

For immediate release

8 April 2025



ALLIANCE PHARMA PLC
("Alliance" or the "Group")

Preliminary Results for the year ended 31 December 2024

Performance in line with expectations

Alliance Pharma plc (AIM: APH), the international healthcare group, presents its preliminary results for the year ended 31 December 2024 (the "Year" or the "Period"). As previously communicated in our full year trading update on 31 January 2025, underlying Group profit in FY2024 was in-line with FY2023, in-line with expectations for the Year. With structural changes implemented to improve efficiency, and a number of new senior management hires, the Group is well positioned for growth over the medium term.

FINANCIAL SUMMARY

Year ended	2024 Underlying (£m)	2024 Reported (£m)	2023 Underlying (£m)	2023 Reported (£m)	Growth underlying	Growth reported ¹
Revenue (see-through basis) ¹	180.3	180.3	182.7	182.7	-1%	-1%
Revenue (statutory basis)	178.8	178.8	180.7	180.7	-1%	-1%
Gross profit	109.3	109.3	105.0	105.0	4%	4%
Profit/(loss) before taxation ("PBT")	31.5	(14.5)	31.5	(48.8)	0%	NM ²
Basic earnings per share (p)	4.4	(2.0)	4.6	(6.1)	-4%	NM ²
Free cash flow ¹		29.1		21.3		37%
Cash from operations		44.3		36.9		20%
Net debt ^{1,3}		60.1		91.2		-34%

OPERATING AND FINANCIAL SUMMARY

- Group see-through revenue¹ of £180.3m (2023: £182.7m), up 1% at constant exchange rates ("CER"). Group statutory revenue of £178.8m (2023: £180.7m), up 2% CER.
- Strong growth in Kelo-CoteTM, AloclairTM and MacuShieldTM, although declines in other Consumer Healthcare brands, namely NizoralTM, led to see through Consumer Healthcare revenues down 2% CER to £130.7m (2023: £136.4m).
- Prescription Medicine revenues of £49.6m (FY23: £46.3m), up 8% CER, with strong growth in HydromolTM and ForcevalTM, offsetting weakness in LefuzhiTM and Ashton & ParsonsTM.
- Underlying PBT of £31.5m in-line with prior year (2023: £31.5m) as expected and reported loss before tax of £14.5m (2023: £48.8m loss) following non-underlying items before tax of £46.0m (2023: £80.3m), principally intangible amortisation and impairment charges.
- Free cash flow increased 37% to £29.1m (2023: £21.3m).
- Net debt reduced to £60.1m moving Group leverage to 1.39x at 31 December 2024 (1.81x at 30 June 2024, 2.05x at 31 December 2023).

DEVELOPING OUR BUSINESS

- Senior management changes implemented to improve efficiency, to bring the consumer closer to the heart of the business and to accelerate decision making.
- Portfolio streamlined with the divestment of eight tail-end brands for £2.8m in December 2024 and the discontinuation of six brands.
- Innovation pipeline continues to deliver with 4.9% of consumer health sales from products launched within three years (2023: 2.6%). Significant new launches in the year include NizoralTM Derma Daily, Amberen[®] gummies and MacuShield Omega 3.
- 60% reduction in Scope 1 and 2 emissions (versus 2018 baseline), on track to meet interim 65% reduction target by 2025 and achieve net zero in 2030. 15% reduction in Scope 3 emissions (versus 2022 baseline), on track to meet interim reduction target of 25% by 2030.
- Re-certified as a Great Place To Work[®] in UK, France, China and Singapore.
- Successful appeal of Competition and Markets Authority ("CMA") decision in May 2024, clearing Alliance, and former CEOs Peter Butterfield and John Dawson, of any wrongdoing.
- On 10 January 2025 we announced a recommended acquisition of the Group by Aegros Bidco Ltd, a newly incorporated company indirectly owned by DBAY Affiliates, our largest shareholder, and the ERES IV Fund. The

incorporated company mandatorily offered by 20th February, our largest shareholders, and the expectation that the requisite number of shareholders voted to accept this offer on 13 March 2025 and we expect that Alliance will cease trading on AIM by end H1 2025.

Commenting on the results, Nick Sedgwick, Chief Executive Officer ("CEO") of Alliance, said:

"2024 has been an important year for Alliance as we implemented the necessary changes to accelerate decision making and to bring the consumer closer to the heart of the business. I am delighted by the number of highly skilled senior managers that have joined Alliance, many of whom have already made a significant impact on the business, and I see further opportunity to deliver efficiency gains and capability improvements over time."

¹ The performance of the Group is assessed using Alternative Performance Measures ("APMs"), which are measures that are not defined under IFRS, but are used by management to monitor ongoing business performance against both shorter term budgets and forecasts and against the Group's longer term strategic plans. APMs are defined in note 14.

Specifically, see-through revenue includes all sales from Nizoral as if they had been invoiced by Alliance as principal. For statutory accounting purposes the product margin relating to Nizoral sales made on an agency basis is included within Revenue, in line with IFRS 15.

Underlying measures exclude certain items classed as non-underlying to allow the Group's financial performance to be compared against the majority of its peers. For further detail on non-underlying items please see note 4.

² Not meaningful to show as a percentage movement given the significant changes in numbers which have been explained elsewhere

³ Net debt excludes lease liabilities

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About Alliance

Alliance Pharma plc (AIM: APH) is a growing consumer healthcare company. Our purpose is to empower people to make a positive difference to their health and wellbeing by making our trusted and proven brands available around the world.

We deliver organic growth through investing in our priority brands and channels, in related innovation, and through selective geographic expansion to increase the reach of our brands. Periodically, we may look to enhance our organic growth through selective, complementary acquisitions.

Headquartered in the UK, the Group employs around 290 people based in locations across Europe, North America, and the Asia Pacific region. By outsourcing our manufacturing and logistics we remain asset-light and focused on maximising the value we can bring, both to our stakeholders and to our brands.

For more information on Alliance, please visit our website: www.alliancepharmaceuticals.com

Trading performance

The Group delivered see-through¹ revenues in the Period of £180.3m (FY23: £182.7m), up 1% at constant exchange rates ("CER") and down 1% on a reported basis versus the prior period. Whilst revenues declined in some of our brands, namely Nizoral, we delivered strong performance in Kelo-Cote, MacuShield, Hydromol, Aloclair and Forceval.

Group revenue was adversely affected by exchange rate movements throughout 2024, principally the strengthening of Sterling against the US Dollar and Euro, which decreased see-through revenue by approximately £3.4m. Statutory revenue decreased 1% to £178.8m (2023: £180.7m).

Revenue summary

Year ended 31 December	2024	2023	Growth	CER growth
	£m	£m		
Kelo-Cote franchise	65.4	63.2	4%	6%
Amberen	10.1	11.2	-10%	-7%
Nizoral*	16.4	21.7	-24%	-21%
MacuShield	10.2	9.2	11%	11%
Other Consumer Products	28.6	21.1	35%	20%

Other Consumer brands	28.6	31.1	-8%	-6%
Total Consumer Healthcare	130.7	136.4	-4%	-2%
Hydromol	10.3	9.0	14%	14%
Other Prescription Medicines	39.3	37.3	5%	6%
Total Prescription Medicines	49.6	46.3	7%	8%
See-through revenue	180.3	182.7	-1%	1%
Statutory revenue - Consumer Healthcare	129.2	134.3	-4%	-2%
Statutory revenue - Group	178.8	180.7	-1%	2%

*Nizoral statutory revenue includes revenue generated on an agency basis. Nizoral revenue presented on a see-through income statement basis is included as an alternative performance measure in note 14.

