

Advanced Medical Solutions Group plc
("AMS" or the "Group")

Interim Results for the six months ended 30 June 2021

Winsford, UK, 15 September 2021: Advanced Medical Solutions Group plc (AIM: AMS), the surgical and advanced woundcare specialist company, today announces its unaudited interim results for the six months ended 30 June 2021 (the "Period").

Financial Highlights:

	H1 2021	H1 2020	Reported change	Change at constant currency ¹
Revenue (£ million)	50.2	39.3	28%	31%
Adjusted Measures				
Adjusted ² profit before tax (£ million)	12.4	5.3	133%	
Adjusted ² profit before tax	24.6%	13.5%	11.1pp	
Adjusted ² diluted earnings per share (p)	4.64	2.16	115%	
Reported Measures				
Profit before tax (£ million)	11.2	4.3	163%	
Profit before tax	22.3%	10.8%	11.5pp	
Diluted earnings per share (p)	4.10	1.68	144%	
Net operating cash flow (£ million)	13.7	8.8	55%	
Net cash ³ (£ million)	61.1	67.9	-10%	
Interim dividend per share (p)	0.58p	0.50p	+16%	

Business Highlights (including post period end):

AMS is pleased to report interim results slightly ahead of the trading update of 7 July 2021 with strong revenue growth, profitability and cash generation despite the residual impacts of COVID-19. The Group made significant regulatory and clinical progress in the Period and continued to invest in developing next-generation products.

- Revenue increased to £50.2 million (2020 H1: £39.3 million) as the impact of COVID-19 continues to reduce and many key markets rebuild towards more routine levels of elective surgery. This represents an increase of 28% on a reported basis and 31% on a constant currency¹ basis
- The Group reports a 133% increase in adjusted profit before tax to £12.4 million (2020 H1: £5.3 million) with a significant improvement in operational leverage resulting from the increased sales volumes
- Net cash increased to £61.1 million from a year-end position of £53.8 million (2020 H1: £67.9 million) driven by improved trading and good operational cash flow

- Investment in R&D increased to £4.4 million (2020 H1: £3.8 million), representing 8.7% of revenue, as progress was made on key projects across the Group
- The US clinical trial to support the Premarket Approval (PMA) for LiquiBandFix8® continues to progress well with patient procedure volumes now sufficient to prepare and submit the PMA clinical module. FDA filing for the device is on track for 2022
- The LiquiBand® XL 510(k) application was submitted in the Period with approval expected by the end of 2021
- As previously announced, Seal-G® and Seal-G® MIST were awarded CE marks and the first human clinical trials commenced for both products in the Period. Interim study results are expected in early 2022 to support the full commercial European launch planned for 2022
- Good progress was made in integrating Raleigh, acquired in November 2020. Revenues continue to perform in line with initial expectations and it is expected to be earnings enhancing in 2021
- Given the Group's strong net cash position and reflecting the Board's continued confidence in the future, the interim dividend is increased to 0.58p per share (2020 H1: 0.50p)
- Post period end – Chris Locke was appointed as Chief Technology Officer and Douglas Le Fort was appointed as Independent Non-Executive Director

Commenting on the interim results, Chris Meredith, Chief Executive Officer of AMS, said: “I am pleased to report the continued growth of the business as demand returns towards pre-pandemic levels. During the Period, AMS delivered strong revenue growth, profitability and cash generation, alongside significant regulatory and clinical progress in developing the next generation of innovative products that we expect to drive further growth over the coming years. AMS is in robust financial health to deliver organic and acquisitive growth, and reflecting the confidence of the Board, the interim dividend is being increased for the half year. The addition of Chris Locke and Douglas Le Fort to our team adds considerable R&D and commercial experience that will be valuable as we deliver on our significant growth opportunities.”

- End -

Notes

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

2 Adjusted profit before tax is shown before exceptional items which, in 2021 H1 were £nil (2020 H1: £nil), before amortisation of acquired intangible assets which, in 2021 H1, were £1.6 million (2020 H1: £1.1 million) and change in long-term liabilities credit of £0.4 million (2020 H1: credit of £0.03 million) as defined in the financial review. Adjusted operating margin is shown before exceptional items and amortisation of acquired intangible assets.

