Advanced Medical Solutions
Group plc

CREATING A SURGICAL POWERHOUSE

Interim Report 2025

About Advanced Medical Solutions Group plc

About Advanced Medical Solutions Group plc

AMS is a world-leading independent developer and manufacturer of innovative tissue-healing technology, focused on quality outcomes for patients and value for payers. AMS has a wide range of surgical products including tissue adhesives, sutures, haemostats, internal fixation devices and internal sealants, which it markets under its brands LiquiBand®, RESORBA®, LiquiBandFix8®, LIQUIFIX™, 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 1,600 employees. For more information, please see www.admedsol.com.

Contents

01 Business Highlights
03 Chief Executive's Review
06 About our Business Units
07 Financial Review
10 Condensed Consolidated Income Statement
11 Condensed Consolidated Statement of Comprehensive Income
12 Condensed Consolidated Statement of Financial Position
13 Condensed Consolidated Statement of Changes in Equity
14 Condensed Consolidated Statement of Cash Flows
15 Notes Forming Part of the Consolidated Financial Statements

Financial Highlights

Revenue (£ million)

£110.8m

H1 24: £68.0m
Reported change: +63% (+66% at constant currency)[2]

Adjusted[3] profit before tax (£ million)

£16.4m

H1 24: £14.8m
Reported change: +11%

Adjusted[3] profit before tax margin (%)

14.8%

H1 24: 21.8%
Reported change: -7.0pp

Adjusted[4] diluted earnings per share (p)

5.67p

H1 24: 5.21p
Reported change: +9%

Profit before tax (£ million)

£8.5m

H1 24: £5.7m
Reported change: +49%

Profit before tax margin (%)

7.6%

H1 24: 8.4%
Reported change: -0.8pp

Diluted earnings per share (p)

2.84p

H1 24: 1.92p
Reported change: +48%

Net operating cash flow (£ million)

£15.1m

H1 24: £7.0m
Reported change: +117%

Net (debt)/cash[5] (£ million)

£(50.1)m

H1 24: £55.6m
Reported change: -190%

Interim dividend per share (p)

0.85p

H1 24: 0.77p
Reported change: +10%

Business Highlights

H1 delivering high quality growth alongside transformative Peters Surgical acquisition in 2024

Operational Highlights:

- Group revenue increased by 63% to £110.8 million and by 66% at constant currency (2024 H1: £68.0 million) with organic growth supplemented by the impact of the Peters Surgical acquisition that completed 1st July 2024. Overall performance was in line with management expectations including a strong showing from the existing AMS business (excluding Peters) growing revenues by 13% and by 14% at constant currency. Revenues from Peters Surgical products have now been allocated to relevant Group product sales categories in the Surgical business unit and will be reported as such on an ongoing basis, reflecting continued integration progress.
  - Surgical revenues increased by 81% to £87.9 million (2024 H1: £48.4 million) with £34.3 million contributed by Peters Surgical during the period. Good progress has been made on the integration of Peters Surgical and Syntacoll with positive contributions from both businesses.
  - US LiquiBand® grew by 14% at reported currency and by 18% at constant currency, reflecting continued strong momentum from the 2023 renegotiation of distribution agreements with key partners. ROW LiquiBand® grew 10% at reported currency and by 11% at constant currency supported by commercial synergies following the Peters Surgical acquisition, including the targeting of AMS products into specialist cardiovascular markets where Peters Surgical has a strong presence.
  - Biosurgical products grew by 37% at reported currency and by 40% at constant currency, driven by enhanced manufacturing efficiencies and significant improvement in yields of collagen products, following the integration of Syntacoll which has also significantly boosted the performance of antibiotic eluting collagens.
  - Advanced Woundcare revenues increased by 17% at reported currency, and 18% at constant currency, to £22.9 million (2024 H1: £19.5 million) recovering from prior period declines, driven by strong ordering from OEM partners that more than offset the previously reported declining Organogenesis royalty.
- The restructuring of the Woundcare business was successfully completed at the end of Q1 2025. The Board remains confident in achieving its targeted double-digit operating margin from the start of Q2 onwards as the newly refocussed operations have made a strong start, reporting strong revenue growth during the period.
- Good progress in starting to implement the commercial and operational synergies within the enlarged Group and the Board can confirm the anticipated achievable benefits remain in line with previous expectations. For example, the strong reputation and presence of the Peters Surgical products and sales teams in specialist cardio-vascular markets is already starting to provide direct revenue synergies for AMS products that are well suited to that space, such as LiquiBand XL and GENTA-Coll.

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

"We are pleased to report another period of strong revenue growth, driven by continued momentum across key products. These results also highlight the strength and resilience of our increasingly diversified portfolio and global footprint, which help to mitigate the impact of order phasing and market specific fluctuations. Integration of last year's acquisitions remain on track, with improvements to systems and manufacturing being made to reduce backorders, emerging commercial synergies in geographies, such as France and India, and in specialty areas, such as cardiovascular, set to strengthen H2 2025 and beyond. We are also making solid progress toward upcoming US product launches. We believe these initiatives will significantly enhance our earnings growth potential over the medium to long-term."

Chris Meredith
Chief Executive Officer

Notes

1 Reported change is calculated using amounts rounded to the nearest £'000.

2 Constant currency adjusts for the effect of currency movements by re-translating the current period's performance at the previous period's exchange rates.

3 Reconciled in the Financial Review. Adjusted profit before tax excludes the impact of exceptional items, amortisation of acquired intangibles and movement in long-term acquisition liabilities. Adjusted EBITDA excludes the impact of exceptional items, depreciation, amortisation, interest and taxation.

4 Reconciled in Note 4 of the financial information. Adjusted diluted earnings per share exclude the impact of exceptional items, amortisation of acquired intangibles and movement in long-term acquisition liabilities.

5 Reconciled in Note 10 of the financial information. Net debt is calculated as cash and cash equivalents less borrowings.

Advancement of the US regulatory programme for Biosurgical and Suture products remains a strategic priority, and the Group has made good progress towards planned US launches anticipated next year.

Financial Highlights:

- Gross margins reduced to 53.5% (2024 H1: 54.3%) due to the previously reported reduction in Organogenesis royalty income stream, the impact of Peters Surgical which has a slightly lower gross margin and improved performance of Woundcare which has a lower gross margin than Surgical.
- Adjusted EBITDA increased by 42% to £24.4 million (2024 H1: £17.2 million) with adjusted EBITDA margin at 22.0% (2024 H1: 25.3%) for the reasons set out above. Reported profit before tax increased to £8.5 million (2024 H1: £5.7 million) as a result of the Peters Surgical acquisition and against a prior period which included significant acquisition-related exceptional items.
- Net Debt decreased to £50.1 million from 2024 year-end net debt position of £55.8 million (2024 H1: net cash of £55.6 million prior to the acquisition of Peters Surgical), driven by continued good cash generation, which will drive further deleveraging.
- Given strong business performance and the Board's continued confidence in the outlook, the interim dividend is increased by 10% to 0.85p per share (2024 H1: 0.77p).

Outlook

- We expect to sustain good growth across our enlarged Surgical portfolio, supported by strong end-user demand, product innovation and geographic expansion. Woundcare, having completed its restructuring, is now a cash-generative business with stable margins.
- Our US regulatory programmes for Biosurgical and Suture products are progressing and will underpin medium-term growth. The strength of our cash generation and disciplined capital allocation mean we are on track to reduce leverage to approximately 1x EBITDA by year-end 2025, with further rapid deleveraging thereafter.
- The Board remains confident of delivering full year 2025 revenue and EBITDA in line with expectations and believes that AMS is well positioned to drive sustained growth, margin expansion and long-term value creation.

Chief Executive's Review

Summary

The interim results to the end of June 2025 reflect the significant progress made in consolidating the enlarged Surgical business and completing the restructuring of Advanced Woundcare.