Consumer Healthcare

Total Consumer Healthcare see-through revenues for the Year were £130.7m (2023: £136.4m), down 4% on the prior year (-2% CER). On a statutory basis, reported Consumer Healthcare revenues were £129.2m, down 4% from the previous year (2023: £134.3m) and down 2% CER.

Kelo-Cote franchise revenues grew 6% CER to £65.4m (FY23: £63.2m) in-line with previous guidance of mid-single digit revenue growth. Whilst we remain committed to moving to smaller, more regular orders in China, this is taking longer than anticipated.

Nizoral see-through revenues declined 21% CER to £16.4m (FY23: £21.7m) due to the timing of distributor orders. Amberen revenues declined 7% CER to £10.1m (FY23: £11.2m) due to softer trading on Amazon following the loss of the Buy Box to unauthorised resellers, which has now been resolved, and slower adoption of new product development than anticipated.

MacuShield revenues grew 11% CER to £10.2m (2023: £9.2m) boosted by new product launches in addition to increased focus and investment to optimise Amazon distribution in the UK.

Other Consumer brands declined 6% CER to £28.6m (FY23 restated: £31.1m) due to weakness in Lefuzhi and Ashton & Parsons.

Prescription Medicines

Prescription Medicine revenues increased 8% CER to £49.6m (FY23: £46.3m). Hydromol revenues increased 14% CER to £10.3m (FY23: £9.0m) as we launched our first ever direct to consumer communications campaign to target consumers and boost sales via Amazon. Forceval delivered another solid performance with revenues up 20% CER to £7.9m (FY23: £6.6m), and Other Prescription Medicines revenue showed strong recovery as previously out of stock products became available.

Profit and loss development

Whilst see-through revenues decreased 1% in the Year, gross profit increased 4% to £109.3m (2023: £105.0m) due to favourable product mix and a reduction in COGS relating to Nizoral following the move in manufacturing. Gross margin increased by 310 basis points to 60.6% of see-through revenue (2023: 57.5%) and gross margin relative to statutory revenue was 61.1% (2023: 58.1%).

However, with a deliberate focus on increasing investment to support our key brands and operations, operating costs (defined as underlying administration and marketing expenses, excluding depreciation and underlying amortisation charges) increased 9% versus the prior year to £64.5m (2023: £59.1m).

With a £0.8m increase in share option charges versus prior year (2024: £1.6m, 2023: £0.9m) underlying earnings before interest, taxes, depreciation, and underlying amortisation (EBITDA) decreased 4% to £43.1m (2023: £45.0m), whilst underlying operating profit (EBIT) decreased by 5% to £39.9m (2023: £41.9m). Reported operating loss decreased by £30.3m to give an £8.1m loss (2023: £38.4m loss), after non-underlying items of £48.0m (2023: £80.3m).

Net finance costs of £8.4m (2023: £10.4m) include a £0.8m decrease in interest payable to £9.2m (2023: £10.0m), due to lower debt balances, with net exchange gains of £0.8m (£0.5m loss in 2023).

As a result of lower finance costs, underlying profit before tax was unchanged at £31.5m (2023: £31.5m), resulting in a 30 basis point margin increase to 17.5% of see-through revenues (2023: 17.2%). Reported profit before tax increased to a £14.5m loss (2023: £48.8m loss), primarily due to lower non-underlying impairment charges in 2024.

With an underlying tax charge of £7.9m (2023: £6.9m) equating to an underlying effective tax rate of 25.2% (2023: 22.0%), underlying basic earnings per share decreased 4% to 4.36p (2023: 4.55p). Reported basic earnings per share was a loss of 1.99p (2023: 6.13p loss) a reduced loss versus the prior year due to the lower impact from non-underlying items on reported earnings in 2024 versus 2023.

Further detail on non-underlying items is provided below and in note 4.

Non-underlying items

Non-underlying items in the year principally comprised impairment charges identified as a result of the annual impairment review, amortisation charges for Prescription Medicines and certain other brand assets, together with restructuring costs (see note 4).

For 2024, net impairment charges of £36.5m (2023: £79.3m) includes a charge of £23.5m in relation to Amberen (2023: £46.4m), together with £13.0m (net of £2.4m impairment reversals) relating to a number of other products and associated goodwill. These impairments were driven by changes to their financial outlook and updates to central overhead allocations.

Following a comprehensive review of our portfolio to identify brands that were highly complex to maintain, had high risk of unreliable supply and yielded low profitability, we made the decision to discontinue six assets and divest eight. The disposal of these eight brands yielded cash proceeds of £2.8m in December 2024 and a profit on disposal (net of costs to sell and residual net book value of disposed assets) of £2.4m, which has been included as

a non-underlying item.

Balance sheet development

Intangible assets decreased by £46.4m in the year to £253.6m (31 December 2023: £300.0m) reflecting net non-underlying amortisation and impairment charges of £43.0m, underlying amortisation of £1.9m, exchange rate-related revaluation adjustments of £0.7m and £0.8m net book value of disposals.

Net working capital at 31 December 2024 was £40.1m, a decrease of £3.3m on that at the start of the year (31 December 2023: £43.4m).

Inventories, net of provisions, decreased £3.2m to £22.5m at 31 December 2024 (31 December 2023: £25.7m).

Trade and other receivables decreased by £5.3m to £49.4m, reflecting the timing of sales and cash receipts in the second half of the year, versus the equivalent period in 2023. Trade and other payables decreased £5.2m on the prior year to £31.8m.

Cash generation

Free cash flow (see note 14 for definition) for the year rose 37% to £29.1m (2023: £21.3m), due to the strong trading performance in H2 and improved working capital. Cash generated from operations increased by 20% to £44.3m (2023: £36.9m).

This solid cash generation supported a reduction in net debt (excluding lease liabilities) of £31.1m to £60.1m at 31 December 2024 (31 December 2023: £91.2m), with Group leverage (the ratio of net bank debt to EBITDA) decreasing to 1.39 times (31 December 2023: 2.05 times). Interest rate cover (the ratio of EBITDA to finance charges) increased to 5.03 times (31 December 2023: 4.82 times) reflecting the decrease in net interest cost on lower debt.

Net debt and Group leverage are both expected to fall further during 2025, with Group leverage expected to be below 1.0 times by the end of 2025.

Corporate developments

The arrival of our new CEO, Nick Sedgwick, in May 2024, has provided fresh perspective. Whilst the business has transitioned to a predominantly consumer healthcare company, much of the infrastructure and mindset had remained more aligned with the legacy prescription medicines business. Consequently, we are working to adapt the Company's culture and capabilities to support our ambition to become a high-performing consumer healthcare company, placing the consumer firmly at the heart of all strategic decisions.