3 Net cash in 2021 H1 was £61.1 million (2020 H1: £67.9 million) defined as cash and cash equivalents of £61.1 million (2020 H1: £68.4 million) plus short-term investments less financial liabilities and bank loans in 2021 H1 of £nil (2020 H1: £0.5 million)

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About Advanced Medical Solutions Group plc

AMS is a world-leading independent 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, internal fixation devices and internal sealants, which it markets under its brands LiquiBand[®], RESORBA[®], LiquiBandFix8[®] 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. 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. In 2020, the Group acquired Raleigh Adhesive Coatings, a leading coater and converter of materials predominately for woundcare and bio-diagnostics products based in the UK.

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

Chief Executive's Review

Surgical Business Unit

The Surgical Business Unit includes tissue adhesives, sutures, biosurgical devices and internal fixation devices marketed under the AMS brands LiquiBand[®], RESORBA[®] and LiquiBandFix8[®].

The ongoing recovery of global elective surgery volumes drove significant revenue growth in the Surgical Business Unit but demand remains below pre-pandemic levels as COVID-19 continues to impact surgical volumes and hospital access, restricting business development activities in all categories. Revenue increased by 42% in the Period to £30.4 million (2020 H1: £21.4 million) and by 45% on a constant currency basis.

Surgical Business Unit	2021 H1 £'000	2020 H1 £'000	Reported Growth	Growth at constant currency
Advanced Closure	15,194	8,875	71%	79%
Internal Fixation and Sealants	1,193	967	23%	23%
Traditional Closure	7,265	6,188	17%	18%
Biosurgical Devices	6,725	5,398	25%	24%
TOTAL	30,377	21,428	42%	45%

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.

Advanced Closure	2021 H1 £'000	2020 H1 £'000	Reported Growth	Growth at constant currency
Americas	10,372	5,094	104%	117%
UK/Germany	2,846	1,956	46%	45%
Rest of World	1,976	1,825	8%	9%
TOTAL	15,194	8,875	71%	79%

Revenues increased to £15.2 million (2020 H1: £8.9 million) representing growth of 71% on a reported basis and 79% on a constant currency basis.

US LiquiBand[®] growth was especially strong driven by increased end sales demand and by the Group's partners now replenishing inventory levels that were reduced during the COVID-19 crisis. Sales of LiquiBand[®] Rapid, our new accelerated Topical Skin Adhesive technology, continue to grow despite the challenges of COVID-19, including the first major Integrated Delivery Network (IDN) conversion with this technology.

The 510(k) for LiquiBand[®] XL was submitted to the FDA in the Period and the product remains on schedule for approval by the end of the year. Approval would provide access to a new \$50 million market and unlock further growth potential in the LiquiBand[®] business with all partners.

The Group has also continued to leverage the LiquiBand[®] brand in new geographies and has selected a partner in India following approval in 2020, with launch shipments due to be made in the second half of 2021.

Internal Fixation and Sealants

LiquiBandFix8[®] is used to fix hernia meshes placed inside the body with accurately delivered individual drops of cyanoacrylate adhesive, instead of traditional tacks and staples. Revenues increased by 23% to £1.2 million (2020 H1: £1.0 million) with demand continuing to improve despite remaining heavily suppressed in comparison to pre-pandemic levels, reflecting the non-essential nature of the majority of hernia surgery.

The US clinical trial for LiquiBandFix8[®] continues to progress well with completed patient procedure volumes now sufficient to prepare and submit the clinical module and Premarket Approval (PMA) filing

on track for 2022 after the 12-month patient follow-up. AMS continues to be excited about the long-term prospects for the LiquiBandFix8® portfolio with entry into the US being a significant milestone for the Group.

In the Period, AMS obtained CE mark approval for Seal-G® MIST (laparoscopic surgery) and expanded the CE mark for Seal-G® (open surgery) to include a colourant to aid surgeon visibility. In addition, the Group started the first human clinical trials for both products with interim study results expected in early 2022. First commercial sales are expected in H2 2021 ahead of full European commercial launch in 2022 to be supported by clinical study results. Key Opinion Leader feedback continues to be very positive and AMS remains confident that the device is a good solution to the high unmet patient need for an effective GI sealant.

Traditional Closure

RESORBA® branded Absorbable and Non-absorbable Suture ranges are used in general surgery and a wide range of surgical specialties including dental and ophthalmic surgery. Revenue increased by 17% to £7.3 million and by 18% at constant currency (2020 H1: £6.2 million).