Group revenue increased by 63% on a reported basis and 66% on a constant currency basis in the period to £110.8 million (2024 H1: £68.0 million) due to Peters Surgical revenues of £34.3 million (which were not in the prior period) and growth in the rest of the Group. Excluding Peters Surgical, revenue increased by 13% and by 14% at constant currency.

Revenue from the Peters Surgical products has been allocated into the Group's product categories: Suture, Clips and VTO; Internal Fixation and Sealants; and Other Distributed Products.

The integration of Peters Surgical remains on track to deliver the anticipated operational and commercial synergies and the new Syntacoll acquisition is already contributing positively to sales growth of collagen products. We have successfully completed the planning of operational synergies, estimated at £10 million annual benefit, and are now well into the initial months of the execution phase which is due for completion before the end of 2027. Commercial synergies are also progressing well, with new revenues already being generated and incremental revenue from commercial synergies expected to be in the region of £5 million to £10 million within five years of the acquisition. Integration costs are expected to be incurred up to 2027.

An earn-out payment of £0.7 million was made in H1 2025 relating to Peters Surgical, with no further payments expected.

Momentum from key products, especially end-market demand has continued into Q3 supported by improvements to systems and manufacturing which have relieved back order and supply issues.

Launch of new products, line extensions and cross selling is and will be a key part of our strategy to leverage new geographic market footprints and for direct sales in France, Belgium, India, Poland (Peters) and the UK, Germany, Austria and the Czech Republic (AMS). We look forward to a steady stream of launches over time, a number of which are detailed in the table below including in the USA, Asia and China. We believe the latter markets are underpenetrated and represent significant opportunity for growth in the longer term:

Product approval/launch	Region	Category	Estimated timing
LiquiBand® and collagen launches	India	Advanced Closure/ Biosurgical	2025
RESORBA® collagen dental cone approval	USA	Biosurgical Devices	2026
Topical Adhesives approval and launch	China	Advanced Closure	2026
Peters Surgical suture launches	USA	Sutures	2026-2027
Freeze Dried Bone Substitute (FDBS) approvals	EU & USA	Biosurgical Devices	2026-2027
IFABOND® line extension launches	EU	Advanced Closure	2027
Seal-G® approval of second-generation device	EU	Advanced Closure	2027
Antibiotic FDBS substitute approvals	EU & USA	Biosurgical Devices	2030
Antibiotic collagen approvals	USA	Biosurgical Devices	2030

The Board remains confident in meeting current revenue and EBITDA consensus expectations for the Full Year 2025. The Group is also making good progress in advancing FDA regulatory filings which are expected to support deeper penetration of the US market and enhance meaningful profit growth potential over the medium to long-term.

Surgical Business Unit

Revenue increased by 81% on a reported basis and 86% on a constant currency basis in the period to £87.9 million (2024 H1: £48.4 million). Excluding Peters Surgical, surgical revenue increased by 11% and by 13% at constant currency.

Surgical Business Unit	2025 H1 £ million	2024 H1 £ million	Reported Growth[1]	Growth at constant currency
Advanced Closure	**24.5**	21.8	12%	15%
Internal Fixation and Sealants	**3.6**	3.8	-6%	-4%
Suture, Clips and VTO	**38.8**	10.4	275%	283%
Biosurgical Devices	**13.0**	9.5	37%	40%
Other Distributed Products	**8.0**	3.0	163%	169%
TOTAL	**87.9**	48.4	81%	86%

Advanced Closure – Direct sales channel building momentum

Advanced Closure	2025 H1 £ million	2024 H1 £ million	Reported Growth[1]	Growth at constant currency
Americas	15.7	13.8	14%	18%
Rest of World	8.8	8.0	10%	11%
TOTAL	24.5	21.8	12%	15%

Global LiquiBand® revenues increased by 12% to £24.5 million (2024 H1: £21.8 million) and 15% at constant currency.

Following the successful implementation of the new US marketing strategy, which involved renegotiations with key US distribution partners, more differentiated product branding and increased partner engagement, US revenues for the LiquiBand® portfolio increased to £15.7 million (2024 H1: £13.8 million), growth of 18% at constant currency and with all distribution partners performing well and an element of partner order phasing.

As already mentioned, the strong reputation and presence of the Peters Surgical products and sales teams in specialist cardio-vascular markets is already starting to provide direct revenue synergies for AMS products that are well suited to that space, such as LiquiBand® XL.

In the Rest of World, revenues rose by 10% at reported currency and by 11% at constant currency to £8.8 million (2024 H1: £8.0 million) supported by sustained end-user demand across multiple markets. Commercial synergies with Peters Surgical are already beginning to increase sales momentum in Europe.

The regulatory process for AMS's first topical adhesive approval in China continues to progress well. The clinical trial has been completed and the CFDA filing remains on track for submission by year-end with commercial launch anticipated in H2 2026.

Internal Fixation and Sealants – Inventory reducing, growth building

As highlighted in March of this year, H1 2024 included substantial US launch orders that were unlikely to be repeated in the current period. As a consequence revenues decreased by 6% on a reported basis to £3.6 million (2024 H1: £3.8 million) and 4% on a constant currency basis.

LIQUIFIX™ US commercial demand continues to build, supported by contracts now in place with three major GPOs. End market sales are progressing steadily driven by increased activity and focus from TelaBio. Initial launch inventories delivered in H1 2024 are being drawn down, with repeat orders already being received in line with expectations. Additionally, resolution of the prior quality issues is also helping to improve the market uptake.

Outside the US, our commercial teams are assessing how best to optimise and grow the enlarged portfolio with IFABOND® providing additional indications and characteristics as well as the opportunity to deliver commercial synergies.

Clinical evidence and KOL support continues to build for Seal-G®, our novel, biological sealant for internal surgery. Current clinical activity following the 160 patient 2023 GI study indicates a supportive trend of patient benefits including reduced severity of leakage in pancreatic surgery and observations of potential reduced post-operative stoma in bowel surgery. Pending further data, this could be highly meaningful for both patient outcomes and health system costs. Clinical activity on multiple fronts should provide more data by end 2025 and into 2026, including the start of a potential large scale UK randomised clinical study.

Seal-G® sales have been muted to date but we have seen an encouraging small uptick in revenues going into H2 indicating building KOL interest. Longer term, the development of the next-generation device, together with accumulating clinical data, will help realise the full potential of this technology.

Suture, Clips and VTO - Positive effect of Peters acquisition

Revenue increased by 275% to £38.8 million (2024 H1: £10.4 million) and by 283% at constant currency following the acquisition of Peters Surgical on 1st July 2024.

The RESORBA® portfolio continued to deliver a strong performance during the first half.

Revenue from the ex-Peters Suture, Clips and VTO portfolio was muted after being impacted by supply issues causing increased backorders, US tariffs and by order phasing from key distribution partners that is weighted towards the second half of the year.

Good progress has been made in resolving the supply chain issues giving confidence that backorders can be reduced and accelerated growth delivered from H2 2025. End user demand remains robust across the portfolio and combining the Peters Surgical and RESORBA® sales teams is expected to strengthen suture sales going forwards.

Following the Peters acquisition, the Group is aiming for deeper penetration of the US suture market and is assessing options for the timing of US launches, in consideration of the delayed approval of one of the Peters Surgical cardiovascular suture families, where additional biocompatibility testing is needed that will run into FY27.

The Group also sees significant potential in the wider commercialisation of the Peters Surgical Clips and VTO portfolio in the years ahead.

Biosurgical Devices – Strong performance by collagen products

Revenue increased by 37% to £13.0 million (2024 H1: £9.5 million) and by 40% at constant currency, including sales associated with Syntacoll acquired in April 2024.