This change of focus and refined strategy means we have moved away from referring to the three key brands we have previously mentioned (the Kelo-Cote franchise, Nizoral and Amberen) and, from mid-2024, we pivoted our corporate strategy to focus on five strategic priority categories (scar care, scalp care, dry skin care, eye health and women's health) which align with our five largest brands in revenue terms (Kelo-Cote, Nizoral, Hydromol, MacuShield and Amberen).

Throughout 2024 we restructured the senior leadership team to remove layers of complexity and to bring key functions closer to the CEO. The senior leadership team, which we now call the Executive Committee, now comprises 12 people, up from five previously, of which 58% are female, up from 20%. To underline our commitment to globalising the business, five of these roles are based outside the UK.

On 23 May 2024 we announced the successful conclusion of our appeal before the Competition Appeal Tribunal ("CAT") of a decision by the UK's CMA. In a unanimous judgment, the CAT upheld Alliance's appeal, finding that there was no agreement to exclude competition from the market and no breach of competition law. The CMA's decision and £7.9m penalty imposed on Alliance have been set aside. In particular, the CAT found that Alliance's two key witnesses, former Alliance CEOs Peter Butterfield and John Dawson, were both impressive and compelling, with their evidence singled out by the Tribunal in its concluding remarks. Director disqualification proceedings brought by the CMA against Peter and John, the first limb of which was joined to the appeal, have also fallen away. The CMA has confirmed that it will not appeal the CAT decision.

In 2021 we provided for the potential penalty but reversed this provision in the FY2023 accounts.

On 10 January 2025 we announced the recommended cash offer by DBAY Advisors Ltd for the entire issued and to be issued share capital of Alliance. This offer was accepted by shareholders on 13 March with 80% of shareholders, holding 92% of voted shares in value, voting in favour of the transaction. We will now work through the remaining regulatory steps and anticipate that Alliance will cease trading on AIM by the end of H1 2025.

Innovation and Development (I&D)

We continue to actively invest in our business to maintain strong organic revenue growth and currently spend some £1m-£2m per annum on I&D, with a view to generating 10% of net consumer sales from new product innovation in the future. However, this is one area in which we anticipate increasing investment to accelerate growth and have appointed a Chief Innovation and Scientific Affairs Officer, who joined Alliance in January 2025, to support this ambition.

In 2024, revenues from new product development reached £6.4m (2023: £3.5m), representing 4.9% of consumer health care sales (2023: 2.6%).

We launched three significant new products during 2024, all of which provide potential for significant organic growth in future years.

The latest gummy in the Amberen range, Amberen Energy, Mood and Sleep, was launched in the US in Q2 24 targeting the perimenopausal consumer. We have partnered with Walmart to promote the product on its social media platforms, and are working with a leading social media influencer, Dr. Eva Beaulieu, to expand the brand's reach.

In the UK, we have expanded the MacuShield range with the launch of MacuShield Omega 3. The product was first placed in Boots, both in store and online, then listed on Amazon from May 2024 ahead of Prime Day in July 2024. The launch was supported by an extensive PR campaign and is expected to broaden the brand's reach rather than cannibalise sales of the base brand.

In September 2024 we launched Nizoral Derma Daily, to expand the reach of the medicated anti-dandruff Nizoral brand into the larger, adjacent, derma cosmetic market. The initial launch focussed on Thailand, Taiwan, Singapore, Hong Kong and Malaysia. We expect to launch in China in 2025.

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In addition, ScarAway Kids scar gel was launched in the US on Amazon in late February 2024 expanding the range of the flagship gel listing.

Continuing our sustainability journey

We continue to make good progress on our sustainability journey, publishing our third, voluntary, stand-alone TCFD report for 2024 by end June 2025.

Throughout 2024 we have focused on developing our social and governance strategies. Having established a partnership with Slave Free Alliance (SFA) in 2023, in H1 2024, the SFA conducted a high-level risk assessment on 15 suppliers deemed most at risk from a modern slavery perspective. In H2 2024 we fulfilled our ambition to conduct at least five modern slavery audits in person from this group of 15 high risk suppliers, of which four were completed in H1 2024, and one in H2 2024, with no red flags. We anticipate conducting another five audits in 2025 from the remaining ten high risk suppliers we have identified.

We have also joined the UN Global Compact, which is the world's largest global corporate sustainability initiative. This commits Alliance to meet fundamental responsibilities in the four areas of human rights, labour, the environment and anti-corruption.

During the Period, we were pleased to have completed the NHS Evergreen Sustainable Supplier Assessment. This self-assessment and reporting tool resulted in Alliance receiving a level 2 accreditation recognising our comprehensive net zero targets and reporting for carbon emissions. This accreditation is key to remaining a trusted provider to the NHS, supporting us to align with their long-term sustainability priorities and their pathway to net zero emissions.

For further detail, please see the Sustainability section of our website.

Building a strong alliance of colleagues

Our business, and the delivery of our strategy, is only possible due to our network of talented, dedicated colleagues. Throughout 2024 we restructured the senior leadership team.

The Chief Operating Officer role has been removed, to streamline the management structure and accelerate decision making, and both the Heads of North America and China have been replaced to support our growth ambitions.

A Chief Transformation Officer was appointed in December 2024; she has spent the first three months of 2025 reviewing all existing structures and processes to identify opportunities to optimise our approach and to drive scale benefits.

Further senior appointments in early 2025 include a Chief Marketing Officer, Chief Innovation and Scientific Affairs Officer and Chief Supply Officer.

We are working to develop a comprehensive people strategy and have begun to develop our belonging and inclusion policy, partnering with an external consultant to conduct a baseline assessment to inform our future strategy. We have introduced belonging and inclusion questions within our new exit interview procedure as part of a plan to understand and improve diversity metrics beyond our annual engagement survey. We have also introduced a Celebration Day as part of our employee offering, which gives all colleagues an additional day off in the year to celebrate an event of their choice to promote diversity in lifestyle, cultural or religious beliefs.

Work continues on our recognition and reward program with three new awards to recognise outstanding behaviour and performance through peer-to-peer, manager and Executive Committee team rewards. We have also launched a global wellness programme which includes training for mental health first aiders in each of our locations and a schedule of wellness webinars.

Our investment in colleague engagement continues to pay dividends as evidenced by our re-certification as a Great Place to Work in the UK, France, China and Singapore. In the 2024 survey we were pleased to have received an overall Trust Index rating of 70% (2023: 74%) with 67% of participants globally saying that Alliance was a Great Place to Work (2023: 73%).

On behalf of the Board, we would like to thank all those colleagues who helped us to deliver our achievements in 2024.

Board and executive changes

As announced in February 2024, Jo LeCouilliard stepped down from the Board with the appointment of Camillo Pane as the new independent Chair of Alliance that month. Camillo Pane has over 30 years of relevant sector experience. He has held a number of senior positions at Reckitt Benckiser, including Senior Vice President and Global Category Officer for Consumer Health, before moving to Coty Inc, one of the largest beauty companies in the world, where, as CEO, he led the merger with Procter & Gamble Specialty Beauty. Most recently, he was Group CEO of Health & Happiness Group, a global health and nutrition company listed on the Hong Kong Stock Exchange with revenues of around 2bn.