To enhance its competitive edge in the tendering process, AMS continues to develop line extensions to complement its range of specialist products. It has recently expanded its suture portfolio by adding ranges with self-anchoring barbed needles and also with special needles optimised for cardio-vascular surgery. Both products were soft launched in June 2021.

Biosurgical Devices

The Biosurgical Devices category comprises antibiotic-loaded collagen sponges, collagen membranes and cones, oxidised cellulose, synthetic bone substitutes and bio-absorbable screws. Revenues increased by 25% to £6.7 million (2020 H1: £5.4 million) and by 24% at constant currency.

Included within Biosurgical Devices are revenues for Biomatlante, which increased by 20% to £2.0 million in the Period incorporating sales of the new RESORBA® branded bone substitutes range in Germany, the Czech Republic and elsewhere.

Antibiotic-loaded collagens, used to locally deliver antibiotics and significantly reduce the catastrophic risks that can be caused by severe localised infections, are a key part of our biosurgical portfolio. Gentamycin loaded collagen is sold under CE mark in Europe and Vancomycin loaded collagen is sold at low volumes via prescription in Germany. AMS has extended the CE mark for Gentamycin under the Medical Devices Directive (MDD) and is progressing with the work required for Medical Device Regulation (MDR) approval and also is exploring avenues for potential US certification which would require Premarket Approval. In addition, the Group is progressing with MDR submission work to obtain a CE mark for Vancomycin that would enable broader promotion and sales.

Furthermore, the Group is exploring the new FDA Breakthrough Device designation as a mechanism for obtaining US approval for the Group's antibiotic-loaded collagen pacemaker pouch, also currently sold at very low levels via prescription in Germany.

AMS is also working towards its first collagen approval in the US with a 510(k) submission expected in 2022 for a dental application which supports haemostasis and healing following tooth extraction.

The Group's newly developed freeze-dried bone substitute (FDBS), which can be mixed with fluids and moulded for optimal placement in orthopaedic and spine surgery, is expected to open up longer-term opportunities for the Group relating to the addition of active ingredients such as platelets, stem cells or synthetic peptides. US approval with limited indications is expected in 2022 with additional claims in the US and European approval under MDR expected to follow in the coming years.

Woundcare Business Unit

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 including multi-layer woundcare and bio diagnostics products following the acquisition of Raleigh in late 2020.

The Woundcare Business Unit delivered growth as global wound treatment volumes gradually recover towards pre-pandemic levels despite some business development activities continuing to be impacted

by COVID-19 restrictions. Revenue increased by 11% in the Period to £19.8 million (2020 H1: £17.9 million) and by 14% on a constant currency basis.

Woundcare Business Unit	2021 H1 £'000	2020 H1 £'000	Reported Growth	Growth at constant currency
Infection Management	6,724	7,281	(8%)	(5%)
Exudate Management	10,011	7,205	39%	41%
Other Woundcare	3,091	3,368	(8%)	(3%)
TOTAL	19,826	17,854	11%	14%

Infection Management

The infection management category comprises advanced woundcare dressings that incorporate antimicrobials such as Silver and Polyhexamethylene Biguanide (PHMB). Revenue reduced by 8% on a reported basis and by 5% on a constant currency basis to £6.7 million (2020 H1: £7.3 million).

As previously reported, an exclusive five-year agreement for one of the Group's silver alginates was not initially extended at December 2020 which impacted sales in the Period. AMS is now pleased to report that a new five-year contract has been agreed that provides ongoing supply for this customer's demand. This new agreement also allows AMS to promote the product directly in many markets which has already resulted in the Group securing new business. In the short term, the Group expects to record lower revenues in comparison to the annual minimum of the previous contract. In the medium term, the Group expects the combined value from direct sales and sales to the partner to return to historical levels.

In the Period, AMS obtained enhanced 510(k) approval for our Silver High Performance Dressing, incorporating an anti-microbial indication which is important for commercial success. This patent-protected technology provides the potential for deeper penetration into the US antimicrobial gelling fibre market and the Group is in discussions with interested strategic partners.

Existing partners' sales of Moisture Wicking Fabric, used to manage skin fold issues, have temporarily been restricted by COVID-19. However, a number of new partners have indicated interest in the product which will also be marketed on a 'direct to patient' basis in the US on Amazon.com from around the end of 2021.

