

## About AMS

Advanced Medical Solutions is a world-leading independent developer and manufacturer of innovative and technologically advanced products for the global surgical and woundcare markets.

Our Strategic Pillars are the foundation for success:

### Growth

Exploiting the opportunities arising from having a broad product range sold via multiple routes to market and across multiple geographies

### Innovation

Strengthening our portfolio by developing or acquiring market-leading high quality products

### Operational Excellence

Continuously improving our operations to drive out cost and defend margin

### Culture

Investing in hiring and developing talent while embedding our Culture of Care, Fair, Dare

We operate to the highest ethical standards, with our values of Care, Fair, Dare embedded in all we do.



### Care

Caring about the work we undertake and the real life differences we can make



### Fair

Acting with integrity and ensuring we are fair in all aspects of business



### Dare

Moving boundaries and challenging constructively to build on others' ideas

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## Our Strategic Pillars

# Our core focus areas for ongoing success

To sustainably grow our medical device and woundcare businesses organically and via acquisition, and increase customer satisfaction by focusing on productivity, innovation, businesses continuity and Health and Safety. We do this by living our Company culture through our Care, Fair, Dare values, valuing our employees and being good corporate citizens.

### Growth

Our growth strategy is to exploit opportunities from multiple routes to market across multiple geographies with our diverse portfolio of innovative surgical and woundcare products, which add value to patients and payors and deliver equal or better clinical performance.

#### How we are going to achieve it

- **Market share gains:** Continue to increase the market share of our key products, particularly in large markets like the US, by demonstrating a strong combination of high-quality products delivering improved performance and value for money versus competitors.
- **New products:** Develop new products in line with our core strategic areas and deliver at least two new product launches each year.
- **New markets/entry:** Achieve product approvals in new geographies and open up opportunities and market partners. Leverage our Regulatory expertise to take advantage of higher barriers to entry to new products and markets and maximise opportunities arising from competitor products not being renewed in specific markets.
- **Leverage acquisition synergies:** Integrate and benefit from the recent Sealantis and Biomatlante acquisitions by exploiting R&D, commercial, regulatory and back-office synergies.
- **M&A:** Identify targets and deliver acquisitions with breakthrough innovations. These should provide technologies to leverage the Woundcare customer base or surgical routes to market or surgically focused companies with strong product synergies.

#### What we have achieved in the year

- Continued strong growth of LiquiBandFix8®, aided by the launch of Fix8® Open and regaining a Ventral Hernia Claim.
- Initiated enrolment of our US Fix8® IDE and have multiple sites involved with increasing patient enrolment.
- Strong LiquiBand® Exceed Mini sales since launch. Rapid adoption with minimal cannibalisation, particularly in the US Alternate Sites market.
- Biosurgical growing strongly. Continued global registrations (LATAM/Asia). Antimicrobial Collagen dressing further penetrating the EU market.
- Strong growth of Sutures within a mature market, driven by the German market and continued niche market expansion globally.
- Continued growth and expansion of our Surgical Business into Emerging Markets (Asia/LATAM).
- Launched patented Silver High Performance Dressing and our premium PHMB foam range with silicone adhesive into the US.
- Acquisitions of Sealantis (internal sealants) and Biomatlante (biological products) to expand R&D capabilities and product range.

#### How we are measuring success

- Revenue growth at constant currency (%)
- Adjusted diluted earnings per share growth (%)

See pages 16 and 17 for our KPI performance

### Innovation

We aim to continue to strengthen our portfolio by developing or acquiring high-quality products that allow us or our partners to make market share gains in high value segments. We invest in hiring and developing talent capable of delivering innovation for the business.

#### How we are going to achieve it

- **Expert Key Opinion Leader Panels:** Establish Key Opinion Leader panels to provide expert input into the innovation process and exchange information to ensure our innovation output meets clinical needs.
- **University linkage:** Partner with universities to drive innovation and exchange ideas, knowledge and resources.
- **Centres of Excellence:** Establish Centres of Excellence for Innovation and ensure resources and ideas from across the Group are better utilised.
- **Investment in innovation (People and Processes):** More centralised resources from across the Group to drive innovation. Streamline processes to maximise output from innovation resources. Ensure that best practice and standard processes are implemented across the Group. Increase spend on R&D aligned to increased output of innovation projects. Utilise knowledge and implement learnings from acquisitions.