On 8 May 2024 we announced that Peter Butterfield, CEO, had decided to leave the business and, on 13 May 2024, Nick Sedgwick joined as Alliance's new CEO.

Nick brings 30 years of consumer goods experience predominantly in health across European, US and global roles at major multinational companies such as Reckitt, Coty and Nestlé. Most recently Nick was Regional Director for UK and Ireland Consumer Health at Reckitt during which time he increased revenue and improved profitability in the second largest market for the company. Prior to this, Nick worked at Coty holding a number of senior roles including Senior Vice President for Global Sales and Commercial Capabilities, Senior Vice President Sales for the US business and General Manager Consumer Beauty for UK and Ireland. Throughout his career, Nick has worked in multiple countries, always delivering high revenue growth through consumer-centric strategies, high performance teams and excellence in execution.

In order to accelerate the globalisation of the business, simplify the management structure and to bring the consumer closer to the heart of the business, the Board decided that the role of COO was no longer required. Consequently, Jeyan Heper left the business on 31 August 2024.

Outlook for 2025

Group performance in the three months to end March is in-line with the Board's expectations. With our strategic transformation now well underway we anticipate an acceleration in organic revenue growth and further efficiency gains over the medium term.

INCOME STATEMENT

	Note	Year ended 31 December 2024			Year ended 31 December 2023		
		Underlying £000s	Non- Underlying £000s (Note 4)	Total £000s	Underlying £000s	Non- Underlying £000s (Note 4)	Total £000s
Revenue	2, 14	178,836	-	178,836	180,680	-	180,680
Cost of sales		(69,550)	-	(69,550)	(75,661)	-	(75,661)
Gross profit		109,286	-	109,286	105,019	-	105,019
Operating expenses							
Administration and marketing expenses	4	(65,839)	(5,009)	(70,848)	(60,366)	6,147	(54,219)
Amortisation of intangible assets	4	(1,908)	(6,469)	(8,377)	(1,903)	(7,198)	(9,101)
Impairment of goodwill and intangible assets	4	-	(38,896)	(38,896)	-	(79,252)	(79,252)
Impairment reversals of goodwill and intangible assets	4	-	2,383	2,383	-	-	-
Share-based employee remuneration		(1,646)	-	(1,646)	(889)	-	(889)
Operating profit/(loss)		39,893	(47,991)	(8,098)	41,861	(80,303)	(38,442)
Finance expense	5	(9,225)	-	(9,225)	(10,471)	-	(10,471)
Finance income	5	837	-	837	113	-	113
Net finance expense		(8,388)	-	(8,388)	(10,358)	-	(10,358)
Profit on disposal of intangible assets	4	-	2,026	2,026	-	-	-
Profit/(loss) before taxation	3	31,505	(45,965)	(14,460)	31,503	(80,303)	(48,800)
Taxation	4, 6	(7,925)	11,656	3,731	(6,915)	22,579	15,664
Loss for the period attributable to equity shareholders		23,580	(34,309)	(10,729)	24,588	(57,724)	(33,136)
Earnings per share							
Basic (pence)	8	4.36	(1.99)	4.55	(6.13)		
Diluted (pence)	8	4.32	(1.99)	4.54	(6.13)		

All of the activities of the Group are classed as continuing.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Loss for the year	(10,729)	(33,136)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign exchange translation differences (gross)	(1,177)	(6,221)
Foreign exchange translation differences (deferred tax)	319	1,202
Interest rate swaps - cash flow hedge (gross)	1,116	(1,771)
Interest rate swaps - cash flow hedge (deferred tax)	(279)	443
Foreign exchange forward contracts - cash flow hedge (gross)	(1,580)	497
Foreign exchange forward contracts - cash flow hedge (deferred tax)	395	(122)
Total comprehensive deficit for the year	(11,935)	(39,108)

CONSOLIDATED BALANCE SHEET

	Note	31 December 2024 £000s	31 December 2023 £000s
Assets			
Non-current assets			
Goodwill and intangible assets	9	253,608	299,978
Property, plant and equipment		5,436	5,721
Deferred tax		5,645	4,648
Derivative financial instruments		-	77
Other non-current assets		122	404
		264,811	310,828
Current assets			
Inventories		22,519	25,711
Trade and other receivables		49,380	54,716
Derivative financial instruments		69	1,232
Cash and cash equivalents		32,360	22,436
		104,328	104,095
Total assets		369,139	414,923
Equity			

Ordinary share capital	12	5,406	5,404
Share premium account		151,703	151,684
Share option reserve		12,844	11,159
Other reserve		(329)	(329)
Cash flow hedging reserve		(1,170)	(822)
Translation reserve		6,553	7,411
Retained earnings		32,637	43,366
Total equity		207,644	217,873
Liabilities			
Non-current liabilities			
Loans and borrowings	10	92,477	113,646
Derivative financial instruments		759	1,771
Other liabilities		2,822	3,200
Deferred tax liability		28,746	37,863
		124,804	156,480
Current liabilities			
Corporation tax		2,738	2,454
Trade and other payables		31,844	37,066
Derivative financial instruments		1,130	413
Provisions	11	979	637
		36,691	40,570
Total liabilities		161,495	197,050
Total equity and liabilities		369,139	414,923

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Ordinary share capital £000s	Share premium account £000s	Other reserve £000s	Cash flow hedging reserve £000s	Translation reserve £000s	Share option reserve £000s	Retained earnings £000s	Total equity £000s
Balance 1 January 2023		5,400	151,650	(329)	131	12,430	10,141	86,094	265,517
Issue of shares	12	4	34	-	-	-	-	-	38
Dividend paid	7	-	-	-	-	-	-	(9,592)	(9,592)
Share options charge (including deferred tax)		-	-	-	-	-	1,018	-	1,018
Transactions with owners		4	34	-	-	-	1,018	(9,592)	(8,536)
Loss for the year		-	-	-	-	-	-	(33,136)	(33,136)
Other comprehensive income									
Interest rate swaps - cash flow hedge (net of deferred tax)		-	-	-	(1,328)	-	-	-	(1,328)
Foreign exchange forward contracts - cash flow hedge (net of deferred tax)		-	-	-	375	-	-	-	375
Foreign exchange translation differences (net of deferred tax)		-	-	-	-	(5,019)	-	-	(5,019)
Total comprehensive deficit for the year		-	-	-	(953)	(5,019)	-	(33,136)	(39,108)
Balance 31 December 2023		5,404	151,684	(329)	(822)	7,411	11,159	43,366	217,873
Balance 1 January 2024		5,404	151,684	(329)	(822)	7,411	11,159	43,366	217,873
Issue of shares	12	2	19	-	-	-	-	-	21
Share options charge (including deferred tax)		-	-	-	-	-	1,685	-	1,685
Transactions with owners		2	19	-	-	-	1,685	-	1,706
Loss for the year		-	-	-	-	-	-	(10,729)	(10,729)
Other comprehensive income									
Interest rate swaps - cash flow hedge (net of deferred tax)		-	-	-	837	-	-	-	837
Foreign exchange forward contracts - cash flow hedge (net of deferred tax)		-	-	-	(1,185)	-	-	-	(1,185)
Foreign exchange translation differences (net of deferred tax)		-	-	-	-	(858)	-	-	(858)
Total comprehensive deficit for the year		-	-	-	(348)	(858)	-	(10,729)	(11,935)
Balance 31 December 2024		5,406	151,703	(329)	(1,170)	6,553	12,844	32,637	207,644

CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Cash flows from operating activities			
Cash generated from operations	13	44,291	36,934
Tax paid		(5,575)	(5,524)
Cash flows from operating activities		38,716	31,410

Investing activities		
Interest received	62	-
Acquisitions and deferred consideration	-	(222)
Purchase of property, plant and equipment	(841)	(696)
Proceeds from the disposal of intangible assets	2,835	-
Net cash from/(used in) investing activities	2,056	(918)
Financing activities		
Interest paid and similar charges	(8,798)	(9,433)
Capital lease payments	(853)	(867)
Proceeds from exercise of share options	21	37
Dividend paid	7	-
Loan issue costs	(19)	(1,338)
Repayment of borrowings	(21,235)	(18,000)
Net cash provided used in financing activities	(30,884)	(39,193)
Net movement in cash and cash equivalents	9,888	(8,701)
Cash and cash equivalents at 1 January	22,436	31,714
Exchange losses on cash and cash equivalents	36	(577)
Cash and cash equivalents at 31 December	32,360	22,436

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

1. General information

Alliance Pharma plc ("the Company") and its subsidiaries (together "the Group") acquire, market and distribute consumer healthcare products and prescription medicines. The Company is a public limited Company, limited by shares, registered, incorporated and domiciled in England and Wales in the UK. The address of its registered office is Avonbridge House, Bath Road, Chippenham, Wiltshire, SN15 2BB. The Company is listed on the AIM Stock Exchange. These consolidated financial statements have been approved for issue by the Board of Directors on 7 April 2025.

The financial information set out in the announcement does not constitute the Group's statutory accounts for the year ended 31 December 2024 or 31 December 2023. The auditors reported on those accounts and their report was (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain statements under section 498 (2) or (3) of the Companies Act 2006. The statutory accounts for the year ended 31 December 2024 have not yet been delivered to the Registrar of Companies.

Going concern

There have been no changes to the £150.0m fully Revolving Credit Facility ("RCF") and £65.0m Accordion which have been in place throughout 2024. This facility is available until August 2026, with one further extension option of either one or two years.

The RCF is drawn in short- to medium-term tranches of debt which are repayable within 12 months of draw-down. Under the terms of the facility agreement, the lenders are obliged to revolve maturing loans and the Group is not obliged to make any loan repayments, provided certain conditions are met, including covenant compliance. Consequently, the Directors have presented the RCF as a non-current liability.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements (the going concern period) based on a forecast consistent with the Amberen and Nizoral impairment assessment assumptions, and exclusive of any innovation and development cash inflows. These forecasts indicate that the Group will have sufficient funds, given the RCF financing available, to meet its liabilities as they fall due for that period.

Furthermore, the Directors have considered severe but plausible downside scenarios, including a scenario that models a 16% reduction in EBITDA for the Group for the remainder of 2025, arising from potential disruption in the Group's distribution partner network. Even under this severe but plausible downside scenario, forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due and will continue to comply with its existing loan covenants throughout the forecast period. The Directors have also considered a reverse stress test scenario which indicates that a decline in monthly EBITDA against forecast from March 2025 of over 40% would be needed to result in a breach of existing loan covenants. The Directors consider this remote. In addition, there are mitigating actions that Management can take in order to maintain covenant compliance in even more extreme downside scenarios.

In light of the recommended cash offer by DBAY Advisors Ltd for the entire issued and to be issued share capital of Alliance, the Directors have also prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements, considering the proposed debt structure and associated finance costs of the Group under this new ownership model. At the time of preparing these financial statements and should the DBAY offer proceed, it is proposed that the current RCF is repaid in full using a combination of new debt and equity. The proposed new debt structure assumes a new Term Debt Facility of £215m, an undrawn £40m Acquisition Facility and a £30m fully Revolving Credit Facility ("RCF") of which £5m is intended to be immediately drawn down. The Directors do not consider that the proposed transaction introduces any additional severe but plausible downside scenarios to those considered under the existing ownership structure. Having modelled these same scenarios under this revised cash flow forecast, the Directors still consider that the Group will have sufficient funds to meet its liabilities as they fall due and will continue to comply with its new loan covenants throughout the forecast period. The Directors also considered a reverse stress test scenario within these revised cash flow forecasts, which indicates that a decline in monthly EBITDA against forecast from March 2025 of over 24% would be needed to result in a breach of the new loan covenants. The Directors consider this remote and again, there are mitigating actions that Management can take in order to maintain covenant compliance in even more extreme downside scenarios. The Directors have also considered any change of control clauses in existing contractual arrangements and do not consider that there is any material exposure to the Group in this regard. Specifically, the existing RCF and associated facilities are intended to be repaid in full without redemption penalty, with a new DBAY financing facility put in its place.

Consequently, the Directors consider it highly unlikely that the Group would be unable to exercise its right to roll over the existing or any new debt under the Group's current or future proposed DBAY ownership structure. Furthermore, the Directors consider it highly unlikely that the Group would be unable to secure the new debt under the proposed DBAY ownership structure. The Directors are therefore confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. The Directors have, therefore, determined it is appropriate to adopt the going concern basis in preparing the financial statements

2. Revenue and segment information

2. Revenue and segmental information

The Group's reportable segments are the strategic business units that represent different parts of the overall product portfolio, these being Consumer Healthcare brands and Prescription Medicines. The business units are managed separately as each portfolio requires different expertise to deliver the corresponding product offering as a result of the inherently different characteristics of these product types.

Operating segments reflect the way in which information is presented to and reviewed by the Chief Operating Decision Maker ('the CODM') for the purpose of making strategic decisions and assessing Group-wide performance. The Group's Board of Directors ('the Board') is the Group's CODM. The Group evaluates performance of the operational segments on the basis of revenue and gross profit. Underlying gross profit is consistent with that reported on a statutory basis. Other than intangible assets, assets and liabilities are reported to the Board at Group level and are not separated segmentally.

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Revenue information By Brand		
Consumer Healthcare brands:		
Kelo-Cote franchise [#]	65,426	63,209
Amberen [#]	10,121	11,218
Nizoral ^{#*}	14,933	19,648
MacuShield [#]	10,184	9,199
Aloclair	9,537	7,959
Vamousse	4,272	4,407
Other consumer healthcare brands	14,761	18,692
Total revenue - Consumer healthcare brands	129,234	134,332
Prescription Medicines:		
Hydromol [#]	10,277	9,042
Flamma Franchise	6,655	5,990
Forceval	7,919	6,606
Other prescription medicines	24,751	24,710
Total revenue - Prescription medicines	49,602	46,348
Total Revenue	178,836	180,680

*Nizoral statutory revenue includes revenue generated on an agency basis. Nizoral revenue presented on a see-through income statement basis is included as an alternative performance measure in note 14.

[#] denotes star brands

Revenue information by Geography

Classification by geography is based on customer location.

