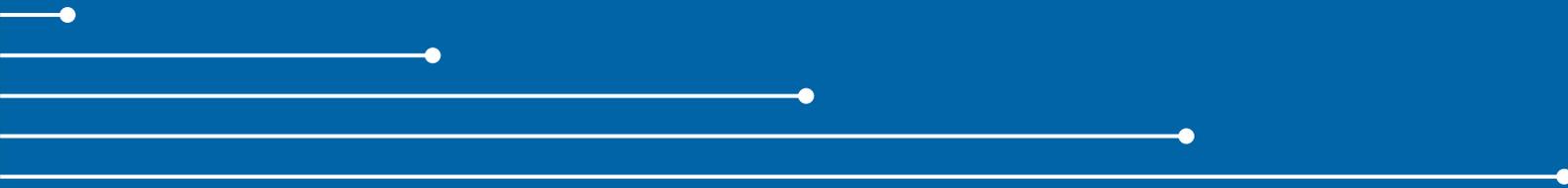


A world-leading company in surgical and woundcare innovation



Preliminary results for the year ended 31 December 2020

17 March 2021



Advanced Medical Solutions Group plc

Financial Highlights



Group remained profitable and generated strong operational cash flows despite COVID-19 disruption

- Full year revenue of **£86.8 million** (2019: £102.4 million) and adjusted profit before tax of **£13.4 million** (2019: £26.6 million) reflecting COVID-19 impacts across all products and regions
- Strong net cash position of **£53.8 million** (2019: £64.8 million) after £22.0 million Raleigh acquisition
- Investment in R&D increased to **£7.9 million** (2019: £6.5 million) as progress continued on all key projects across the Group
- An increased proposed dividend of **1.70p** per share (2019: 1.55p), due to strong net cash and Board confidence
- In line with best practice, AMS repaid **£0.4 million** of UK government furlough support

Operational Highlights (incl. post period end)



Progress made across business, including key LiquiBand® R&D projects

- All manufacturing sites operated throughout the COVID-19 pandemic servicing customers and meeting order demand
- Group sales and profitability in line with current consensus having been heavily impacted by COVID-19
- Approval and restricted launch of LiquiBand® Rapid™
- Successful completion of LiquiBand® XL clinical trials; on track for approval and launch towards the end of 2021
- US trial to support PMA for LiquiBandFix8® progressing well, filing for the device expected in 2022
- Patient enrolment for the first human clinical study of Seal-G® and Seal-G® MIST began in February and CE mark extensions for the product are expected imminently
- Acquisition of Raleigh in November 2020 for £22 million provides a strong strategic fit with commercial synergies and new commercial opportunities

Product Progress: LiquiBand® Range

LiquiBand® Update

LiquiBand® Rapid

- FDA 510(k) approval received in March 2020
- Commercial launch planned in 2021

LiquiBand® XL

- Successful completion of LiquiBand® XL clinical trials in 2020
- On track for 510(k) approval and launch towards the end of 2021, allowing entry in to the growing \$50 million large wound closure market

LiquiBand® ROW

- India approval received in 2020; to launch in 2021 following partner screening and selection

LiquiBand Fix8®

- The clinical trial for the LiquiBand Fix8® US Pre-Market Approval process is progressing well
 - Completion of patient procedures expected in 2021
 - FDA filing to follow in 2022
 - US approval would be a significant milestone, the first of its type to enter the \$250 million US hernia fixation market
- PMA process supports efforts to secure more specialist partners for LiquiBand Fix8® to drive stronger growth



Product Progress: Sealantis & Biomatlante

Sealantis

- Positive feedback from commercial research activity completed with EU KOLs in 2020
- Post period end, patient enrolment for the first human clinical study of Seal-G® and Seal-G® MIST began
- CE mark approval for Seal-G® MIST, and an extension of an existing CE mark for Seal-G® open device, are expected imminently
- Seal G products will allow Group to enter global \$1 billion internal sealants market
 - Soft launch expected H1 2021
 - Further clinical evidence to be built in order to facilitate full European launch in 2022