Underlying growth was driven by a strong performance in collagen products, supported by enhanced manufacturing efficiency and the subsequent resolution of back-orders experienced in 2024. The acquisition of Syntacoll has also positively impacted sales of antibiotic-eluting collagens.

The Group sees enormous US potential for its collagen and bone substitutes, particularly the drug-eluting products that will follow initial drug-free variants. By the end of 2026, the Group expects to achieve its first ever collagen US approval as well as EU and US approvals for its innovative Freeze-Dried Bone Substitute (FDBS). US approvals and launch of drug-eluting variants of both products are planned in subsequent years.

Other Distributed Products – Positive effect of Peters acquisition

Revenue increased by 163% on a reported basis and 169% on a constant currency basis to £8.0 million (2024 H1: £3.0 million), predominantly due to the addition of Peters Surgical.

Woundcare – Strong recovery from prior period decline

Revenue for the Woundcare Business Unit increased by 17% in the period to £22.9 million (2024 H1: £19.5 million) on a reported basis and by 18% on a constant currency basis, making a strong recovery from the prior period decline. The previously announced restructuring of the Woundcare Business Unit was successfully completed as planned by the end of Q1 2025 resulting in reduced investment in lower-margin areas and a sharper focus on higher-margin products. The Board remains confident in achieving double-digit operating margins from Q2 2025.

Woundcare Business Unit	2025 H1 £ million	2024 H1 £ million	Reported Growth[1]	Growth at constant currency
Infection and Exudate Management	21.6	17.2	26%	26%
Other Woundcare	1.3	2.3	-46%	-45%
TOTAL	22.9	19.5	17%	18%

Infection and Exudate Management – Solid recovery from prior adverse order phasing

Infection and Exudate Management revenue increased by 26% to £21.6 million (2024 H1: £17.2 million) on both a reported and constant currency basis which reflects a recovery from adverse order phasing in the prior period. Several long-standing development projects have now been completed and are beginning to contribute positively to revenue. In addition, new OEM contracts secured during the period have also further supported growth.

Other Woundcare – Lower royalties as expected

Other Woundcare comprises royalties, fees and woundcare sealants. Revenue reduced by 46% at reported currency and by 45% at constant currency to £1.3 million (2024 H1: £2.3 million) as a result of lower royalty income from the Group's licensing arrangement with Organogenesis, as previously announced.

US Tariffs

Export order volumes were initially impacted by US tariffs, especially in the early period where tariff rates were substantially higher, although normal ordering has now resumed. Based on current tariff rates and contractual arrangements, it is estimated that the annual cost of tariffs could settle at between £1 million and £2 million p.a (approximately 2% - 4% of EBITDA). The Group continues to actively manage its exposure to US tariffs through ongoing reviews of contracts with its partners and supply chain optimisation.

Environmental, Social & Governance

The new Group Sustainability Team made good progress in the period, publishing the first Carbon Reduction Plan for the enlarged Group, which covered all sites and reinforces our Net Zero ambition for 2045. Our next focus will be on creating a detailed action plan in order to file to be aligned with the Science Based Targets Initiative (SBTi) in 2026. Going forward, our EDI Committee (AMS Together) and ESG Rep program will continue to engage with employees and ensure our activities reflect the new Purpose, Mission and Values. We have also started a double materiality analysis, which is required for the Corporate Sustainability Responsibility Directive (CSRD), for the enlarged Group. The outcomes will help us adjust the ESG long-term strategy.

Stakeholders

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

About our Business Units

Surgical

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® and Vitalitec.

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.

Internal Fixation and Sealants

AMS's internal fixation portfolio has been strengthened with the addition of IFABOND® to the existing LIQUIFIX™ / LiquiBandFix8® range.

LIQUIFIX™ / LiquiBandFix8® secures meshes inside the body with accurately delivered drops of fast-setting butyl cyanoacrylate adhesive, whereas IFABOND® uses hexyl cyanoacrylate that is more flexible and resorbable and has European approvals not only for mesh fixation, but also for tissue fixation, prolapse repair and bariatric surgery.

Suture, Clips and VTO

The RESORBA® portfolio of general, dental and ophthalmic sutures is strengthened and complemented by the sutures, clips and Vascular Temporary Occlusion ('VTO') devices from the Peters acquisition that also bring strong Cardio-Vascular specialisation and brand recognition.

Biosurgical devices

The Biosurgical Devices category comprises antibiotic-loaded collagen sponges, collagen membranes and cones, oxidised cellulose, synthetic bone substitutes and bio-absorbable screws.

Other Distributed Products

The Other Distributed products category comprises products distributed through AFS Medical in Austria and Peters Surgical in France, including minimally invasive access ports and laparoscopic instruments. This category excludes sales of LiquiBandFix8® which are recorded within the Internal Fixation and Sealants category.

Woundcare

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 and multi-layer woundcare products.

Financial Review

IFRS reporting

The Group uses alternative performance measures as we believe this provides both management and investors with a more effective comparison of the Group's trading performance. 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. Constant currency revenue growth is a non-GAAP measure used to compare revenue on a like-for-like basis. Adjusted operating margin and profit, adjusted EBITDA, adjusted profit before tax and adjusted earnings per share are non-GAAP measures that allow the impacts of exceptional items, amortisation and the movement in long-term acquisition liabilities to be separately identified and to provide a more effective comparison of the Group's profitability. Net debt/cash is an additional non-GAAP measure used and provides a useful overview of the Group's financial position.

Overview

Following the transformative acquisition of Peters Surgical in 2024, The Group's revenue has increased by 63% at reported currency to £110.8 million (2024 H1: £68.0 million) and by 66% at constant currency, as summarised in the Chief Executive's Review.

Gross profit increased to £59.3 million (2024 H1: £36.9 million) as a result of the Peters Surgical acquisition although gross margin decreased to 53.5% (2024 H1: 54.3%) as Peters delivers a lower average gross margin as well as the impact of the declining Organogenesis royalty. The strong performance of Woundcare has also diluted the average gross margin achieved by the Group.

Administration expenses, before exceptional items, were £44.3 million (2024 H1: £25.0 million) which includes approximately £13 million relating to Peters Surgical. Investment in R&D, sales and marketing has increased to support further growth, whilst overall costs have increased in a number of support functions to manage and integrate the enlarged Group.

Exceptional items totalling £3.0 million (2024 H1: £7.5 million) have been incurred in the period as a result of the Group's transformation projects to deliver significant synergies following the acquisition of Peters Surgical and Syntacoll in 2024 as summarised in the operational highlights section.

Investment in R&D has increased to £6.9 million (2024 H1: £5.6 million) following the Peters Surgical acquisition. This represents 6.2% (2024 H1: 8.2%) of revenue which is a decline as Peters has lower R&D spend as a proportion of revenue when compared to historical AMS investment levels. Additionally the amount of R&D investment required to comply with the Medical Device Regulation ("MDR") continues to decline as demonstrated by the lower levels of R&D capitalisation in the period.

	H1 2025 £'000	H1 2024 £'000
Total investment in Research and Development, Regulatory and Clinical	**6,910**	5,593
Of which:		
Charged to the profit and loss account	**5,296**	3,448
Capitalised, to be amortised over 5-10 years	**1,614**	2,145

Amortisation of acquired intangible assets increased to £5.2 million (2024 H1: £2.5 million) due to the impact of the Peters Surgical acquisition in July 2024.

Adjusted operating profit[6], which excludes amortisation of acquired intangibles and exceptional items, increased by 35% to £18.9 million (2024 H1: £14.0 million) whilst the adjusted operating margin decreased by 350bps to 17.0% (2024 H1: 20.5%) due to the dilutive impact of Peters Surgical which currently achieves lower levels of operating margin than the legacy AMS Surgical business.