AMS continues to invest in its R&D pipeline which includes an antimicrobial high gelling product with anti-biofilm activity, which is expected to launch in the US in 2022.

Exudate Management

Exudate management comprises advanced woundcare dressings and gels which do not incorporate any antimicrobial elements. Revenue increased by 39% on a reported basis and 41% on a constant currency basis to £10.0 million (2020 H1: £7.2 million) which incorporated £2.8 million of Raleigh sales (2020 H1: £ nil).

Following the acquisition of Raleigh, the AMS and Raleigh woundcare teams have worked closely together to evaluate commercial opportunities for Raleigh products as well as actively progressing the in-sourcing of elements of the woundcare manufacturing process which are expected to start to deliver cost savings for the Group from early 2022.

AMS has continued to appoint new distribution partners in markets where its key partners have no or low presence but the demand for a high quality, cost effective wound care dressing range still exists. Several new contracts have been signed in the first half of the year, in particular in Africa and Asia, expanding the Group's branded distribution network, with launches planned in the second half of the year and into 2022 that are expected to drive significant growth in the next few years.

For some time, AMS has been developing a customer-specific negative pressure dressing which is now due for 510(k) submission by our partner in late 2021 ahead of anticipated commercial launch in 2022. The Group sees considerable medium term potential in the negative pressure wound treatment space, especially given our significantly increased internal expertise in this area following the appointment of Chris Locke.

Other Woundcare

Other Woundcare comprises royalties, fees and woundcare sealants. Revenue decreased by 8% at reported currency and by 3% at constant currency to £3.1 million (2020 H1: £3.4 million) due to low partner demand for membranes.

In the Period, AMS obtained CE mark approval for its Mechanical Debridement product and successfully listed the product with the FDA for the US market and are currently assessing commercial opportunities.

New Skin Scaffold development

AMS has applied its Biosurgical, collagen technology into developing a tissue scaffold designed to treat hard to heal and stalled wounds such as diabetic foot ulcers and venous leg ulcers. A 510(k) submission to the FDA is nearing completion which is targeted for 2022 and the Group is in the process of developing the optimal commercial strategy.

Regulatory

Significantly ahead of the 2024 deadline, AMS obtained its first two Medical Devices Regulation (MDR) certificates in the Period. The Group remains well prepared for the stricter requirements on product safety and performance, clinical evaluation and post-market clinical evidence stipulated by MDR and further submissions and approvals are anticipated in the coming months.

The Group's extensive preparations leave it well placed to exploit opportunities that will undoubtedly arise in Europe in the next few years during the implementation of MDR.

Supply Chain / Brexit

Having completed comprehensive preparations for Brexit, the Group did not experience any significant disruption in early 2021 following the end of the transition period at December 2020. However, like many other businesses across all sectors globally, AMS has recently experienced some supply chain disruptions due to haulier shortages and transportation delays caused by the combination of COVID-19 and Brexit. During this period of disruption, the Group is reviewing its stockholding levels and expects to incur increased freight and raw material costs. To date there has not been a material impact, however, we are monitoring this situation very closely and continue to evaluate all options.

Summary and outlook

AMS delivered strong revenue growth, profitability and cash generation in the first half of 2021, along with an increased dividend, driven by good underlying performance and the reducing impact of COVID-19 on elective surgery volumes. The Group made significant regulatory and clinical progress in the Period as it continues to increase its investments in developing next-generation products.

AMS expects the improving trend in elective surgery and wound treatment volumes to continue in the second half of 2021 and into 2022, despite the presence of the COVID-19 Delta variant in key markets. However, the pace of recovery for different types of surgical procedures and the potential impact of any new COVID-19 variants in our key markets remains difficult to predict. Nevertheless, we have enjoyed a strong third quarter of the year, in particular with order coverage into the US ahead of our internal forecasts, placing us in a strong position to secure demand for our full-year forecast.

The strong underlying performance of the business, together with key R&D initiatives and innovative product launches, the US LiquiBand® recovery plan and the Group's strong financial position, mean that AMS is well placed for continued growth over the second half of 2021 and beyond.

Financial Review

IFRS reporting

To provide the clearest possible insight into our performance, the Group uses alternative performance measures. 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. The measures used in this statement include constant currency revenue growth, adjusted operating margin, adjusted profit before tax and adjusted earnings per share, allowing the impacts of exchange rate volatility, exceptional items, amortisation and the change in fair value of long-term liability to be separately identified. Net cash is an additional non-GAAP measure used.