Biomatlante / RESORBA®

- Initial sales of Biomatlante products under the RESORBA® brand made into Germany in 2020, with significant progress in sales expected in the coming year
- In November 2020, 510(k) application filed for freeze dried bone substitute (FDBS), with approval anticipated in the next 12 months



Product Progress: Raleigh & Woundcare R&D

Raleigh

- Raleigh acquisition enhances the Group's woundcare capabilities and growth
- A good fit with acquisition strategy, with positive growth prospects, as well as potential for significant cross-selling and cost saving synergies

Woundcare R&D

- Addressable woundcare market increased via:
 - US launch of Silver Moisture Wicking Fabric
 - US approval of the Debridement pad
 - CE mark approval of Silicone PHMB foam, which sits alongside the existing US approval
- These new woundcare products enable the Group's partners to participate in new markets worth a total of \$200 million
- Progress made in expanding product indications for AMS' Silver High Performance Dressing, positioning the Group to obtain a full anti-microbial claim by end of 2021

raleigh coatings



Licensing and Acquisitions Strategy



AMS continues to seek accretive acquisitions with commercial synergies and strong R&D and manufacturing capabilities

- Our selection criteria remains unchanged:
 - Products or technologies that enable AMS to leverage its Woundcare customer base or surgical routes to market
 - Surgically-focused companies with product synergies, strong R&D capability and proprietary products
- Net cash of £53.8 million and undrawn debt facility of £80.0m at 31 December 2020
- Exceptional costs of £0.8 million incurred, relating to:
 - Acquisition of Raleigh
 - Additional exceptional items related to an unsuccessful bid for a sizeable surgical business

Financial Summary



Financial Overview



2020 financial performance dominated by COVID-19 impact

- COVID-19 restrictions disrupted the entire market and resulted in a significant slowdown in surgical and wound treatment volumes
- Despite this, the Group remained profitable and generated strong operational cash flows, whilst continuing to invest in key projects
- AMS saw a continuing gradual recovery over the last two quarters of 2020 and 2021 has started well with a healthy order book in both Business Units
- Reflecting the Board's confidence in the business and its strong net cash position (£53.8 million) an increased FY20 dividend of 1.70p per share (+10%) is proposed

FY 2020 Operating Margins

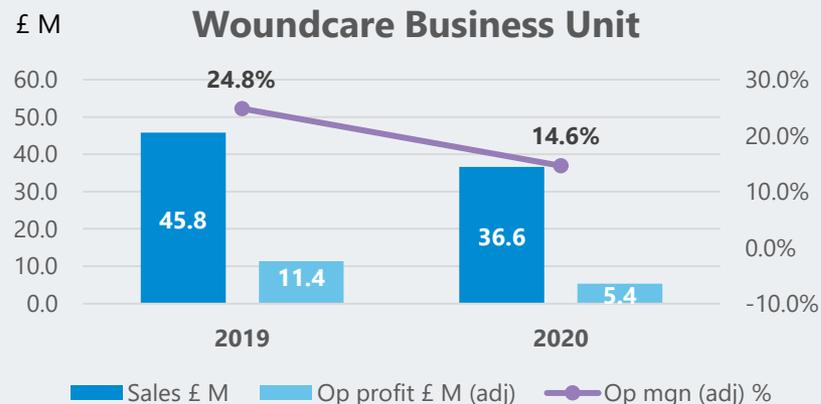
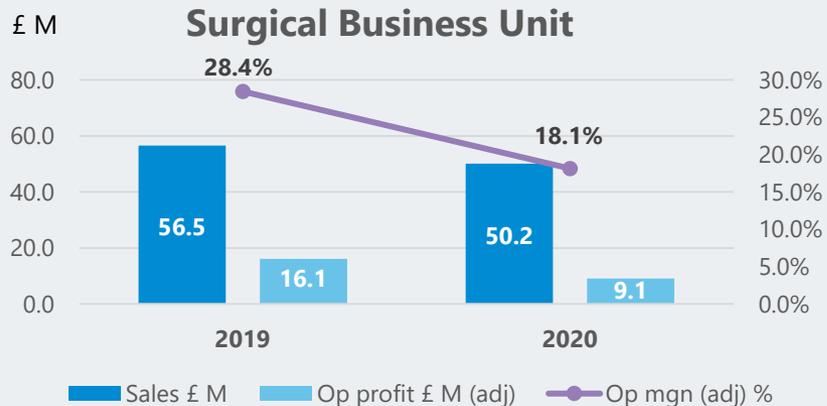