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Europe, Middle East and Africa (EMEA)	83,418	79,199
Asia Pacific and China (APAC)	65,926	72,422
Americas (AMER)	29,492	29,059
Total Revenue	178,836	180,680

Operating Segment Results

	Year ended 31 December 2024		
	Consumer Healthcare £000s	Prescription Medicines £000s	Total £000s
Revenue	129,234	49,602	178,836
Cost of Sales	(45,519)	(24,031)	(69,550)
Gross Profit	83,715	25,571	109,286

	Year ended 31 December 2023		
	Consumer Healthcare £000s	Prescription Medicines £000s	Total £000s
Revenue	134,332	46,348	180,680
Cost of Sales	(51,605)	(24,056)	(75,661)
Gross Profit	82,727	22,292	105,019

Major customers

The net revenues from the Group's largest customers in the year ended 31 December 2024 (customers separately comprising more than 10% of the Group's revenue) are as follows:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Major customer 1 (Consumer healthcare sales in APAC)	21,913	20,200
Major customer 2 (Consumer healthcare sales in APAC)	21,114	21,201

3. Profit/(loss) before taxation

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Profit/(loss) before taxation is stated after charging/(crediting):		
Amounts receivable by the Company's auditor and its associates in respect of		
- The audit of these financial statements	766	1,388
- The audit of the financial statements of subsidiaries	285	269
- Other assurance services (covenant compliance and other regulatory compliance)		

services)	10	21
Amortisation of intangible assets	8,377	9,101
Impairment of intangible assets	38,896	79,252
Impairment reversals for intangible assets	(2,383)	-
Restructuring costs	4,570	-
Profit on disposal of intangible assets	(2,026)	-
CMA provision release	-	(7,900)
Share options charge	1,646	889
Depreciation of plant, property and equipment	1,318	1,225
(Gain)/loss on foreign exchange transactions	(775)	480

4. Non-underlying items

The Group presents a number of non-IFRS measures which exclude the impact of significant non-underlying items. This is to provide investors with a view of the measures used by management to monitor the ongoing business performance, and can exclude items such as: amortisation and impairment of acquired intangible assets; restructuring costs; significant gains or losses on disposal; one-off project costs; remeasurement and accounting for the passage of time in respect of contingent considerations; and the revaluation of deferred tax balances following substantial tax legislation changes. This assessment requires judgement to be applied by the Directors as to which transactions are non-underlying and whether this classification enhances the understanding of the users of the financial statements.

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Amortisation of intangible assets	(6,469)	(7,198)
Impairment of goodwill and intangible assets	(38,896)	(79,252)
Non-underlying impairment reversals for the period	2,383	-
Restructuring costs ¹	(4,570)	-
Profit on disposal of intangible assets	2,026	-
CMA provision release	-	7,900
Other ¹	(439)	(1,753)
Total non-underlying items before taxation	(45,965)	(80,303)
Taxation on non-underlying items	11,656	22,579
Total non-underlying items after taxation	(34,309)	(57,724)

¹ These items are recognised in administration and marketing expenses within the Income Statement, totalling £5.0m in 2024 (2023: £6.1m).

Amortisation of intangible assets

The amortisation costs of acquired intangible assets are a significant item considered unrelated to trading performance, and as such have been presented as non-underlying. This classification is in line with the majority of peer companies of the Group.

Impairment of goodwill and intangible assets

The impairment reviews for the Group's intangible assets resulted in impairment losses as the carrying value of certain cash-generating units exceeded estimated recoverable amounts. See note 9. The impairment losses are significant items resulting from changes in assumptions for future recoverable amounts. As such, they are considered unrelated to 2024 trading performance and have been presented as non-underlying. This classification is in line with the majority of peer companies of the Group.

Non-underlying impairment reversals for the period

The Group has performed an assessment on assets which have had impairments recorded in previous periods to determine if any reversals of impairments were required. No impairment reversals were recorded in 2023. See note 9. Reversals of impairments are significant items resulting from changes in assumptions for future recoverable amounts and as such, they are considered unrelated to 2024 trading performance, and have been presented as non-underlying. This classification is in line with the majority of peer companies of the Group.

Restructuring costs

Restructuring costs include one-off costs relating to the recommended acquisition of the Group and the restructure of the senior leadership team, as well as professional support relating to finance and other transformation activities. These costs are considered unrelated to 2024 trading performance, and have been presented as non-underlying.

Profit on disposal of intangible assets

Significant gains or losses on the disposal of intangible assets not previously held for sale are considered unrelated to 2024 trading performance, and have been presented as non-underlying. Profit or loss on disposal of intangible assets primarily consists of proceeds of the disposal, less costs to sell, less the net book value of other brand assets.

CMA provision release

The provision of £7.9m relating to the CMA Infringement Decision was released in the prior year following the announcement that the Group's appeal had been upheld. This was considered unrelated to 2023 trading performance and was presented as non-underlying in the prior year.

Other non-underlying items

Other non-underlying costs primarily relate to one-off legal and professional costs, as well as provision for damages caused by flooding of Avonbridge House. These costs are significant items considered unrelated to trading performance, and as such have been presented as non-underlying.

5. Finance income and expense

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Finance expense		
Interest payable on loans and overdrafts	(8,482)	(9,418)
Amortised finance issue costs	(210)	(451)

Amortised finance issue costs	(317)	(401)
Finance costs on interest rate swaps	(277)	-
Interest expense	(39)	-
Interest on lease liabilities	(108)	(112)
Net exchange losses	-	(480)
	(9,225)	(10,471)
Finance income		
Interest income	62	113
Net exchange gains	775	-
	837	113
Finance expense - net	(8,388)	(10,358)

6. Taxation

Analysis of the charge for the period is as follows:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Corporation tax		
In respect of current period	5,856	4,810
Adjustment in respect of prior periods	8	193
	5,864	5,003
Deferred tax		
Origination and reversal of temporary differences	(9,415)	(20,662)
Adjustment in respect of prior periods	(180)	(5)
Taxation	(3,731)	(15,664)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Loss before taxation	(14,460)	(48,800)
Loss before taxation multiplied by the blended standard rate of corporation tax in the United Kingdom of 25% (2023: 23.5%)	(3,615)	(11,468)
Effect of:		
Non-deductible expenses	709	(587)
Adjustment in respect of prior periods	(172)	188
Differing tax rates on overseas earnings	(1,222)	(3,237)
Unrecognised losses	-	(13)
Foreign exchange	198	(869)
Share options	256	262
Movement in other tax provisions	115	60
Total taxation	(3,731)	(15,664)

A change to UK corporation tax was announced in the Budget on 3 March 2021, increasing the main rate of UK corporation tax from 19% to 25% with effect from 1 April 2023.

Non-deductible expenses primarily relate to restructuring costs and impairment/amortisation of certain intangible assets which do not qualify for tax relief and so represent a permanent difference. During 2023, the non-deductible expenses primarily related to the release of the provision for the CMA fine, offset by the impairment/amortisation of certain intangible assets which did not qualify for tax relief and so represented a permanent difference.

The Group has calculated 'underlying effective tax rate' as an alternative performance measure in note 14.

7. Dividends

There was no dividend declared or paid relating to the financial years 2023 or 2024.