Movement in long-term acquisition liabilities of Sealantis, AFS, Connexicon and Peters resulted in a net credit of £0.2 million (2024 H1: £0.9 million credit), as a result of the £0.7 million FY24 Peters earn-out being marginally lower than initially expected. The final €0.5 million contingent earn-out payment relating to the 2022 acquisition of AFS was made in the period after it successfully met the FY24 EBITDA milestone.

The Group delivered adjusted EBITDA of £24.4 million (2024: £17.2 million), a 42% increase following the Peters acquisition and change from a net interest received of £1.8 million in the prior period to a £2.3 million net interest expense position in the current period.

Reconciliation of operating profit to adjusted EBITDA

	H1 2025 £'000	H1 2024 £'000
Operating profit	**10,727**	3,943
Amortisation of acquired intangibles	**5,164**	2,468
Amortisation of other intangibles	**1,597**	801
Depreciation	**3,912**	2,434
Exceptional items	**2,988**	7,544
Adjusted EBITDA	**24,388**	17,190

Adjusted profit before tax increased by 11% to £16.4 million (2024 H1: £14.8 million), despite numerous headwinds including US tariffs and the UK governments increase in employer national insurance. Reported profit before tax increased to £8.5 million (2024 H1: £5.7 million) as a result of the significant exceptional items incurred in the prior period.

6 Reconciled in Note 19 of the financial information. Excludes the impact of exceptional items and amortisation of acquired intangibles

Reconciliation of profit before tax to adjusted profit before tax

	H1 2025 £'000	H1 2024 £'000
Profit before tax	**8,463**	5,695
Amortisation of acquired intangibles	**5,164**	2,468
Exceptional items	**2,988**	7,544
Movement in long-term acquisition liabilities	**(232)**	(895)
Adjusted profit before tax	**16,383**	14,812

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 27.2% (2024 H1: 26.7%) with the main driver being ongoing strong performance in the US where the effective tax rate has increased and non-deductible tax losses in certain jurisdictions which increases the Group's effective rate.

Adjusted diluted earnings per share as defined in Note 4 of the financial information, increased by 9% to 5.67p (2024 H1: 5.21p) reflecting the Group's ongoing growth. Diluted earnings per share increased by 48% to 2.84p (2024 H1: 1.92p) whilst basic earnings per share increased by 48% to 2.89p (2024: 1.95p) as a result of significantly more exceptional items incurred in the prior period.

The Board intends to pay an interim dividend of 0.85p per share on 24 October 2025 to shareholders on the register at the close of business on 26 September 2025. This is a 10% increase on the interim dividend paid in respect of the first half of 2025 reflecting the Board's ongoing confidence in the future growth in the Group.

Operating result by business segment Six months ended 30 June 2025	Surgical £'000	Woundcare £'000
Revenue	**87,902**	**22,867**
Profit from operations	**12,863**	**1,379**
Amortisation of acquired intangibles	**4,694**	**470**
Adjusted operating profit[7]	**17,557**	**1,849**
Adjusted operating margin	**20.0%**	**8.1%**
Adjusted EBITDA[8]	**21,895**	**3,020**
Adjusted EBITDA margin	**24.9%**	**13.2%**
Six months ended 30 June 2024		
Revenue	48,439	19,547
Profit from operations	11,375	776
Amortisation of acquired intangibles	1,998	470
Adjusted operating profit[7]	13,373	1,246
Adjusted operating margin	27.6%	6.4%
Adjusted EBITDA[8]	15,594	2,260
Adjusted EBITDA margin	32.2%	11.6%

7 Reconciled in Note 5 of the financial information. Excludes the impact of exceptional items and amortisation of acquired intangibles

8 Reconciled in Note 19 of the financial information. Excludes the impact of exceptional items, depreciation, amortisation, interest and taxation.

Surgical

Surgical revenues increased by 81% to £87.9 million (2024 H1: £48.4 million) at reported currency and increased by 86% at constant currency. Adjusted EBITDA margin decreased 730 bps to 24.9% (2024 H1: 32.2%) due to the dilutive impact of Peters Surgical which currently has a lower margin than the legacy AMS Surgical business.

Woundcare

Woundcare revenues increased by 17% to £22.9 million (2024 H1: £19.5 million) at reported currency and 18% at a constant currency, offsetting declines in the prior period despite the declining Organogenesis royalty. Adjusted EBITDA margin increased by 160 bps to 13.2% (2024 H1: 11.6%) predominately due to increased volumes and a focus on higher margin products although the declining Organogenesis royalty adversely impacts margin.

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 first half of the year, approximately one third of sales were invoiced in Euros and approximately one third were invoiced in US Dollars. Following the acquisition of Peters Surgical, the Group has facilities in a number of additional countries including Thailand and India with associated currency exposure which are not believed to be material at this time. This will remain under consideration as the Group continues to grow.

The Group estimates that a 10% movement in the £:US$ or £:€ exchange rate will impact Sterling revenues by approximately 2.6% and 4.7% respectively and in the absence of any hedging this would have an impact on the Group operating margin of 1.6% and 0.2% percentage points respectively. Given the significant cost base in Euro currency, the Euro currency transaction exposure has a minimal impact on Group Operating Margin, and hence the Group has decided to only hedge US Dollar currency transaction exposure over the next 18 months.

Cash Flow

Adjusted net cash inflow from operating activities has increased to £18.4 million (2024 H1: £10.8 million) due to increased operating profit when excluding the impact of exceptional items. Net cash inflow from operating activities increased significantly to £15.1 million (2024 H1: £7.0 million). The prior period included significant acquisition related payments in relation to the Peters Surgical acquisition. Additional information on working capital movements is explained below.

Reconciliation of Net cash inflow from operating activities to Adjusted net cash inflow from operating activities	(Unaudited) Six months ended 30 June 2025	(Unaudited) Six months ended 30 June 2024
Net cash inflow from operating activities	**15,138**	6,962
Add back exceptional items	**3,213**	3,841
Adjusted net cash inflow from operating activities	**18,351**	10,803

At the end of the period, net debt stands at £50.1 million, a decrease from the year-end position of £55.8 million as the Group was able to use positive operational cash flows to reduce its debt. The Group repaid £8.0 million of its joint facility with NatWest and HSBC which stands at £64 million. The facility comprised of £60 million outstanding on Facility A, a £60 million term loan facility with the first £5 million annual repayment due on 1st July 2025 and £4 million outstanding on Facility B, a £30 million multi-currency revolving credit facility. The interest rate on both facilities is based on SONIA plus a margin based on the Groups net leverage. This margin dropped from 1.75% to 1.5% during the period.

£4.5 million of borrowings has been received during the period from the Peters Surgical factoring facility.

The Groups covenants require Interest cover to be not less than 4.0:1.0 and net leverage in respect of each relevant period shall not exceed 3.0:1.0. Interest cover is calculated as a ratio of Adjusted EBITDA to Net Finance Charge in respect of any relevant period. Net leverage is calculated as a ratio of Total Net Debt on the last day of that relevant period to Adjusted EBITDA in respect of that relevant period.

In the first half of 2025, receivables decreased by £2.3 million (2024 H1: £2.9 million increase) from a particularly high year-end point. Debtor days decreased to 49 from 53 days at year-end (2024 H1: 47 days) which was noted at year-end as being slightly higher than usual.

Trade, other payables and other non-current liabilities declined slightly to £37.0 million against the year-end position of £37.6 million as a result of earn-out payments being made in the period. Creditor days of 35 days was consistent with the year-end position of 35 days and marginally below the previous period reporting (2024 H1: 37 days).

Inventory levels increased by £6.8 million (2024 H1: £2.5 million increase) as the Group has built Inventory to support growth as well as resolving certain back-order situations within a number of ex-Peters Surgical sites. Inventory cover for the period has increased to 6.6 months of supply in comparison to 6.0 months at year-end (2024 H1: 7.3 months) which is required to fulfil the strong H2 order book as well as manage supply chain risks appropriately.