Margins heavily impacted by lower volumes

- Much lower volumes caused by COVID-19 restrictions resulted in under-absorption of fixed costs and reduced gross and net margins
- Fixed costs relating to manufacturing sites and operating expenses including our employee base were largely retained
- R&D spend increased to £7.9 million (2019: £6.5 million), 9.1% of sales (2019: 6.3%), reflecting increased investment in innovation and in meeting the increasing regulatory standards
- UK furlough support was repaid and employees unable to work received their full salary at our cost; paid £0.3 million one-off payments to operational staff attending sites

Adjusted PBT margin movements:

- Group 15.4% (2019: 26.0%)
- Surgical 18.1% (2019: 28.4%)
- Woundcare 14.6% (2019: 24.8%)





FY 2020 Results: Surgical

Revenue down 11% to £50.2 million (2019: £56.5 million)

Advanced Closure – LiquiBand®

- Revenue down 24% to £22.8 million (2019: £30.1 million)

Internal Fixation and Sealants

- LiquiBandFix8® revenue down 20% to £2.1 million (2019: £2.6 million)

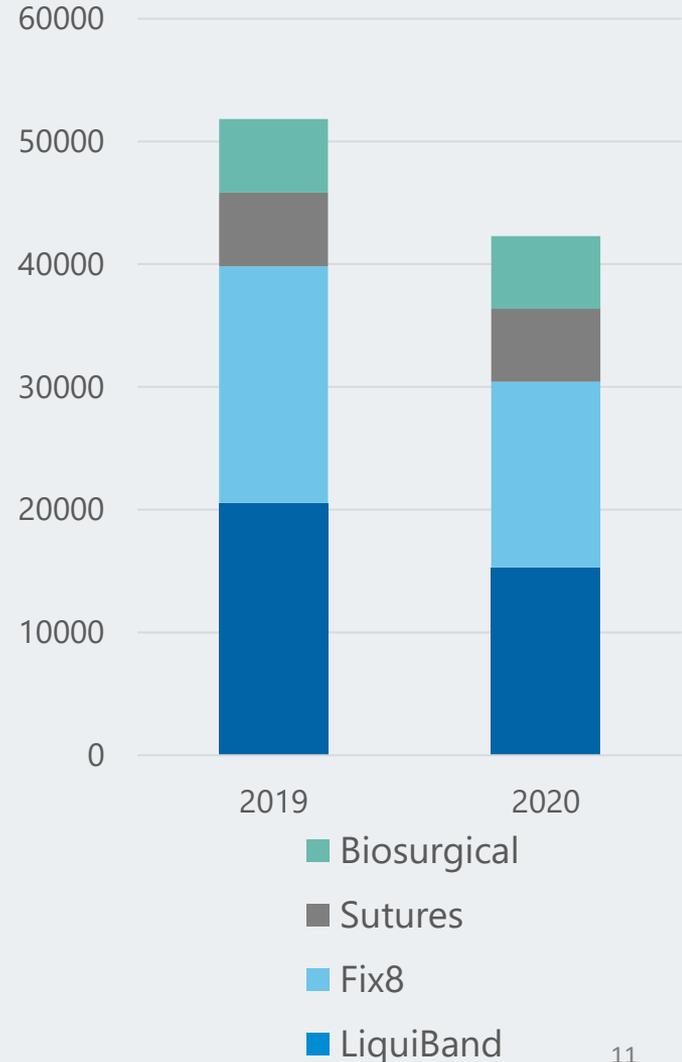
Traditional Closure - Sutures

- Revenue down 9% to £13.0 million (2019: £14.4 million)

Biosurgical Devices

- Revenue up 30% to £12.3 million (2019: £9.4 million), reflecting inclusion of Biomatlante sales

Surgical Revenue



FY 2020 Results: Woundcare



Revenue down 20% to £36.6 million (2019: £45.8 million)

