional items Note 8	Total
	Note	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
Revenue from continuing operations	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	4	**22,143**	**(10,924)**	**11,219**	18,882	-	18,882
Finance income		**2,161**	**-**	**2,161**	3,786	-	3,786
Finance costs		**(3,557)**	**-**	**(3,557)**	(1,511)	-	(1,511)
Profit before taxation		**20,747**	**(10,924)**	**9,823**	21,157	-	21,157
Income tax	5	**(4,662)**	**1,981**	**(2,681)**	(5,268)	-	(5,268)
Profit for the Period		**16,085**	**(8,943)**	**7,142**	15,889	-	15,889
Profit for the Period attributable to equity holders of the parent		**16,037**	**-**	**7,094**	15,889	-	15,889
Non-controlling interest		**48**	**-**	**48**	-	-	-
Earnings per share							
Basic	6	**7.48p**	**(4.17p)**	**3.31p**	7.36p	-	7.36p
Diluted	6	**7.35p**	**(4.10p)**	**3.25p**	7.25p	-	7.25p
Adjusted diluted[6]	6	**10.45p**	**(4.69p)**	**5.77p**	9.39p	-	9.39p

Note 6: Reconciled in note 7 of the financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)	(Audited)
	2024	2023
	£'000	£'000
Profit for the year	**7,142**	15,889
Exchange differences on translation of foreign operations	**(6,177)**	(3,126)
(Loss)/gain arising on cash flow hedges	**(3,104)**	3,984
Deferred tax credit /(charge) arising on cash flow hedges	**664**	(465)
Total other comprehensive (expense)/income for the year	**(8,617)**	393
Total comprehensive (loss)/income for the year attributable to equity holders of the parent	**(1,475)**	16,282

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	(Audited)
	31 December 2024	31 December 2023
	£'000	£'000
Assets		
Non-current assets		
Intangible assets	**99,412**	55,864
Goodwill	**115,384**	80,435
Property, plant and equipment	**45,871**	29,601
Deferred tax assets	**1,022**	356
Derivative financial assets	**-**	520
Trade and other receivables	**1,029**	73
	262,718	166,849
Current assets		
Inventories	**55,259**	36,046
Trade and other receivables	**52,451**	23,583
Current tax assets	**1,233**	388
Derivative financial assets	**296**	2,145
Cash and cash equivalents	**17,039**	60,160
	126,278	122,322
Total assets	**388,996**	289,171
Liabilities		
Current liabilities		
Trade and other payables	**33,782**	19,254
Derivative financial liabilities	**261**	-
Borrowings	**5,421**	-
Current tax liabilities	**1,780**	1,165
Lease liabilities	**3,087**	1,164
	44,331	21,583
Non-current liabilities		
Trade and other payables	**3,873**	4,400
Derivative financial liabilities	**474**	-
Borrowings	**67,428**	-
Deferred tax liabilities	**20,746**	11,013
Lease liabilities	**10.628**	7.973

	103,149	23,386
Total liabilities	**147,480**	44,969
Net assets	**241,516**	244,202
Equity		
Share capital	**10,892**	10,865
Share premium	**37,525**	37,473
Share-based payments reserve	**21,747**	18,649
Investment in own shares	**(6,877)**	(6,877)
Share-based payments deferred tax reserve	**224**	150
Other reserve	**1,531**	1,531
Hedging reserve	**(440)**	2,000
Translation reserve	**(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	**739**	-
Total equity	**241,516**	244,202