In the period, the group invested £4.1 million in capital equipment, R&D and regulatory costs, an increase from the prior period (2024 H1: £3.8 million) as the additional investment following the Peters Surgical acquisition has been largely offset by reducing levels of investment required for MDR.

Tax payments decreased to £2.3 million (2024 H1: £2.9 million) which is consistent with expense in the income statement.

Condensed Consolidated Income Statement

		(Unaudited) Six months ended 30 June 2025			(Unaudited) Six months ended 30 June 2024			(Audited) Year ended 31 December 2024		
	Note	Before Exceptional Items £'000	Exceptional Items (Note 8) £'000	Total £'000	Before Exceptional Items £'000	Exceptional Items (Note 8) £'000	Total £'000	Before Exceptional Items £'000	Exceptional Items (Note 8) £'000	Total £'000
Revenue from continuing operations	5	**110,769**	**–**	**110,769**	67,986	–	67,986	177,521	–	177,521
Cost of sales		**(51,515)**	**–**	**(51,515)**	(31,091)	–	(31,091)	(84,903)	–	(84,903)
Gross profit		**59,254**	**–**	**59,254**	36,895	–	36,895	92,618	–	92,618
Distribution costs		**(1,586)**	**–**	**(1,586)**	(812)	–	(812)	(2,348)	–	(2,348)
Administration costs		**(44,278)**	**(2,988)**	**(47,266)**	(25,039)	(7,544)	(32,583)	(69,033)	(10,924)	(79,957)
Other income		**325**	**–**	**325**	443	–	443	906	–	906
Operating profit		**13,715**	**(2,988)**	**10,727**	11,487	(7,544)	3,943	22,143	(10,924)	11,219
Finance income		**358**	**–**	**358**	2,024	–	2,024	2,161	–	2,161
Finance costs		**(2,622)**	**–**	**(2,622)**	(272)	–	(272)	(3,557)	–	(3,557)
Profit before taxation		**11,451**	**(2,988)**	**8,463**	13,239	(7,544)	5,695	20,747	(10,924)	9,823
Income tax	7	**(2,990)**	**685**	**(2,305)**	(3,167)	1,648	(1,519)	(4,662)	1,981	(2,681)
Profit for the period		**8,461**	**(2,303)**	**6,158**	10,072	(5,896)	4,176	16,085	(8,943)	7,142
Profit for the period attributable to equity holders of the parent		**8,508**	**(2,303)**	**6,205**	10,072	(5,896)	4,176	16,037	(8,943)	7,094
Non-controlling interest		**(47)**	**–**	**(47)**	–	–	–	48	–	48
Earnings per share										
Basic	4	**3.96p**	**(1.07p)**	**2.89p**	4.70p	(2.75p)	1.95p	7.48p	(4.17p)	3.31p
Diluted	4	**3.89p**	**(1.05p)**	**2.84p**	4.63p	(2.71p)	1.92p	7.35p	(4.10p)	3.25p

Condensed Consolidated Statement of Comprehensive Income

	(Unaudited) Six months ended 30 June 2025 £'000	(Unaudited) Six months ended 30 June 2024 £'000	(Audited) Year ended 31 December 2024 £'000
Profit for the period	**6,158**	4,176	7,142
Exchange differences on translation of foreign operations	**3,505**	(3,010)	(6,177)
Gain/(loss) arising on cash flow hedges	**4,136**	(431)	(3,104)
Deferred tax (charge)/credit arising on cash flow hedges	**(739)**	(212)	664
Other comprehensive credit/(charge) for the period	**6,902**	(3,653)	(8,617)
Total comprehensive income/(loss) for the period	**13,060**	523	(1,475)
Total comprehensive income/(loss) for the year attributable equity holders of the parent	**13,107**	523	(1,523)
Total comprehensive (loss)/ income for the year attributable to Non-controlling interest	**(47)**	–	48

Condensed Consolidated Statement of Financial Position

	Note	(Unaudited) 30 June 2025 £'000	(Unaudited) 30 June 2024 £'000	(Audited) 31 December 2024 £'000
Assets				
Non-current assets				
Intangible assets		**94,329**	54,327	97,412
Goodwill	11	**118,953**	78,993	116,884
Property, plant and equipment		**46,573**	30,767	45,871
Deferred tax assets		**1,268**	515	1,022
Derivative financial assets		**910**	111	–
Trade and other receivables		**1,080**	71	1,029
		263,113	164,784	262,218
Current assets				
Inventories		**62,019**	38,564	55,259
Trade and other receivables		**50,093**	27,440	52,451
Current tax assets		**827**	497	1,233
Derivative financial assets		**2,045**	1,556	296
Cash and cash equivalents		**19,339**	134,944	17,039
		134,323	203,001	126,278
Total assets		**397,436**	367,785	388,496
Liabilities				
Current liabilities				
Trade and other payables		**32,752**	22,089	33,782
Borrowings	10	**9,470**	–	5,421
Current tax liabilities		**1,290**	569	1,780
Derivative financial liabilities		**–**	–	261
Lease liabilities		**3,208**	1,534	3,087
		46,720	24,192	44,331
Non-current liabilities				
Other non-current liabilities		**4,264**	2,863	3,873
Borrowings	10	**59,956**	79,325	67,428
Derivative financial liabilities		**–**	–	474
Deferred tax liabilities		**19,821**	9,580	20,246
Lease liabilities		**9,741**	9,015	10,628
		93,782	100,783	102,649
Total liabilities		**140,502**	124,975	146,980
Net assets		**256,934**	242,810	241,516
Equity				
Share capital	13	**10,961**	10,881	10,892
Share premium		**37,691**	37,473	37,525
Other reserves	13	**18,795**	15,085	16,625
Hedging reserve		**2,957**	1,357	(440)
Translation reserve		**(794)**	(1,132)	(4,299)
Retained earnings		**186,632**	179,146	180,474
Equity attributable to equity holders of the parent		**256,242**	242,810	240,777
Non-Controlling interests	13	**692**	–	739
Total equity		**256,934**	242,810	241,516

Condensed Consolidated Statement of Changes in Equity
Attributable to equity holders of the Group

	Share capital £'000	Share premium £'000	Other reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total attributable to owners £'000	Non-controlling Interest £'000	Total £'000
At 1 January 2025 (audited)	**10,892**	**37,525**	**16,625**	**(440)**	**(4,299)**	**180,474**	**240,777**	**739**	**241,516**
Consolidated profit for the period to 30 June 2025	**–**	**–**	**–**	**–**	**–**	**6,158**	**6,158**	**–**	**6,158**
Other comprehensive income	**–**	**–**	**–**	**3,397**	**3,505**	**–**	**6,902**	**–**	**6,902**
Total comprehensive income	**–**	**–**	**–**	**3,397**	**3,505**	**6,158**	**13,060**	**–**	**13,060**
Share-based payments	**–**	**–**	**1,900**	**–**	**–**	**–**	**1,900**	**–**	**1,900**
Excess Deferred tax on share-based payments	**–**	**–**	**237**	**–**	**–**	**–**	**237**	**–**	**237**
Share options exercised	**69**	**166**	**33**	**–**	**–**	**–**	**268**	**–**	**268**
Changes in non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(47)**	**(47)**
Dividends paid (Note 9)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
At 30 June 2025 (unaudited)	**10,961**	**37,691**	**18,795**	**2,957**	**(794)**	**186,632**	**256,242**	**692**	**256,934**