Infection Control

- Revenue down 25% to £15.3 million (2019: £20.6 million)
- To support our partners we did not enforce annual minimum volumes in a number of cases
- Commercial options being explored to maximise long term value from an exclusive silver alginate agreement which ended in December 2020

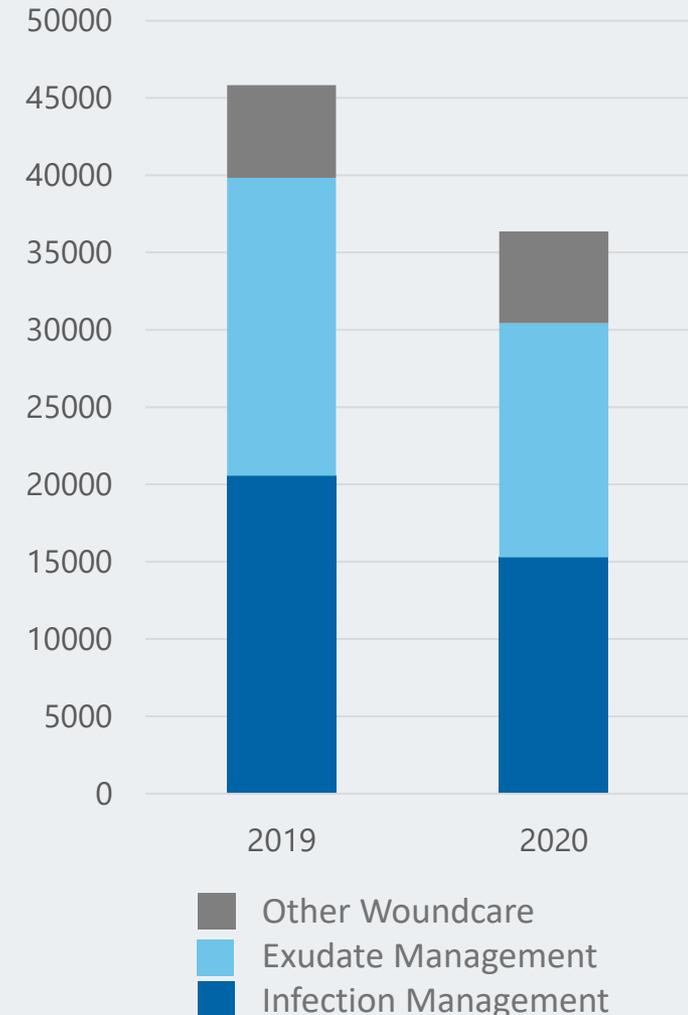
Exudate Management

- Revenue down 20% to £15.4 million (2019: £19.3 million)
- Several new ActivHeal® contracts signed contributing to significant additional sales value over the next five years
- Acquisition of Raleigh strengthens woundcare position