	Year ended 31 December 2023	
	Pence / share	£'000s
Amounts recognised as distributions to owners in 2023		
Interim dividend for the 2022 financial year	0.592	3,197
Final dividend for the 2022 financial year	1.184	6,395
Total dividend	1.776	9,592

8. Earnings per share (EPS)

Basic EPS is calculated by dividing the earnings attributable to Ordinary shareholders by the weighted average number of Ordinary shares in issue during the year. For diluted EPS, the weighted average number of Ordinary shares in issue is adjusted to assume conversion of all dilutive potential Ordinary shares. There are no differences in earnings used to calculate each measure as a result of the dilutive employee share options.

A reconciliation of the weighted average number of Ordinary shares used in the measures is given below:

	Year ended 31 December 2024	Year ended 31 December 2023
Weighted average undiluted shares	540,483,766	540,144,706
Employee share options	4,972,886	1,210,980
Weighted average diluted shares	545,456,652	541,355,686

As the Group made a reported loss in the current and prior periods, the dilutive potential Ordinary shares have not been included in the calculation for Diluted EPS as the exercise of share options would have the effect of reducing the loss per share and therefore is not dilutive. The underlying basic EPS is intended to demonstrate recurring elements of the results of the Group.

therefore is not additive. The underlying basic EPS is intended to demonstrate recurring elements of the results of the Group before non-underlying items. A reconciliation of the earnings used in the different measures is given below:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Earnings for basic and diluted EPS	(10,729)	(33,136)
Non-underlying items (note 4)	34,309	57,724
Earnings for underlying basic and diluted EPS	23,580	24,588

The resulting EPS measures are:

	Year ended 31 December 2024 Pence	Year ended 31 December 2023 Pence
Basic EPS	(1.99)	(6.13)
Diluted EPS	(1.99)	(6.13)
Underlying basic EPS	4.36	4.55
Underlying diluted EPS	4.32	4.54

9. Goodwill and intangible assets

	Goodwill £000s	Consumer Healthcare brands and distribution rights £000s	Prescription Medicines brands, royalties and distribution rights £000s	Computer software £000s	Total £000s
Cost					
At 1 January 2024	34,415	287,352	152,297	15,266	489,330
Disposals	-	(322)	(587)	-	(909)
Exchange adjustments	(54)	1,320	(622)	-	644
At 31 December 2024	34,361	288,350	151,088	15,266	489,065
Amortisation and impairment					
At 1 January 2024	19,928	88,333	75,862	5,229	189,352
Disposals	-	-	(152)	-	(152)
Non-underlying impairment for the year	1,688	25,973	11,235	-	38,896
Non-underlying impairment reversals for the year	-	(609)	(1,774)	-	(2,383)
Non-underlying amortisation for the year	-	872	5,597	-	6,469
Underlying amortisation for the year	-	-	-	1,908	1,908
Exchange adjustments	-	1,437	(70)	-	1,367
At 31 December 2024	21,616	116,006	90,698	7,137	235,457
Net book amount					
At 31 December 2024	12,745	172,344	60,390	8,129	253,608
At 1 January 2024	14,487	199,019	76,435	10,037	299,978

10. Loans and borrowings

On 15 August 2023, the Group agreed a new £150.0m fully Revolving Credit Facility, together with a £65.0m Accordion. The facility was agreed with its existing syndicate of lenders, replacing the previous RCF which ran through to July 2024. This new facility is available until August 2026, with one further extension option of one or two years. This has been classified as a non-current liability. The bank facility is secured by a fixed and floating charge over the Company's and Group's assets registered with Companies House. The loan commitments are all 'investment grade' as at the balance sheet date. Pursuant to its terms, the Group is obliged to deliver a copy of its audited annual financial statements to the lenders within 120 days of the year-end.

	31 December 2024 £000s	31 December 2023 £000s
Non-current		
Bank loans:		
Secured	93,375	114,844
Finance issue costs	(898)	(1,198)
	92,477	113,646

	31 December 2024 £000s	31 December 2023 £000s
Movement in loans and borrowings		
At 1 January	113,646	133,744
Net (repayments) of borrowings	(21,235)	(18,000)
Additional prepaid arrangement fees	(19)	(1,338)
Amortisation of prepaid arrangement fees	319	461
Exchange movements *	(234)	(1,221)
At 31 December	92,477	113,646

* Exchange movements on loans and borrowings with effective net investment hedges are reported in other comprehensive income and accumulated in the translation reserve.

11. Provisions

Restructuring	Onerous Contract	Provision for flood damage
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	provision £000s	provision £000s	costs £000s	Total £000s
At 1 January 2024	175	462	-	637
(Credit) to income statement	-	(462)	-	(462)
Charge to income statement	45	814	30	889
Provisions utilised during the year	(68)	-	-	(68)
Exchange differences	(8)	(9)	-	(17)
At 31 December 2024	144	805	30	979

The restructuring provision of £0.1m at 31 December 2024 (2023: £0.2m) relates to the balance of restructuring costs in relation to the closure of the Milan office following a change to the operating model for our direct-to-market business in Italy in 2022.

The onerous contract provision of £0.8m at 31 December 2024 (2023: £0.5m) relates to estimated legal and settlement costs in relation to a customer dispute (£0.4m); and balances which are under dispute with suppliers (£0.4m). The £0.5m provision brought forward was reclassified to inventory provisions as at 30 June 2024 following receipt of the underlying product, and then subsequently released upon completion of the sale.

The provision for flood damage costs of £0.03m at 31 December 2024 (2023: £nil) relates to repairs for damage sustained to office buildings during flooding in November 2024

12. Share capital

	Allotted, called up and fully paid	
	No. of shares	£000s
At 1 January 2023 - ordinary shares of 1p each	539,995,086	5,400
Issued during the year	394,994	4
At 31 December 2023 - ordinary shares of 1p each	540,390,080	5,404
Issued during the year	175,459	2
At 31 December 2024 - ordinary shares of 1p each	540,565,539	5,406

Between 1 January 2024 and 31 December 2024, 175,459 shares were issued on the exercise of employee share options (2023: 394,994).

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Managing Capital

Our objective in managing the business's capital structure is to ensure that the Group has the financial capacity, liquidity and flexibility to support the existing business and to fund acquisition opportunities as they arise.

The capital structure of the Group consists of net bank debt and shareholders' equity. At 31 December 2024, net debt excluding lease liabilities was £60.1m (2023: £91.2m) (note 14), whilst shareholders' equity was £207.6m (2023: £217.9m).

The business is profitable and cash-generative. The main financial covenants applying to bank debt are that leverage (the ratio of net bank debt to EBITDA) should not exceed 3.0 times, and interest cover (the ratio of EBITDA to finance charges) should not be less than 4.0 times. The Group complied with both of these covenants in 2024 and 2023.

Smaller acquisitions are typically financed using bank debt, while larger acquisitions typically involve a combination of bank debt and additional equity. The mixture of debt and equity is varied, taking into account the desire to maximise the shareholder returns while keeping leverage at comfortable levels.