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the Group

	Share capital	Share premium	Share-based payments	Investment in own shares	Share-based payments deferred tax	Other reserve	Hedging reserve	Transla rese
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'
At 1 January 2023 (Audited)	10,843	37,269	15,711	(167)	531	1,531	(1,519)	5,
Consolidated profit for the year to 31 December 2023	-	-	-	-	-	-	-	
Other comprehensive income/(expense)	-	-	-	-	-	-	3,519	(3,1
Total comprehensive income/(expense)	-	-	-	-	-	-	3,519	(3,1
Share-based payments	-	-	2,916	-	(381)	-	-	
Share options exercised	22	204	22	-	-	-	-	
Own shares purchased	-	-	-	(6,710)	-	-	-	
Dividends paid	-	-	-	-	-	-	-	
At 31 December 2023 (Audited)	10,865	37,473	18,649	(6,877)	150	1,531	2,000	1,
Consolidated profit for the year to 31 December 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Other comprehensive (expense)/income	**-**	**-**	**-**	**-**	**-**	**-**	**(2,440)**	**(6,1**
Total comprehensive (expense)/income	**-**	**-**	**-**	**-**	**-**	**-**	**(2,440)**	**(6,1**
Share-based payments	**-**	**-**	**3,086**	**-**	**74**	**-**	**-**	
Share options exercised	**27**	**52**	**12**	**-**	**-**	**-**	**-**	
Own shares purchased	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
At 31 December 2024 (Unaudited)	**10,892**	**37,525**	**21,747**	**(6,877)**	**224**	**1,531**	**(440)**	**(4,2**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	**(Unaudited) Year ended 31 December 2024**	(Audited) Year ended 31 December 2023
		£'000	£'000
Cash flows from operating activities			
Operating profit		**11,219**	18,882
Adjustments for:			
Depreciation		**6,453**	4,375
Amortisation - acquired intangible assets		**7,804**	4,887
- software intangibles		**537**	522
- development costs		**1,508**	1,004

development costs		[illegible]	[illegible]
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		**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	8	**(54,132)**	(5,529)
Payment of contingent consideration		**(5,529)**	(7,399)
Net cash used in investing activities		**(67,149)**	(20,265)
Cash flows from financing activities			
Dividends paid		**(5,201)**	(4,775)
Repayment of principal under lease liabilities		**(2,605)**	(1,472)
Repayment of loan	7	**(62,192)**	(480)
Borrowings received	7	**79,453**	-
Issue of equity shares		**12**	181
Own shares purchased		**-**	(6,710)
Interest paid		**(3,989)**	(362)
Net cash used in financing activities		**5,478**	(13,618)
Net (decrease) in cash and cash equivalents		**(42,182)**	(21,537)
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 Condensed Consolidated Financial Statements

1. **Reporting entity**

Advanced Medical Solutions Group plc ("the Company") is a public limited company incorporated in England and Wales (registration number 02867684). 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. 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™, Peters Surgical, Ifabond, Vitalitec 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 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.

2. **Basis of preparation**

These condensed unaudited consolidated financial statements have been prepared in accordance with the accounting policies set out in the annual report for the year ended 31 December 2023 except for new standards adopted for the year.

In the current year the Group has applied a number of 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

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of international accounting standards and International Financial Reporting Standards (IFRSs) as adopted by the UK, this announcement does not itself contain sufficient information to comply with IFRSs. The Group expects to publish full financial statements that comply with IFRSs in April 2025.

The unaudited financial information set out in the announcement does not constitute the Group's statutory accounts for the years ended 31 December 2024 or 31 December 2023. The financial information for the year ended 31 December 2023 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The auditor reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain a statement under s498 (2) or (3) Companies Act 2006. The audit of the statutory accounts for the year ended 31 December 2024 is not yet complete. These accounts will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Group's annual general meeting.

The unaudited financial statements have been prepared on the historical cost basis of accounting except as disclosed in the accounting policies set out in the annual report for the year ended 31 December 2023.

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.

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 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.

New accounting standards not yet applied

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. Segment information

As referred to in the Chief Executive's Statement, the Group is organised into two Business Units: Surgical and Woundcare. These Business Units are the basis on which the Group reports its segment information.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments and related revenue, corporate assets, head office expenses and income tax assets. These are the measures reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance.

Business segments

Segment information about these businesses is presented below.

Year ended 31 December 2024 (unaudited)	Surgical	Woundcare	Consolidated
	£'000	£'000	£'000
Revenue			
External sales	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)
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 (Unaudited)	Surgical	Woundcare	Consolidated
Other information	£'000	£'000	£'000
Capital additions:			
Software intangibles	494	78	572
Development costs	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	333,209	55,787	388,996
Liabilities			
Segment liabilities	116,229	30,031	146,252
Unallocated liabilities			1,228
Consolidated liabilities			147,480

Year ended 31 December 2023	Surgical	Woundcare	Consolidated

(audited)			
	£'000	£'000	£'000
Revenue			
External sales	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
Unallocated expenses			(1,533)
Operating profit			18,882
Finance income			3,786
Finance costs			(1,511)
Profit before tax			21,157
Tax			(5,268)
Profit for the year			15,889

Year ended 31 December 2023 (audited)	Surgical	Woundcare	Consolidated
Other information	£'000	£'000	£'000
Capital additions:			
Software intangibles	47	42	89
Development costs	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			
Segment assets	207,647	81,524	289,171
Liabilities			
Segment liabilities	34,810	10,159	44,969

Geographic segments

Segment revenue is based on the geographical location of customers. Segment assets are based on the country by which the legal entity resides.

