

Advanced Medical Solutions Group plc

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

Acquisition of Raleigh Coatings

- £22 million acquisition of woundcare and bio-diagnostics business
 - Revenue generating and earnings enhancing
- Strong strategic fit with commercial synergies and new commercial opportunities

Winsford, UK, 23 November 2020: Advanced Medical Solutions Group plc (AIM: AMS), the surgical and advanced woundcare specialist company, today announces that it has acquired Raleigh Adhesive Coatings Limited ("Raleigh"), an independent woundcare and bio-diagnostics coatings business for £22 million in cash (the "Acquisition").

Acquisition rationale and benefits

The Acquisition will strengthen AMS's position in the woundcare sector by bringing in-house specialist services of acrylic and silicone coating, perforation processing and some bulk materials converting capabilities which are currently outsourced. Silicone coating and perforation capabilities are particularly important to AMS as they are intrinsic to all modern advanced woundcare foam dressings. Raleigh is an existing key supplier, producing the coated adhesive mesh used in the new LiquiBand® XL device, an important part of the Group's continued US growth strategy and currently undergoing clinical trials. In addition, Raleigh's expertise will allow the Company to enter the bio-diagnostic testing sector.

The Acquisition brings strong synergies with AMS's finished product offering, with the opportunity to increase the efficiency of the Company's woundcare manufacturing operations and provide entry points into new customers and markets, cross-selling of products and services as well as an R&D pipeline of new projects in the medical space.

Terms of the transaction

The Acquisition is for a total consideration of £22 million in cash, payable on completion, on a debt-free and cash-free basis, to be funded from AMS's existing cash resources, which were £67.9 million at 30 June 2020.

Overview of Raleigh

Raleigh is one of the very few companies worldwide that offers acrylic and silicone gel contract coating for the woundcare market, and the only independent UK company to do so. Raleigh offers a full package of services to its customers through its three separate coating lines (one solvent based, one silicone gel based, and one specialist industrial coating line), its pilot facility, two slitting lines, converting lines as well as a stand-alone perforation unit all of which have significant capacity headroom.

Raleigh provides tailor-made solutions for its blue-chip customer base, which includes many of the major woundcare manufacturers and other specialist manufacturers and suppliers in the healthcare sector, and has a strong pipeline of innovative developments, which will ensure its continued growth as a leading player in the woundcare and bio-diagnostic sectors. Raleigh employs 31 full time staff in its modern, recently upgraded, manufacturing facilities with medical class '7' clean rooms in Eccleshall, Staffordshire. Raleigh is a subsidiary of Apollo Chemicals Group Limited.

Raleigh delivered revenue of £3.9 million and operating profit of £0.8 million in the six months ended 31 October 2020. In its previous financial year to 30 April 2020, Raleigh reported revenue of £4.4 million and made an operating loss of £0.3 million. As at 30 April 2020 it had net assets of c. £1.2 million. The Acquisition is expected to be earnings enhancing in 2021.

Commenting on the acquisition, Chris Meredith, CEO of AMS, said: "We are delighted to add Raleigh to the Group. We have been looking for synergistic technologies that add value to our woundcare business and this acquisition strengthens our position and product offering in that sector significantly. Having outsourced silicone coating and perforation for some time, we are pleased to bring this capability in-house. Raleigh has also played an important part in improving the design of our

LiquiBand® XL mesh which we see as an important part of our continued US growth strategy. Raleigh's expertise in other sectors such as bio-diagnostic strips also opens up further new commercial opportunities for the Group. We look forward to welcoming the Raleigh team to the Group to build on their commercial success and leverage their development pipeline."

Jonathan Saunders, Chairman of Apollo Chemicals Group Limited and majority shareholder of Raleigh, said: "The synergies between AMS and Raleigh make this a very positive and exciting time for all at Raleigh. We have invested in developing technologies over the last five years for the woundcare and bio-diagnostic markets and have a great team which has worked hard to establish our reputation for excellence, service and quality within these specialist fields. The medical sector does not naturally fit with Apollo Chemicals' expertise and so I am delighted to say AMS provides an excellent opportunity for both businesses to complement each other, provide enhanced product offerings and accelerate our joint success. We look forward to watching the business go from strength to strength."

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About Advanced Medical Solutions Group plc

AMS is a world-leading developer and manufacturer of innovative and technologically advanced products for the global surgical and woundcare markets, focused on quality outcomes for patients and value for payers. AMS has a wide range of surgical products including tissue adhesives, sutures, haemostats, and internal fixation devices, which it markets under its brands LiquiBand®, RESORBA®, and LiquiBandFix8®. AMS also supplies wound care dressings such as silver alginates, alginates and foams through its ActivHeal® brand as well as under white label. In 2019, the Group made two acquisitions: Sealantis, an Israeli medical device company with a patent-protected sealant technology platform; and Biomatlante, an established developer and manufacturer of innovative surgical biomaterial technologies based in France.

AMS's products, manufactured in the UK, the Netherlands, Germany, France, 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, France, the Czech Republic and Russia. The Group has R&D innovation hubs in the UK and Germany, Israel and France. Established in 1991, the Group has approximately 700 employees. For more information, please see www.admedsol.com.

About Raleigh Adhesive Coatings Ltd

Based in Staffordshire, England, Raleigh is a leading coater and converter of materials predominately for woundcare and bio-diagnostics products. Raleigh provides a lab bench to final production service for small to large scale coating and converting production runs. Raleigh operates to the highest standards with ISO 14644 Class 7 clean room facilities and complete traceability throughout the whole process. For more information please see <https://www.raleighcoatings.com>