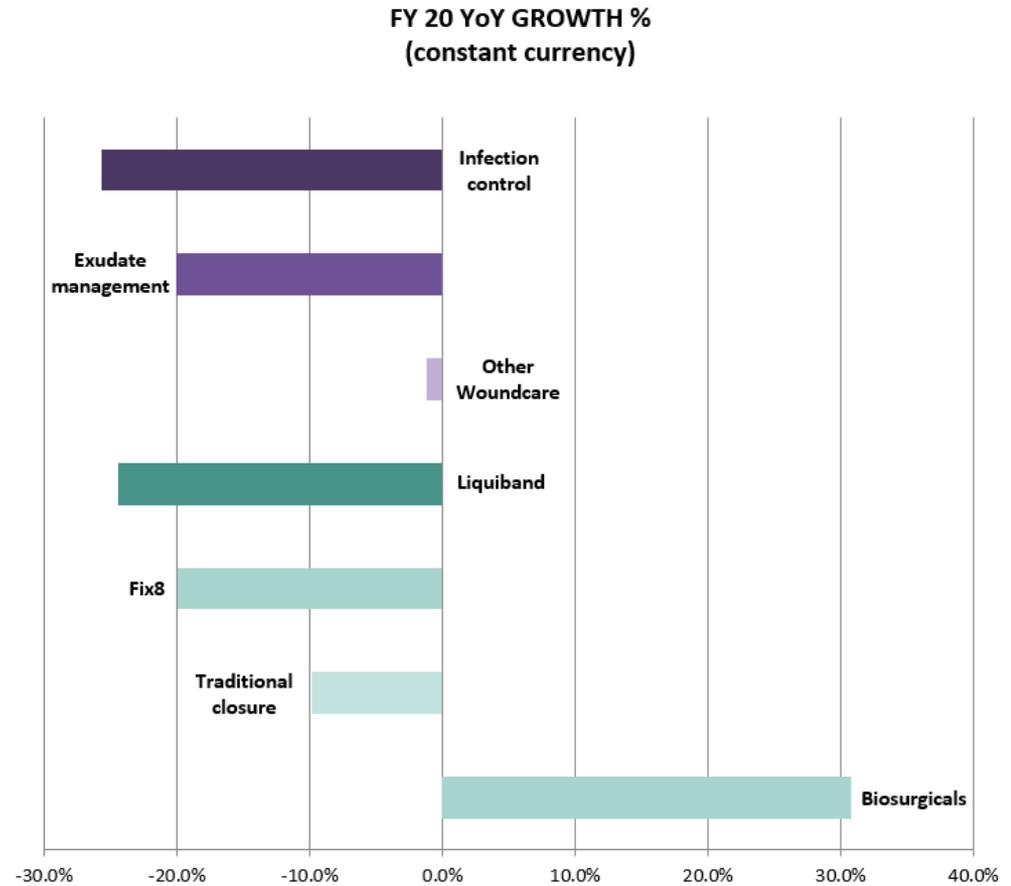
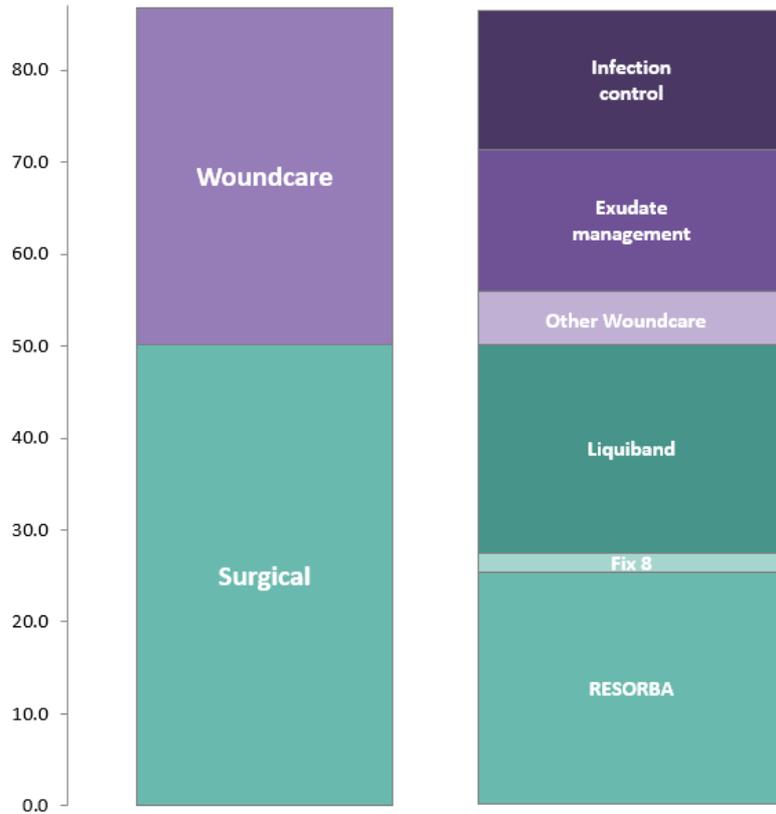
Other Woundcare

- Revenue down 1% to £5.9 million (2019: £6.0 million), in relation to a minor decrease in sealant revenue