Year ended 31 December	(Unaudited) 2024 £'000	(Audited) 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	(Unaudited) 2024 £'000	(Audited) 2023 £'000
United Kingdom	**44,684**	50,754
Germany	**64,539**	60,168
France	**103,666**	8,801
Rest of Europe	**26,901**	28,809
Rest of World	**22,928**	18,317
	262,718	166,849

4. Operating profit

Year ended 31 December	(Unaudited) 2024 £'000	(Audited) 2023 £'000
Operating profit is arrived at after charging:		
Depreciation of property, plant and equipment	**6,453**	4,375

Amortisation of:		
- acquired intangible assets	**7,804**	4,887
- software intangibles	**537**	522
- development costs	**1,508**	1,004
Research and development costs expensed excluding regulatory costs	**5,237**	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

5. Taxation

Year ended 31 December	**(Unaudited) 2024 £'000**	(Audited) 2023 £'000
a) **Analysis of charge for the year**		
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

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.

Year ended 31 December	**(Unaudited) 2024 £'000**	(Audited) 2023 £'000
b) **Factors affecting tax charge for the year**		
Profit before taxation	**9,823**	21,157
Profit multiplied by the weighted average Group tax rate of 29.0% (2023: 28.0%)	**2,850**	5,918
Effects of:		
Net expenses not deductible for tax purposes and other timing differences	**1,189**	605
Patent Box Relief	**(1,129)**	(817)
Utilisation of trading losses	**(301)**	(526)
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

6. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Year ended 31 December	**(Unaudited) 2024**	(Audited) 2023
Number of shares	**'000**	'000

Weighted average number of ordinary shares in issue	**217,561**	217,093
Shares held in 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, LTIPs	**3,959**	3,391
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**218,298**	219,289

	(Unaudited) 2024 £'000	(Audited)* 2023 £'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
Long-term liability expense	**(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	**22,823**	19,835

	(Unaudited) 2024 pence	(Audited) 2023 pence
Basic EPS	**3.31**	7.36
Diluted EPS	**3.25**	7.25
Adjusted basic EPS	**10.65**	9.19
Adjusted diluted EPS	**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.

7. Net Debt

The following table provides an analysis of the Group's net debt/cash

As at 31 December	**(Unaudited) 2024 £'000**	(Audited) 2023 £'000
Cash held at banks	**17,039**	60,160
Facility A borrowings	**(59,608)**	-
Facility B borrowings	**(11,922)**	-
Other Debt	**(1,319)**	-
Net (debt)/cash	**(55,810)**	60,160

The 2024 acquisition of Peters Surgical has resulted in the Group obtaining a new debt facility which includes a £60 million term loan facility "Facility A" and a £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 month 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.

Other debt consists of bank borrowings and overdraft facilities at legal entities which joined the Group as part of the Peters Surgical acquisition.

Movements in borrowings is as follows:

For the year ended 31 December	**(Unaudited) 2024 £'000**	(Audited) 2023 £'000
Facility A funds received	**59,494**	-
Facility B funds received	**19,831**	-
Other borrowings received	**128**	
Facility B repayments	**(8,000)**	-
Advance 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.

8. Acquisitions

Syntacoll GmbH

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 £0.9 million cash consideration. 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	**925**

Peters Surgical

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. The resulting unwind in Inventory fair value accounting resulted in a £1.7 million expense being recorded as an adjusting item.

The results, assets and liabilities of Peters Surgical have been included in the Surgical business unit segment.

The fair value of the acquired identifiable intangible assets and lease liabilities is provisional pending final valuations for those assets and liabilities.

	£'000
Identifiable net assets acquired	
Technology Intangibles	30,769
Customer Intangibles	19,244
Property, plant and equipment	15,296
Software intangibles	891
Deferred tax asset	181
Inventory	19,482
Trade Receivables	20,681
Tax debtor	1,954
Cash	10,526
Trade payables	(16,886)
Loan	(56,653)
Tax liability	(2,454)
Deferred tax liability	(13,074)
Lease liabilities	(3,480)
Arising on acquisition	
Goodwill	38,207
Total net assets	**64,684**

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.

None of the goodwill on the acquisition is expected to be deductible for income tax.

9. Events after reporting Period

There have been no material events subsequent to 31 December 2024.

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