Overview

Revenue increased by 28% at reported currency and 31% at constant currency to £50.2 million (2020 H1: £39.3 million).

Administration expenses decreased marginally to £16.5 million (2020 H1: £16.9 million) inclusive of foreign exchange movements despite higher amortisation of intangibles. The Group incurred £4.4 million of gross R&D spend in the period (2020 H1: £3.8 million), representing 8.7% of sales (2020 H1: 9.6%) which reflects an ongoing investment in innovation and in accommodating the heightened regulatory environment.

No exceptional costs have been incurred in the six-month period (2020 H1: £nil).

Amortisation of acquired intangible assets was £1.6 million in the six-month period (2020 H1: £1.1 million) due to the effect of the acquisition of Raleigh in November 2020.

Adjusted operating profit which excludes amortisation of acquired intangibles and exceptional costs, increased by 130.4% to £12.7 million (2020 H1: £5.5 million) whilst the adjusted operating margin increased by 1,120 bps to 25.2% (2020 H1: 14.0%) due to the negative impact of the COVID-19 pandemic on the Group's revenues in the prior period.

£0.4 million was recorded within finance income due to the change in long-term liabilities recognised on acquisition of Sealantis in 2019 (2020 H1: £0.03 million).

The Group generated adjusted profit before tax of £12.4 million (2020 H1: £5.3 million) and profit before tax of £11.2 million (2020 H1: £4.3 million).

Reconciliation of profit before tax to adjusted profit before tax

	Six months ended	Six months ended
	30 June 21	30 June 20
	£'000	£'000
Profit before tax	11,193	4,260
Amortisation of acquired intangibles	1,587	1,074
Change in long-term liabilities	(407)	(29)
Adjusted profit before tax	12,373	5,305

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 20.2% (2020 H1: 14.4%). The increase on the previous period has arisen as the Group was able to retrospectively claim for patent box relief as a result of the granting of patents on LiquiBand® Exceed in the first half of 2020. Additionally, the substantive enactment of the higher tax rate in the UK from April 2023 has increased the valuation of the deferred tax liability and contributed an additional 3.0 percentage points to the effective tax rate.

Adjusted diluted earnings per share increased by 115% to 4.64p (2020 H1: 2.16p) and diluted earnings per share increased by 144% to 4.10p (2020 H1: 1.68p) reflecting the Group's increased earnings.

The Board intends to pay an interim dividend of 0.58p per share on 22 October 2021 to shareholders on the register at the close of business on 24 September 2021. This is a 16% increase on the interim dividend paid in respect of the first half of 2020 reflecting the Board's confidence in the future growth in the Group.

Operating result by business segment		
Six months ended 30 June 2021	Surgical	Woundcare
	£'000	£'000
Revenue	30,377	19,826
Profit from operations	8,854	2,543
Amortisation of acquired intangibles	1,001	586
Adjusted profit from operations⁴	9,855	3,129
Adjusted operating margin⁴	32.4%	15.8%
Six months ended 30 June 2020		
Revenue	21,428	17,854
Profit from operations	1,951	2,779
Amortisation of acquired intangibles	1,069	5
Adjusted profit from operations ⁴	3,020	2,784
Adjusted operating margin ⁴	14.1%	15.6%

⁴ Adjusted for amortisation of acquired intangible assets

Table is reconciled to statutory information in note 5 of the financial information.

Surgical

Surgical revenues increased by 42% to £30.4 million (2020 H1: £21.4 million) at reported currency and 45% at constant currency. Adjusted operating margin increased by 1,830 bps to 32.4% (2020 H1: 14.1%) as higher sales allowed the Group to achieve greater operational leverage compared with the previous period.

Woundcare

Woundcare revenues increased by 11% to £19.8 million (2020 H1: £17.9 million) at reported currency and by 14% at constant currency. Adjusted operating margin increased by 20 bps to 15.8% (2020 H1: 15.6%) as the general recovery was partially offset by reduced Silver Alginate volumes.

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 12 to 18 months. In the first half of the year, approximately one third of sales were invoiced in Euros and approximately one quarter were invoiced in US Dollars.