Woundcare Revenue



Revenue by Product

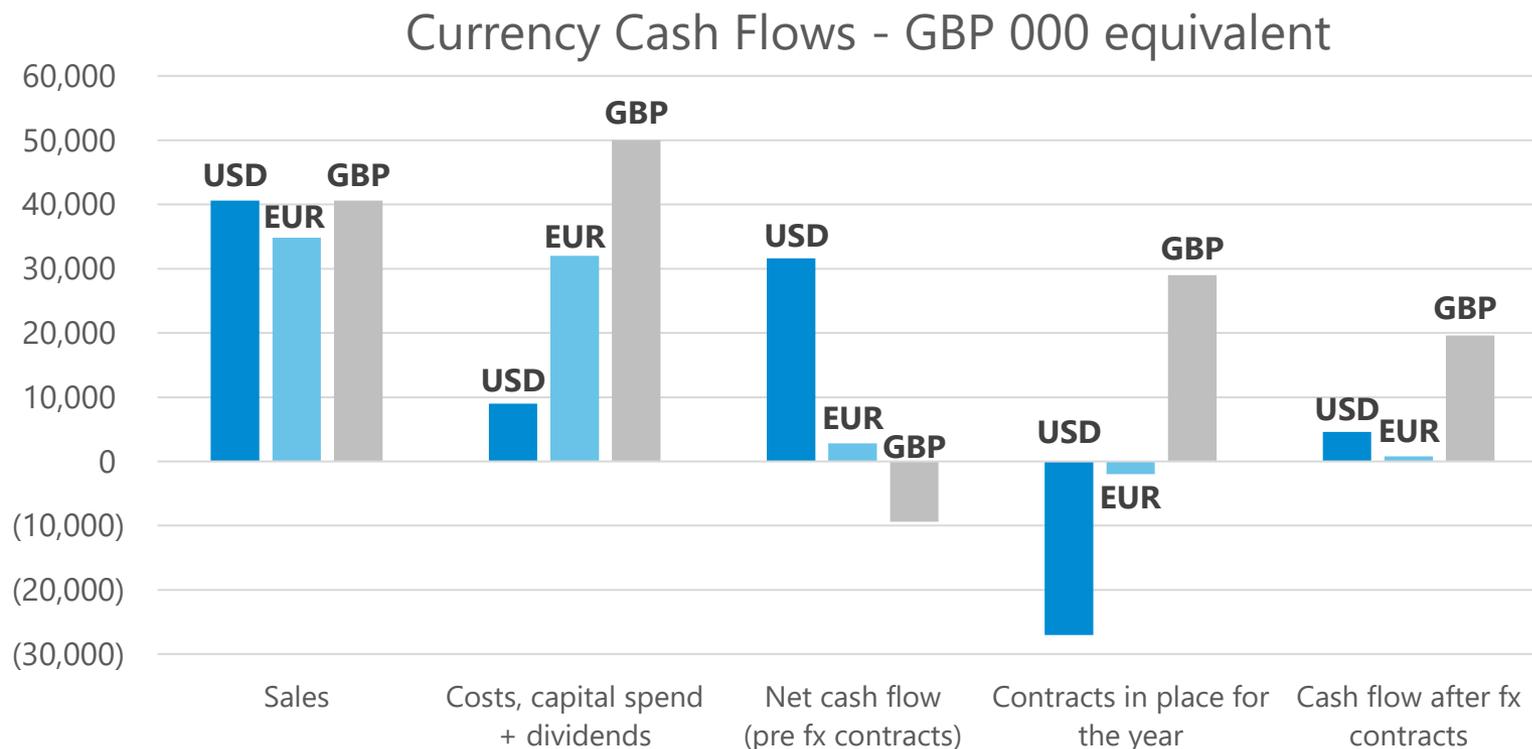


Cash Flow Summary



	2020	2019
	£ million	£ million
Profit from operations	10.7	24.2
Depreciation and Amortisation	6.8	5.8
Working capital movements	4.9	(5.2)
Share-based payments expense	1.6	1.9
Taxation	(3.7)	(5.9)
Net cash inflow from operating activities	20.4	20.8
Capital expenditure and capitalised intangibles	(5.1)	(5.9)
Interest received	0.3	0.4
Net cash used in investing activities	(4.8)	(5.4)
Dividends paid	(3.3)	(3.0)
Repayment of bank loan	(0.7)	0.0
Shares and share based payments	0.1	1.1
Interest paid and forex	(0.6)	(0.9)
Acquisitions	(21.9)	(24.1)
Increase/(decrease) in cash and cash equivalents	(10.9)	(11.6)
Cash and cash equivalents at the beginning of the period	64.8	76.4
Cash and cash equivalents at the end of the period	53.8	64.8