	Share capital £'000	Share premium £'000	Other reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total attributable to owners £'000 £'000	Non-controlling Interest £'000	Total £'000
At 1 January 2024 (audited)	10,865	37,473	13,453	2,000	1,878	178,533	244,202	–	244,202
Consolidated profit for the period to 30 June 2024	–	–	–	–	–	4,176	4,176	–	4,176
Other comprehensive expense	–	–	–	(643)	(3,010)	–	(3,653)	–	(3,653)
Total comprehensive (expense)/income	–	–	–	(643)	(3,010)	4,176	523	–	523
Share-based payments	–	–	1,450	–	–	–	1,450	–	1,450
Excess Deferred tax on share-based payments	–	–	175	–	–	–	175	–	175
Share options exercised	16	–	7	–	–	–	23	–	23
Changes in non-controlling interest	–	–	–	–	–	–	–	–	–
Dividends paid (Note 9)	–	–	–	–	–	(3,563)	(3,563)	–	(3,563)
At 30 June 2024 (unaudited)	10,881	37,473	15,085	1,357	(1,132)	179,146	242,810	–	242,810

	Share capital £'000	Share premium £'000	Other reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total attributable to owners £'000 £'000	Non-controlling Interest £'000	Total £'000
At 1 January 2024 (audited)	10,865	37,473	13,453	2,000	1,878	178,533	244,202	–	244,202
Consolidated profit for the year to 31 December 2024	–	–	–	–	–	7,142	7,142	–	7,142
Other comprehensive expense	–	–	–	(2,440)	(6,177)	–	(8,617)	–	(8,617)
Total comprehensive (expense)/income	–	–	–	(2,440)	(6,177)	7,142	(1,475)	–	(1,475)
Share-based payments	–	–	3,086	–	–	–	3,086	–	3,086
Excess Deferred tax on share-based payments	–	–	74	–	–	–	74	–	74
Share options exercised	27	52	12	–	–	–	91	–	91
Changes in non-controlling interest	–	–	–	–	–	–	–	739	739
Dividends paid (Note 9)	–	–	–	–	–	(5,201)	(5,201)	–	(5,201)
At 31 December 2024 (audited)	10,892	37,525	16,625	(440)	(4,299)	180,474	240,777	739	241,516

Condensed Consolidated Statement of Cash Flows

	Note	(Unaudited) Six months ended 30 June 2025 £'000	(Unaudited) Six months ended 30 June 2024 £'000	(Audited) Year ended 31 December 2024 £'000
Cash flows from operating activities				
Operating profit		**10,727**	3,943	11,219
Adjustments for:				
Depreciation		**3,912**	2,434	6,453
Amortisation – acquired intangible assets		**5,164**	2,468	7,804
- development costs		**1,297**	574	1,508
- software intangibles		**300**	227	537
Increase in inventories		**(7,068)**	(2,477)	(2)
Increase/(decrease) in trade and other receivables		**1,017**	(4,288)	(10,384)
(Decrease)/Increase in trade and other payables		**208**	5,519	4,318
Share-based payments expense		**1,900**	1,450	3,086
Taxation paid		**(2,319)**	(2,888)	(5,050)
Net cash inflow from operating activities		**15,138**	6,962	19,489
Cash flows from investing activities				
Purchase of software		**(160)**	(152)	(572)
Capitalised development costs		**(1,614)**	(2,145)	(4,115)
Purchases of property, plant and equipment		**(2,351)**	(1,546)	(4,057)
Proceeds from disposal of property, plant and equipment		**–**	6	27
Interest received		**135**	1,064	1,229
Acquisitions (net of cash acquired)		**–**	(899)	(54,132)
Payment of contingent consideration		**(1,064)**	(2,998)	(5,529)
Net cash used in investing activities		**(5,054)**	(6,670)	(67,149)
Cash flows from financing activities				
Dividends paid	9	**–**	(3,563)	(5,201)
Repayment of principal under lease liabilities		**(1,659)**	(876)	(2,605)
Repayment of borrowings	10	**(8,191)**	–	(62,192)
New Borrowings received	10	**4,504**	79,325	79,453
Issue of equity shares		**172**	(41)	12
Interest paid		**(2,490)**	(196)	(3,989)
Net cash used in financing activities		**(7,664)**	74,649	5,478
Net increase/(decrease) in cash and cash equivalents		**2,420**	74,941	(42,182)
Cash and cash equivalents at the beginning of the period		**17,039**	60,160	60,160
Effect of foreign exchange rate changes		**(120)**	(157)	(939)
Cash and cash equivalents at the end of the period		**19,339**	134,944	17,039

Notes Forming Part of the Consolidated Financial Statements

1. Reporting entity

Advanced Medical Solutions Group plc ("the Company") is a public limited company incorporated and domiciled in England and Wales (registration number 2867684). The Company's registered address is Premier Park, 33 Road One, Winsford Industrial Estate, Cheshire, CW7 3RT.

The Company's ordinary shares are traded on the AIM market of the London Stock Exchange plc. The consolidated financial statements of the Company for the six months ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is primarily involved in the design, development and manufacture of innovative tissue-healing technology for sale into the global medical device market.

2. Basis of preparation

The information for the period ended 30 June 2025 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2024 has been delivered to the Registrar of Companies. The auditor reported on those accounts; their report was unqualified, did not draw attention to any matters of emphasis without qualifying the report and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The individual Financial Statements for each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company and the presentation currency for the Consolidated Financial Statements. All revenue relates to external customers.

3. Accounting policies

The same accounting policies, presentations and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial apart from the adoption of the following new or amended IFRS and Interpretations issued by the International Accounting Standards Board (IASB):

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

No revised standards adopted in the current period have had a material impact on the Group's financial statements.

The unaudited condensed set of Financial Statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the United Kingdom. These condensed interim accounts should be read in conjunction with the annual accounts of the Group for the year ended 31 December 2024. The annual financial statements of Advanced Medical Solutions Group plc are prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom.

4. Earnings per share

	(Unaudited) Six months ended 30 June 2025 '000	(Unaudited) Six months ended 30 June 2024 '000	(Audited) Year ended 31 December 2024 '000
Number of shares			
Weighted average number of ordinary shares	**218,153**	217,395	217,561
Basic weighted average number of shares held by Employee Benefit Trust	**(3,222)**	(3,222)	(3,222)
Weighted average number of ordinary shares for the purposes of basic earnings per share	**214,931**	214,173	214,339
Effect of dilutive potential ordinary shares: share options, deferred annual bonus, Share Incentive Plan, LTIPs	**3,856**	3,536	3,959
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**218,787**	217,709	218,298

Basic EPS is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares outstanding during the period.

Diluted EPS is calculated on the same basis as basic EPS but with the further adjustment to the weighted average shares in issue to reflect the effect of all potentially dilutive share options. The number of potentially dilutive share options is derived from the number of share options and awards granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period.

Adjusted earnings per share

Adjusted EPS is calculated after adding back amortisation of acquired intangible assets, exceptional items and movement in long-term acquisition liabilities and is based on earnings of:

	(Unaudited) Six months ended 30 June 2025 £'000	(Unaudited) Six months ended 30 June 2024 £'000	(Audited) Year ended 31 December 2024 £'000
Earnings			
Profit for the year being attributable to equity holders of the parent	**6,205**	4,176	7,094
Exceptional items	**2,988**	7,544	10,924
Tax impact of adjusted items	**(1,723)**	(1,956)	(3,857)
Amortisation of acquired intangible assets	**5,164**	2,468	7,804
Movement in long-term acquisition liabilities	**(232)**	(895)	(868)
Unwind of Inventory fair-value accounting	**–**	–	1,726
Adjusted profit for the year being attributable to equity holders of the parent	**12,402**	11,337	22,823

	pence	pence	pence
Basic EPS	**2.89**	1.95	3.31
Diluted EPS	**2.84**	1.92	3.25
Adjusted basic EPS	**5.77**	5.29	10.65
Adjusted diluted EPS	**5.67**	5.21	10.45

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

The adjusted diluted EPS information is considered to provide an alternative representation of the Group's trading performance, consistent with the view of management.

5. 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, exceptional items, income tax assets and the Group's external borrowings. These are the measures reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance.