The Group estimates that a 10% movement in the £:US\$ or £:€ exchange rate will impact Sterling revenues by approximately 3.1% and 3.0% respectively and in the absence of any hedging this would have an impact on the Group operating margin of 2.6% and 0.2% percentage points respectively.

Cash Flow

Net cash inflow from operating activities increased by 55% to £13.7 million (2020 H1: £8.8 million) as a result of the Group's increased profitability.

At the end of the period, the Group had net cash of £61.1 million (31 December 2020: £53.8 million).

In the first half of 2021, receivables increased by £1.5 million due to higher sales (2020 H1: £11.9 million decrease) with debtor days at 50 (2020 H1: 43 days) and payables reduced by £1.8 million (2020 H1: £1.1 million decrease) with creditor days at 31 (2020 H1: 30 days). Inventory decreased to 5.5 months of supply in the period (2020 H1: 6.7 months of supply).

In the period, we invested £2.8 million in capital equipment, R&D and regulatory costs including investment in converting and packaging machines (2020 H1: £2.4 million).

Tax payments decreased to £1.9 million (2020 H1: £3.3 million) which is £0.3 million lower than tax in the income statement due to the timing of payments on account. The prior period included accelerated payments on account in the UK, resulting in a higher cash outflow than in the current period.

In June 2021, the Group paid its final dividend for the year ended 31 December 2020 of £2.6 million (2020 H1: £2.3 million).

The Group has an unsecured, undrawn £80 million, multi-currency credit facility provided jointly by HSBC and NatWest, which is in place until December 2022. This facility carries an annual interest rate of LIBOR or EURIBOR plus a margin that varies between 0.60% and 1.70% depending on the Group's net debt to EBITDA ratio.

CONDENSED CONSOLIDATED INCOME STATEMENT

	(Unaudited)			(Unaudited)			(Audited)			
	Six months ended 30 June 2021			Six months ended 30 June 2020			Year ended 31 December 2020			
	Before	Exceptional	Total	Before	Exceptional	Total	Before	Exceptional	Total	
	Exceptional	Items		Exceptional	Items		Exceptional	Items		
	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Revenue from continuing operations	5	50,203	-	50,203	39,282	-	39,282	86,796	-	86,796
Cost of sales		(22,116)	-	(22,116)	(17,540)	-	(17,540)	(40,756)	-	(40,756)
Gross profit		28,087	-	28,087	21,742	-	21,742	46,040	-	46,040
Distribution costs		(627)	-	(627)	(483)	-	(483)	(1,071)	-	(1,071)
Administration costs		(16,512)	-	(16,512)	(16,949)	-	(16,949)	(33,658)	(834)	(34,492)
Other income		133	-	133	115	-	115	253	-	253
Profit from operations		11,081	-	11,081	4,425	-	4,425	11,564	(834)	10,730
Finance income		451	-	451	166	-	166	220	-	220
Finance costs		(339)	-	(339)	(331)	-	(331)	(861)	-	(861)
Profit before taxation		11,193	-	11,193	4,260	-	4,260	10,923	(834)	10,089
Income tax	8	(2,261)	-	(2,261)	(614)	-	(614)	(1,505)	-	(1,505)
Profit for the period attributable to equity holders of the parent		8,932	-	8,932	3,646	-	3,646	9,418	(834)	8,584
Earnings per share										
Basic	4	4.15p	-	4.15p	1.70p	-	1.70p	4.38p	(0.39p)	3.99p
Diluted	4	4.10p	-	4.10p	1.68p	-	1.68p	4.32p	(0.38p)	3.94p
Adjusted diluted ⁵	4	4.64p	-	4.64p	2.16p	-	2.16p	5.44p	(0.38p)	5.06p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)	(Unaudited)	(Audited)
	Six months ended	Six months ended	Year ended
	30 June 2021	30 June 2020	31 December 2020
	£'000	£'000	£'000
Profit for the year	8,932	3,646	8,584
Exchange differences on translation of foreign operations	(3,891)	6,733	3,507
(Loss)/gain arising on cash flow hedges	(264)	(1,759)	842
Deferred tax credit /(charge) arising on cash flow hedges	50	130	(160)
Other comprehensive (charge)/ credit for the period	(4,105)	5,104	4,189
Total comprehensive income for the period attributable to equity holders of the parent	4,827	8,750	12,773