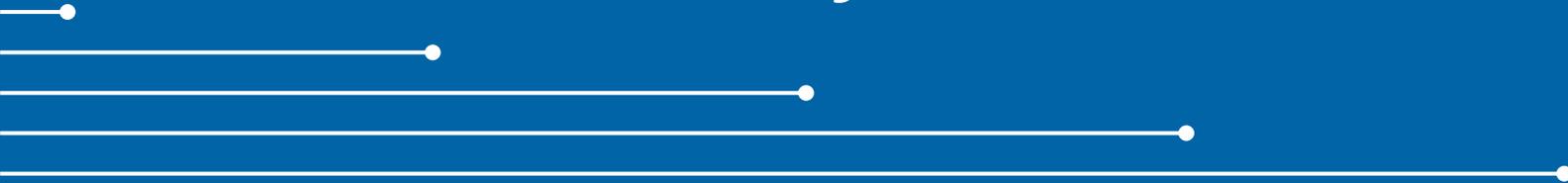
Foreign Exchange Hedging



AMS aims to hedge 80% forecast cash flows for the next 12-18 months with forward contracts.

A 10% movement in the £:US\$ or £:€ exchange rate is estimated to impact Sterling revenues by approximately 2.8% and 3.4% respectively and in the absence of any hedging this would have an impact on profit of 2.2% and 0.1%.

Summary and Outlook

A decorative graphic on the left side of the slide consists of five horizontal white lines of varying lengths, each ending with a small white dot. The lines are stacked vertically, with the top line being the shortest and the bottom line being the longest, creating a staircase-like effect.

Our Strategy for Growth



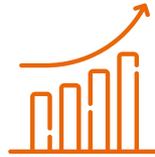
Product Innovation

- Developing or acquiring high quality products and technologies to expand portfolio
- Driving share gains in high value segments
- UK, France, Germany and Israel Innovation hubs



Operational excellence

- Quality of manufacturing and security of supply
- Extensive regulatory experience bringing products to market and post market surveillance
- Lowering operational costs; improving margins



Commercial Flexibility

- Continue global expansion through direct sales and engagement of new distributors
- Increased investment in major R&D and regulatory projects
- LiquiBand® return to growth with new product approvals
- MDR opportunity