Business segments

The principal activities of the Business Units are as follows:

Surgical

Selling, marketing and innovation of the Group's surgical products either sold directly by our sales teams or by distributors.

Woundcare

Selling, marketing and innovation of the Group's Advanced Woundcare products supplied under partner brands, bulk materials and the ActivHeal® brand predominantly to the UK NHS as well as bio diagnostics products following the acquisition of Raleigh.

Notes Forming Part of the Consolidated Financial Statements continued

Segment information about these Business Units is presented below:

Six months ended 30 June 2025 (Unaudited)	**Surgical £'000**	**Woundcare £'000**	**Consolidated £'000**
Revenue	**87,902**	**22,867**	**110,769**
Result			
Adjusted segment operating profit	**17,557**	**1,849**	**19,406**
Amortisation of acquired intangibles	**(4,694)**	**(470)**	**(5,164)**
Segment operating profit	**12,863**	**1,379**	**14,242**
Unallocated expenses			**(527)**
Exceptional items			**(2,988)**
Operating profit			**10,727**
Finance income			**358**
Finance costs			**(2,622)**
Profit before tax			**8,463**
Tax			**(2,305)**
Profit for the period			**6,158**

At 30 June 2025 (Unaudited) Other information	**Surgical £'000**	**Woundcare £'000**	**Consolidated £'000**
Capital additions/(disposals):			
Software intangibles	**130**	**30**	**160**
Development	**1,376**	**238**	**1,614**
Property, plant and equipment	**2,741**	**(390)**	**2,351**
Depreciation and amortisation	**(9,032)**	**(1,641)**	**(10,673)**
Balance sheet			
Assets			
Segment assets	**340,561**	**56,875**	**397,436**
Liabilities			
Segment liabilities	**118,671**	**20,828**	**139,499**
Unallocated liabilities			**1,003**
Consolidated total liabilities			**140,502**

Notes Forming Part of the Consolidated Financial Statements continued

Six months ended 30 June 2024 (Unaudited)	**Surgical £'000**	**Woundcare £'000**	**Consolidated £'000**
Revenue	48,439	19,547	67,986
Result			
Adjusted segment operating profit	13,373	1,246	14,619
Amortisation of acquired intangibles	(1,998)	(470)	(2,468)
Segment operating profit	11,375	776	12,151
Unallocated expenses			(664)
Exceptional items			(7,544)
Operating profit			3,943
Finance income			2,024
Finance costs			(272)
Profit before tax			5,695
Tax			(1,519)
Profit for the period			4,176

At 30 June 2024 (Unaudited) Other information	**Surgical £'000**	**Woundcare £'000**	**Consolidated £'000**
Capital additions/(disposals):			
Software intangibles	102	50	152
Development	1,867	278	2,145
Property, plant and equipment	1,024	522	1,546
Depreciation and amortisation	(4,219)	(1,484)	(5,703)
Balance sheet			
Assets			
Segment assets	278,125	88,985	367,110
Unallocated assets			675
Consolidated total assets			367,785
Liabilities			
Segment liabilities	81,994	38,893	120,887
Unallocated liabilities			4,088
Consolidated total liabilities			124,975

Year ended 31 December 2024 (Audited)	**Surgical £'000**	**Woundcare £'000**	**Consolidated £'000**
Revenue	135,768	41,753	177,521
Result			
Adjusted segment operating profit	30,132	2,604	32,736
Amortisation of acquired intangibles	(6,864)	(940)	(7,804)
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

Notes Forming Part of the Consolidated Financial Statements continued

At 31 December 2024 (Audited) Other information	Surgical £'000	Woundcare £'000	Consolidated £'000
Capital additions/(disposals):			
Software intangibles	494	78	572
Development	3,517	598	4,115
Property, plant and equipment	2,607	1,450	4,057
Depreciation and amortisation	(13,198)	(3,104)	(16,302)
Balance sheet			
Assets			
Segment assets	333,709	55,787	388,496
Liabilities			
Segment liabilities	115,729	30,023	145,752
Unallocated liabilities			1,228
Consolidated total liabilities			146,980

Geographical segments

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

Segmental Revenue	(Unaudited) Six months ended 30 June 2025 £'000	(Unaudited) Six months ended 30 June 2024 £'000	(Audited) Year ended 31 December 2024 £'000
United Kingdom	**8,516**	7,921	16,606
Germany	**14,916**	11,954	32,288
France	**13,242**	2,546	14,790
Rest of Europe	**28,402**	20,467	46,314
United States of America	**27,403**	19,593	43,382
Rest of World	**18,290**	5,505	24,141
	110,769	67,986	177,521

The following table provides an analysis of the Group's total non-current assets by geographical location:

Segmental Assets	(Unaudited) 30 June 2025 £'000	(Unaudited) 30 June 2024 £'000	(Audited) 31 December 2024 £'000
United Kingdom	**46,803**	46,347	46,027
Germany	**66,144**	61,710	64,538
France	**99,598**	8,616	99,539
Rest of Europe	**29,456**	30,517	29,686
Rest of World	**21,112**	17,594	22,428
	263,113	164,784	262,218

6. Financial Instruments' fair value disclosures

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts.

The Group held the following financial instruments at fair value at 30 June 2025 which are categorised as a Level 2 measurement in the fair value hierarchy under IFRS 13 Fair Value Measurements. The fair value amounts presented below are the difference between the market value of equivalent instruments at the Statement of Financial Position date determined using the mid-market price and the contract value of the instruments. No profits or losses are included in operating profit in the year (30 June 2024: £nil, 31 December 2024: £nil) in respect of FVTPL contracts.

The following table details the forward foreign currency contracts outstanding as at the period end:

	Ave. exchange rate			Foreign currency			Fair value		
	30 June 25 USD:£1	30 June 24 USD:£1	31 Dec 24 USD:£1	30 June 25 USD'000	30 June 24 USD'000	31 Dec 24 USD'000	30 June 25 £'000	30 June 24 £'000	31 Dec 24 £'000
Cash flow hedges									
Sell US dollars									
Less than 3 months	**1.23**	1.07	1.28	**9,000**	8,500	9,500	**734**	1,178	(143)
3 to 6 months	**1.26**	1.23	1.23	**9,000**	10,000	8,500	**561**	202	131
7 to 12 months	**1.30**	1.25	1.25	**18,000**	15,000	18,000	**750**	176	47
Over 12 months	**1.28**	1.24	1.30	**18,000**	15,000	18,000	**910**	253	(474)
				54,000	48,500	54,000	**2,955**	1,809	(439)

7. Taxation

The weighted average tax rate for the Group for the six-month period ended 30 June 2025 was 27.7% (first half of 2024: 28.2%, year ended 31 December 2024: 29.0%).

The Group's effective tax rate for the full year is expected to be 27.2%, which has been applied to the six months ended 30 June 2025 (first half of 2024: 26.7%, year ended 31 December 2024: 27.3%). This represents an increase on the previous period with the main driver being ongoing strong performance in the US where the effective tax rate has increased and non-deductible tax losses in certain jurisdictions which increases the Group's effective rate.

8. Exceptional items

As noted in the Financial Review, exceptional items totalling £3.0 million (2024 H1: £7.5 million) have been incurred in the period. These costs have been deemed exceptional items as the Group's transformation projects are significant in nature and cost and will yield significant benefits in future periods. Therefore the Group's performance has been summarised including and excluding these costs to give additional information to the users of the financial statements.

Exceptional items:	(Unaudited) Six months ended 30 June 2025 £'000	(Unaudited) Six months ended 30 June 2024 £'000	(Audited) Year ended 31 December 2024 £'000
Integration activities	**2,504**	–	1,927
Restructuring	**484**	–	–
Syntacoll	**–**	1,310	1,890
Risk Management	**–**	2,017	2,017
Peters acquisition-related	**–**	4,217	5,090
	2,988	7,544	10,924

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.