⁵ Adjusted for exceptional items, amortisation of acquired intangible assets and the change in long-term liabilities.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 30 June 2021	(Unaudited) 30 June 2020	(Audited) 31 December 2020
Note	£'000	£'000	£'000
Assets			
Non-current assets			
Acquired intellectual property rights	9,364	10,095	9,879
Technology based intangible assets	20,563	16,134	22,357
Software intangibles	2,184	2,665	2,437
Development costs	8,929	6,103	7,368
Goodwill	66,659	57,470	68,911
Property, plant and equipment	28,542	27,629	30,064
Trade and other receivables	90	223	364
	136,331	120,319	141,380
Current assets			
Inventories	20,599	23,653	21,025
Trade and other receivables	19,892	17,603	21,107
Current tax assets	2,041	1,001	1,214
Cash and cash equivalents	61,114	68,355	53,829
	103,646	110,612	97,175
Total assets	239,977	230,931	238,555
Liabilities			
Current liabilities			
Trade and other payables	11,574	12,577	13,139
Current tax liabilities	307	-	319
Lease liabilities	1,196	1,140	1,257
	13,077	13,717	14,715
Non-current liabilities			
Trade and other payables	2,777	3,470	3,229
Other loans	-	498	-
Deferred tax liabilities	9,218	6,863	8,536
Lease liabilities	9,271	8,070	9,864
	21,266	18,901	21,629
Total liabilities	34,343	32,618	36,344
Net assets	205,634	198,313	202,211
Equity			
Share capital	11	10,787	10,769
Share premium		36,355	36,288
Share-based payments reserve		12,107	10,211
Investment in own shares		(164)	(161)
Share-based payments deferred tax reserve		557	417
Other reserve		1,531	1,531
Hedging reserve		1,023	(1,074)
Translation reserve		(633)	6,484
Retained earnings		144,071	133,857
Equity attributable to equity holders of the parent		205,634	198,313

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the Group

	Share capital £'000	Share premium £'000	Share- based payments £'000	Investment in own shares £'000	Share- based payments deferred tax £'000	Other reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2021 (audited)	10,769	36,288	11,142	(162)	430	1,531	1,237	3,258	137,718	202,211
Consolidated profit for the period to 30 June 2021	-	-	-	-	-	-	-	-	8,932	8,932
Other comprehensive income	-	-	-	-	-	-	(214)	(3,891)	-	(4,105)
Total comprehensive income	-	-	-	-	-	-	(214)	(3,891)	8,932	4,827
Share-based payments	-	-	878	-	-	-	-	-	-	878
Share options exercised	18	67	87	-	127	-	-	-	-	299
Shares purchased by EBT	-	-	-	(368)	-	-	-	-	-	(368)
Shares sold by EBT	-	-	-	366	-	-	-	-	-	366
Dividends paid	-	-	-	-	-	-	-	-	(2,579)	(2,579)
At 30 June 2021 (unaudited)	10,787	36,355	12,107	(164)	557	1,531	1,023	(633)	144,071	205,634
	Share capital £'000	Share premium £'000	Share- based payments £'000	Investment in own shares £'000	Share- based payments deferred tax £'000	Other reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2020 (audited)	10,745	36,226	9,466	(159)	649	1,531	555	(249)	132,471	191,235
Consolidated profit for the period to 30 June 2020	-	-	-	-	-	-	-	-	3,646	3,646
Other comprehensive income	-	-	-	-	-	-	(1,629)	6,733	-	5,104
Total comprehensive income	-	-	-	-	-	-	(1,629)	6,733	3,646	8,750
Share-based payments	-	-	795	-	-	-	-	-	-	795
Share options exercised	19	58	(50)	-	(232)	-	-	-	-	(205)
Shares purchased by EBT	-	-	-	(375)	-	-	-	-	-	(375)
Shares sold by EBT	-	-	-	373	-	-	-	-	-	373
Dividends paid	-	-	-	-	-	-	-	-	(2,260)	(2,260)
At 30 June 2020 (unaudited)	10,764	36,284	10,211	(161)	417	1,531	(1,074)	6,484	133,857	198,313