13. Cash generated from operations

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Loss for the year	(10,729)	(33,136)
Taxation	(3,731)	(15,664)
Interest payable and similar charges	9,225	9,991
Interest income	(62)	(113)
Unrealised foreign exchange loss/(gain)	222	(423)
Profit on disposal of intangible assets	(2,400)	-
Depreciation of property, plant and equipment	1,318	1,225
Amortisation and impairment of intangibles	44,890	88,353
Change in inventories	3,114	(1,859)
Change in trade and other receivables	5,422	(6,481)
Change in trade and other payables	(4,966)	1,937
Change in provisions	342	(7,785)
Share-based employee remuneration	1,646	889
Cash generated from operations	44,291	36,934

14. Alternative performance measures

The performance of the Group is assessed using Alternative Performance Measures ("APMs"). The Group's results are presented both before and after non-underlying items. Adjusted profitability measures are presented excluding non-underlying items, as we believe this provides both management and investors with useful additional information about the Group's performance and aids a more effective comparison of the Group's trading performance from one period to the next. In addition, the Group's results are described using certain other measures that are not defined under IFRS and are therefore considered to be APMs.

These measures are used by management to monitor ongoing business performance against both shorter-term budgets and forecasts but also against the Group's longer-term strategic plans. APMs used to explain and monitor Group performance are as follows:

Measure	Definition	Reconciliation to GAAP measure
Underlying EBIT and EBITDA	Earnings before interest, tax and non-underlying items ("EBIT", also referred to as underlying operating profit), then depreciation, amortisation and impairment ("EBITDA"). Calculated by taking profit before tax and financing costs, excluding non-underlying items and adding back depreciation and amortisation. EBITDA margin is calculated using See-through revenue.	Note A below
Free cash flow	Free cash flow is defined as cash generated from operations less cash payments made for interest payable and similar charges, capital expenditure and tax.	Note B below
Net debt	Net debt is defined as the Group's gross bank debt position net of finance issue costs and cash, excluding lease liabilities.	Note C below
Underlying effective tax rate	Underlying effective tax rate is calculated by dividing total taxation for the year less impact of tax rate changes and non-underlying charges, by the underlying profit before tax for the year.	Note D below
Operating costs	Defined as underlying administration and marketing expenses, excluding depreciation and underlying amortisation charges.	Note E below
See-through income statement	Under the terms of the transitional services agreement with certain supply partners, Alliance receives the benefit of the net profit on sales of Nizoral™ from the date of acquisition up until the product licences in the Asia-Pacific territories transfer to Alliance. The net product margin is recognised as part of statutory revenue. The See-through Income Statement recognises the underlying sales and cost of sales which give rise to the net product margin, as management consider this to be a more meaningful representation of the underlying performance of the business, and to reflect the way in which it is managed.	Note F below
Constant exchange rate (CER) revenue	Like-for-like revenue, impact of acquisitions, and total See-through revenue are stated so that the portion denominated in non-Sterling currencies is retranslated using foreign exchange rates from the previous financial year.	Note G below

A. Underlying EBIT and EBITDA

	Year Ended 31 December 2024 £000s	Year Ended 31 December 2023 £000s
Reconciliation of Underlying EBIT and EBITDA		
Loss before tax	(14,460)	(48,800)
Non-underlying items (note 4)	45,965	80,303
Underlying PBT	31,505	31,503
Finance costs (note 5)	8,388	10,358
Underlying EBIT	39,893	41,861
Depreciation	1,318	1,225
Underlying amortisation	1,908	1,903
Underlying EBITDA	43,119	44,989
Underlying EBITDA margin	23.9%	24.6%

B. Free cash flow

	Year Ended 31 December 2024 £000s	Year Ended 31 December 2023 £000s
Reconciliation of free cash flow		
Cash generated from operations (note 13)	44,291	36,934
Interest payable and similar charges	(8,736)	(9,433)
Capital expenditure	(841)	(696)
Tax paid	(5,575)	(5,524)
Free cash flow	29,139	21,281

C. Net debt

		31 December 2024 £000s	31 December 2023 £000s
Reconciliation of net debt	Note		
Loans and borrowings - non-current	10	(92,477)	(113,646)
Cash and cash equivalents		32,360	22,436
Net debt		(60,117)	(91,210)

D. Underlying effective tax rate

	Year Ended 31 December 2024 £000s	Year Ended 31 December 2023 £000s
Reconciliation of adjusted underlying effective tax rate		
Total taxation credit for the year	3,731	15,664
Non-underlying tax credit	(11,656)	(22,579)
Underlying taxation charge for the year	(7,925)	(6,915)
Underlying profit before tax for the year	31,505	31,503
Underlying effective tax rate	25.2%	22.0%

E. Operating costs

	Year Ended 31 December 2024 £000s	Year Ended 31 December 2023 £000s
Reconciliation of operating costs		
Total administration and marketing expenses	(70,848)	(54,219)
Non-underlying administration and marketing expenses	5,009	(6,147)
Depreciation	1,318	1,225
Operating costs	(64,521)	(59,141)

F. See-through income statement

	2024 statutory values £000s	See-through adjustment £000s	2024 see-through values £000s
Revenue - Consumer healthcare brands	129,234	1,509	130,743
Revenue - Prescription Medicines	49,602	-	49,602
Total Revenue	178,836	1,509	180,345
Cost of sales	(69,550)	(1,509)	(71,059)
Gross profit	109,286	-	109,286
Gross profit margin	61.1%	-	60.6%

	2023 statutory values £000s	See-through adjustment £000s	2023 see-through values £000s
Revenue - Consumer healthcare brands	134,332	2,032	136,364
Revenue - Prescription Medicines	46,348	-	46,348
Total Revenue	180,680	2,032	182,712
Cost of sales	(75,661)	(2,032)	(77,693)
Gross profit	105,019	-	105,019
Gross profit margin	58.1%	-	57.5%

There is no impact from the see-through adjustment on income statement lines below gross profit.

G. Constant exchange rate revenue

	2024 £000s	Foreign exchange impact £000s	2024 CER £000s
See-through revenue			
LFL see-through revenue - Consumer Healthcare brands	130,743	3,048	133,791
LFL see-through revenue - Prescription Medicines	49,602	352	49,954
See-through revenue (Note F)	180,345	3,400	183,745

	2024 £000s	Foreign exchange impact £000s	2024 CER £000s
Statutory revenue			
LFL statutory revenue - Consumer Healthcare brands	129,234	3,048	132,282
LFL statutory revenue - Prescription Medicines	49,602	352	49,954
Statutory revenue (Note F)	178,836	3,400	182,236

15. Events after the reporting date

On 10 January 2025 we announced the recommended cash offer by DBAY Advisors Ltd for the entire issued, and to be issued share capital of Alliance, at the value of 62.5 pence per share (representing a £349.7m total cash offer). This offer was increased to 64.75 pence per share (representing a £362.0m total cash offer) on 10 March 2025 and was accepted by the requisite number of shareholders at a meeting on 13 March 2025. As announced on 20 March 2025, the Sanction Hearing to approve the offer made by DBAY is scheduled for 12 May 2025, and the Effective Date of the Scheme is expected to be 14 May 2025. We anticipate that Alliance will cease trading on AIM shortly afterwards. There were no other material events subsequent to 31 December 2024 and up until the authorisation of the financial statements for issue, that have not been disclosed elsewhere in this release.

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