Restructuring costs relate to costs incurred re-organising certain operations and are primarily employee related.

In the prior periods, 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.

9. Dividends

Amounts recognised as distributions to equity holders in the period:	(Unaudited) Six months ended 30 June 2025 £'000	(Unaudited) Six months ended 30 June 2024 £'000	(Audited) Year ended 31 December 2024 £'000
Final dividend for the year ended 31 December 2023 of 1.66p per ordinary share	**–**	3,563	3,563
Interim dividend for the year ended 31 December 2024 of 0.77p per ordinary share	**–**	–	1,638
Final dividend for the year ended 31 December 2024 of 1.83p per ordinary share	**–**	–	–
	–	3,563	5,201

Following the RNS dated 14th May 2025, the final dividend for the year ended 31 December 2024 was paid post period end on 17th July 2025 resulting in £nil dividend being recognised in the period.

10. Net debt

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

	(Unaudited) 30 June 2025 £'000	(Unaudited) 30 June 2024 £'000	(Audited) 31 December 2024 £'000
Cash held at banks	**19,339**	134,944	17,039
Facility A borrowings	**(59,627)**	(59,494)	(59,548)
Facility B borrowings	**(3,978)**	(19,831)	(11,902)
Other Debt	**(5,821)**	–	(1,399)
Net (debt)/cash	**(50,087)**	55,619	(55,810)

The Group's borrowings primarily relate to a credit facility from a syndicate comprising HSBC & Natwest which includes a £60 million long term loan with annual repayments of £5 million per year and a £30 million Revolving Credit Facility. At the reporting date, £4 million of the Revolving Credit Facility was utilised, leaving flexibility to draw a further £26 million to support working capital needs in the future. Interest on both is based on SONIA plus a margin of +1.50% (2024: +1.75%) based on the Group's net leverage. The Group expects to use its positive operational cash flow to repay these facilities over time. The facilities run until April 2027 with a further year option available subject to bank consent.

The loan has covenants in place meaning the Group needs to comply with the following financial conditions: 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.

Interest cover is calculated as a ratio of EBITDA to Net Finance Charge in respect of any relevant period.

Net leverage is calculated as a ratio of Total Net Debt on the last day of that relevant period to Adjusted EBITDA in respect of that relevant period.

11. Goodwill

Movement in Goodwill	(Unaudited) 30 June 2025 £'000	(Unaudited) 30 June 2024 £'000	(Audited) 31 December 2024 £'000
Balance at the beginning of the period	**116,884**	80,435	80,435
Acquisitions	**–**	–	39,707
Exchange differences	**2,069**	(1,442)	(3,258)
Balance at the end of the period	**118,953**	78,993	116,884

Notes Forming Part of the Consolidated Financial Statements continued

12. Contingent liabilities

A maximum potential earnout of €4 million relating to the 2023 acquisition of Connexicon and €1.4m relating to the 2024 acquisition of Peters Surgical have been recognised at fair value. Contingent consideration arising on business combinations are categorised as a Level 3 measurement in the fair value hierarchy under IFRS 13 Fair Value Measurements.

The Directors are not aware of any additional contingent liabilities faced by the Group as at 30 June 2025 (30 June 2024: £nil, 31 December 2024: £nil).

13. Equity

Share capital as at 30 June 2025 amounted to £10,961,000 (30 June 2024: £10,881,000, 31 December 2024: £10,892,000). During the period the Group issued 1,378,915 shares in respect of Share Options, LTIPS, Deferred Annual Bonus Scheme and the Share Incentive Plan.

Other reserves includes a merger reserve, share-based payments reserve, Share-based payments deferred tax reserve and Investment in own shares reserve. The merger reserve represents Advanced Medical Solutions Limited's share premium account arising from merger accounting. The Investment in own shares relates to shares held in trust on behalf of employees in respect of the Share Incentive Plan.

A non-controlling interest in Sutural, an Algeria based manufacturer and distributor of Sutures, arose as a result of the 2024 acquisition of Peters Surgical.

14. Going concern

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 the next 12 months and considered whether there are any factors that indicate a deterioration in trading performance beyond 12 months. The forecasts used are based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the current economic environment.

The Group has used sensitivity analysis on the Group's forecasted performance, using a 10% sales reduction scenario which is felt to reflect a significant deterioration of trading. The results show that the Group is able to continue its operations for a period of at least 12 months.

With regards to the Group's financial position, it had cash and cash equivalents at 30 June 2025 of £19.3 million and £26 million available under a revolving credit facility as summarised in Note 10. The facilities run until April 2027 with a further year option available subject to bank consent. The Group expects to use its positive operational cash flow to repay these facilities over time.

While the current economic environment is uncertain, AMS operates in markets whose demographics are favourable, underpinned by an increasing need for products to treat chronic and acute wounds. Consequently, long-term market growth is expected. The Group has a number of long-term contracts with customers across different geographic regions and also with substantial financial resources, ranging from government agencies through to global healthcare companies.

After taking the above into consideration, the Directors have reached the 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 condensed Consolidated Financial Statements.

15. Principal risks and uncertainties

Further detail concerning the principal risks affecting the business activities of the Group is detailed on pages 71-77 of the Annual Report and Accounts for the year ended 31 December 2024. There have been no significant changes since the last annual report.

16. Seasonality of sales

There are no significant factors affecting the seasonality of sales between the first and second half of the year.

17. Events after the balance sheet date

There have been no material events subsequent to 30 June 2025.

18. Copies of the interim results

Copies of the interim results can be obtained from the Group's registered office at Premier Park, 33 Road One, Winsford Industrial Estate, Winsford, Cheshire, CW7 3RT and are available on our website "www.admedsol.com".

19. Additional alternative performance measure

Reconciliation of operating profit to adjusted operating profit

	H1 2025 £'000	H1 2024 £'000
Operating profit	**10,727**	3,943
Amortisation of acquired intangibles	**5,164**	2,468
Exceptional items	**2,988**	7,544
Adjusted operating profit	**18,879**	13,955

Reconciliation of Segment EBITDA to Adjusted EBITDA

	H1 2025 £'000	H1 2024 £'000
Surgical segment EBITDA	**21,895**	15,594
Woundcare segment EBITDA	**3,020**	2,260
Unallocated expenses	**(527)**	(664)
Adjusted EBITDA	**24,388**	17,190

Adjusted EBITDA is reconciled to operating profit in the Financial Review.

Reconciliation of reported revenue excluding Peters Surgical

	H1 2025 £'000	H1 2024 £'000	Reported Change	Constant currency Change
Reported revenue	**110,769**	67,986	+63%	+66%
Peters Surgical revenue	**(34,284)**	–	+100%	+100%
Reported revenue excluding Peters Surgical	**76,485**	102,291	+13%	+14%

CARBON BALANCED PAPER
www.carbonbalancedpaper.com
CBP032794

Printed by a Carbon Neutral Operation (certified: CarbonQuota) under the PAS2060 standard.

This product is made using recycled materials limiting the impact on our precious forest resources, helping reduce the need to harvest more trees.

This publication was printed by an FSC™ certified printer that holds an ISO 14001 certification.

100% of the inks used are HP Indigo ElectroInk which complies with RoHS legislation and meets the chemical requirements of the Nordic Ecolabel (Nordic Swan) for printing companies, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

The paper is Carbon Balanced with World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked-in, that would otherwise be released.

Designed and produced by emperor
Visit us at emperor.works

Advanced Medical Solutions Group plc
Registered Office:
Premier Park, 33 Road One
Winsford Industrial Estate
Winsford, Cheshire, CW7 3RT

Company number: 2867684

Tel: +44 (0)1606 863500
Tel: +44 (0)1606 863600
E-mail: **info@admedsol.com**

www.admedsol.com