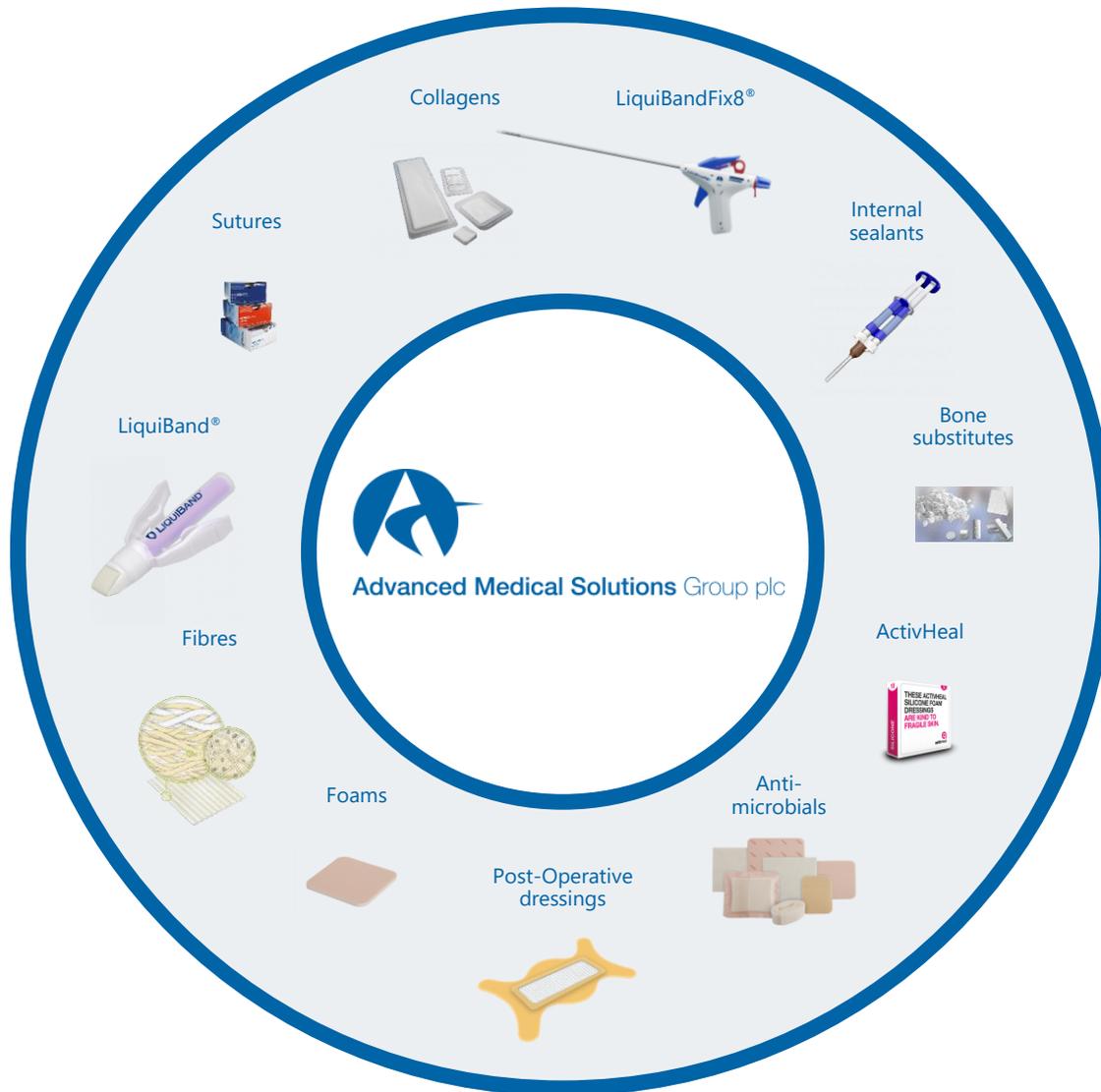
Leverage acquisitions

- Acquire complementary technologies to our surgical portfolio that allow us to leverage our global routes to market



- Quality outcomes for patients
- – Value for payors
- Solid financial position
- Long-term shareholder value creation

Multiple Product Growth Drivers



- Strong portfolio of high margin surgical and advanced woundcare devices
- Track record of commercial success
- Potential for further market share growth in all key categories
- Commitment to continuous product development
- Leveraging R&D and regulatory capabilities
- Raleigh acquisition adds value to foam / anti-microbial offering

2021 Expected Newsflow



- US LiquiBand®:
 - Approval and launch of LiquiBand® XL
 - Completion of US LiquiBandFix8® PMA study
- CE mark for Seal-G® MIST and extended approval for Seal-G® open device expected imminently
- Full anti-microbial claim for Silver High Performance Dressing expected by the end of the year
- US 510(k) approval of Biomatlante’s freeze dried bone substitute (FDBS)
- Various other advanced woundcare product deals and launches

Summary and Outlook



Building organic and acquisitive growth; confident in both the short and long-term prospects for the Group

- Despite ongoing COVID-19 related challenges, the Group has seen a continuing gradual recovery across the business
- 2021 has started well with a healthy order book in both Business Units
- Group set for strong organic growth underpinned by product development progress and regulatory approvals in new geographies and indications
- AMS will continue to invest in R&D, particularly Sealantis, LiquiBandFix8® PMA and MDR
- Robust finances; ready for accelerated growth

Contact Us

Advanced Medical Solutions Group plc

Premier Park, 33, Road One

Winsford Industrial Estate

Winsford, Cheshire

CW7 3RT, UK

Chris Meredith Chief Executive Officer

Eddie Johnson Chief Financial Officer

corporate@admedsol.com

+44 (0)1606 863 500

www.admedsol.com