#### What we have achieved in the year

- Gained further experience and insight into better R&D practices and testing that will allow us to meet and achieve product launches in an increasingly difficult regulatory environment.
- Achieved recertification for our RESORBA®, LiquiBand® and Woundcare ranges and passed numerous FDA and Notified Body audits across multiple manufacturing sites.
- Submitted and awaiting CE approval for VancoColl antimicrobial collagen, offering higher potency antibiotic to the European market.
- Further established our KOL network and initiated multiple clinical studies and case studies.
- Successful acquisition of Sealantis and Biomatlante.
- Held more than 20 masterclasses, symposiums and training workshops to educate and solicit feedback and encourage surgeon to surgeon discussions about our products and technologies.

#### How we are measuring success

- % of revenue spend on R&D & Innovation
- % of sales from new products launched in the previous five years

See pages 16 and 17 for our KPI performance

## Key to strategic linkage in this report

Growth

Innovation

Operational  
Excellence

Culture

## Operational Excellence

Through a strategy that begins with focusing on what our customers need and value, we will drive a culture of engagement and continuous improvement that will enable lower operational risk, lower operating costs, and increased revenues. This will allow us to continue to drive out cost and increase margin.

## How we are going to achieve it

- **Continuous improvement:** Establish strong foundations and implement a culture of Continuous Improvement deploying an appropriate balance of Lean and Six Sigma techniques across all areas of AMS.
- **Investment:** Invest in organisation and capabilities/systems that will support future growth and develop our people.
- **Customer satisfaction/OTIF:** Improve customer satisfaction and productivity.
- **Plan for Success:** Design and deliver an optimal manufacturing footprint strategy to support future growth and optimise our supply chain.
- **Compliance:** Increase Quality and Regulatory capabilities to allow us to meet the ever-increasing requirements across the world which are being driven by stricter standards, including the Medical Device Regulation (MDR).

## What we have achieved in the year

- Established a PMO (Project Management Office) to improve our project management capability across AMS.
- Invested in technology and capacity across both Surgical and Woundcare.
- Software selection and initial deployment of an eQMS (Electronic Quality Management System) and forecasting tools.
- Invested in continuous improvement resources and value stream mapping tools.
- Delivery of gross 2% cost reduction projects across the sites and plans to deliver 4% in 2020.
- Good progress in readiness of the changing regulatory environment which is being driven by MDR.
- Successful transition to MDSAP accreditation across all sites.
- Developed operational capabilities in Israel to support the integration of our Sealantis acquisition.
- Reduced our safety related injury rate by 25%.

## How we are measuring success

- Customer Service (OTIF – On Time in Full) (%)
- Year-over-year change of our standard cost base (%)

See pages 16 and 17 for our KPI performance

## Culture

Our employees drive the success of AMS. We actively promote our Care, Fair, Dare culture and measure our employees' engagement in our Culture. We encourage internal promotion of employees on a global basis and have invested in apprenticeship programmes to build future talent for our business.

## How we are going to achieve it

We achieve a positive culture in our business by focusing on Care, Fair, Dare and implementing our five-point plan:

- **Talent Attraction:** Our business requires highly skilled teams to bring innovative products to market ahead of our competition. We are committed to attracting the right talent with the correct remuneration and benefits, and to having a diverse workforce.
- **Talent Management:** Developing and retaining talent allows us to build skills to maintain an innovations culture and retain knowledge within our business.
- **Values and Behaviours:** Care, Fair, Dare provides a cultural framework to nurture how we interact and achieve success as a team.
- **Open Communication:** Listening to all views, taking feedback and pro-actively providing information to allow us to remain agile and customer-centric.
- **Health and Safety:** maintaining the highest levels of health and safety within our business ensures employees feel safe and secure within the working environment.

## What we have achieved in the year

- Enhanced our Talent Review process to standardise it across business areas and build talent plans that align with our five-year business plans.
- Developed a Quality and R&D Career path to nurture talent in this vital area, building on the Regulatory career path we created in 2019.
- Worked on implementing Care, Fair, Dare action plans in teams and held review workshops.
- Rolled out standard recruitment training – including competency based questions ensuring we recruit to our Care, Fair, Dare values and training all managers in unconscious bias in recruitment.
- Re-launched our reward and recognition process to ensure a clear link to living our Care, Fair, Dare values.
- Integrated our values with the values of Sealantis through collaborative workshops to ensure maximum buy-in and achieve better cultural alignment between the businesses.
- Developed a strategic, Group-wide annual training plan, to ensure training investment is aligned to business priorities.
- Developed a Group Environmental Plan with targets listed in our Group Environmental Policy.

## How we are measuring success

- Staff Retention/Turnover (%)
- Employee Engagement Score (%)

See pages 16 and 17 for our KPI performance