	Share capital £'000	Share premium £'000	Share- based payments £'000	Investment in own shares £'000	Share-based payments deferred tax £'000	Other reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2020 (audited)	10,745	36,226	9,466	(159)	649	1,531	555	(249)	132,471	191,235
Consolidated profit for the year to 31 December 2020	-	-	-	-	-	-	-	-	8,584	8,584
Other comprehensive income	-	-	-	-	-	-	682	3,507	-	4,189
Total comprehensive income	-	-	-	-	-	-	682	3,507	8,584	12,773
Share-based payments	-	-	1,611	-	(219)	-	-	-	-	1,392
Share options exercised	24	62	65	-	-	-	-	-	-	151
Shares purchased by EBT	-	-	-	(542)	-	-	-	-	-	(542)
Shares sold by EBT	-	-	-	539	-	-	-	-	-	539
Dividends paid	-	-	-	-	-	-	-	-	(3,337)	(3,337)
At 31 December 2020 (audited)	10,769	36,288	11,142	(162)	430	1,531	1,237	3,258	137,718	202,211

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Six months ended 30 June 21 £'000	(Unaudited) Six months ended 30 June 20 £'000	(Audited) Year ended 31 December 20 £'000
Cash flows from operating activities			
Profit from operations	11,081	4,425	10,730
<i>Adjustments for:</i>			
Depreciation	1,946	1,700	3,467
Amortisation - intellectual property rights	1,587	1,074	2,269
- development costs	336	251	563
- software intangibles	241	256	533
Increase in inventories	(190)	(5,357)	(1,892)
Decrease in trade and other receivables	967	11,260	10,262
Decrease in trade and other payables	(1,318)	(2,269)	(2,292)
Share-based payments expense	878	795	1,611
Taxation	(1,867)	(3,318)	(3,740)
Net cash inflow from operating activities	13,661	8,817	21,511
Cash flows from investing activities			
Purchase of software	(28)	(52)	(126)
Capitalised research and development	(1,969)	(1,217)	(2,788)
Purchases of property, plant and equipment	(848)	(1,141)	(2,346)
Disposal of property, plant and equipment	45	120	136
Interest received	43	166	277
Acquisition of subsidiary	-	(39)	(21,924)
Net cash used in investing activities	(2,757)	(2,163)	(26,771)
Cash flows from financing activities			
Dividends paid	(2,579)	(2,260)	(3,337)
Repayment of principal under lease liabilities	(607)	(493)	(1,150)
Issue of equity shares	69	60	65
Shares purchased by EBT	(368)	(375)	(542)
Shares sold by EBT	366	373	539
Interest paid	(342)	(347)	(735)
Repayment of secured loan	-	(176)	(664)
Net cash used in financing activities	(3,461)	(3,218)	(5,824)
Net increase/(decrease) in cash and cash equivalents	7,443	3,436	(11,084)
Cash and cash equivalents at the beginning of the period	53,829	64,751	64,751
Effect of foreign exchange rate changes	(158)	168	162
Cash and cash equivalents at the end of the period	61,114	68,355	53,829

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 2021 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is primarily involved in the design, development and manufacture of surgical and advanced woundcare products for sale into the global medical device market.

2. Basis of preparation

The information for the period ended 30 June 2021 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 2020 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.

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):

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS7, IFRS4 and IFRS16)

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 2020. 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)	(Unaudited)	
	Six months	Six months	(Audited)
	ended	ended	Year ended
	30 June 2021	30 June 2020	31 December 2020
Number of shares	'000	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	215,468	214,985	215,126
Effect of dilutive potential ordinary shares: share options, deferred share bonus, LTIPs	2,630	2,585	2,705
Weighted average number of ordinary shares for the purposes of diluted earnings per share	218,098	217,570	217,831

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 exceptional items, amortisation of acquired intangible assets and change in the fair value of long-term liability and is based on earnings of:

	(Unaudited) Six months ended 30 June 2021 £'000	(Unaudited) Six months ended 30 June 2020 £'000	(Audited) Year ended 31 December 2020 £'000
Earnings			
Profit for the year being attributable to equity holders of the parent	8,932	3,646	8,584
Exceptional items	-	-	834
Amortisation of acquired intangible assets	1,587	1,074	2,269
Change in long-term liabilities	(407)	(29)	167
Adjusted profit for the year being attributable to equity holders of the parent	10,112	4,691	11,854
	pence	pence	pence
Basic EPS	4.15	1.70	3.99
Diluted EPS	4.10	1.68	3.94
Adjusted basic EPS	4.69	2.18	5.51
Adjusted diluted EPS	4.64	2.16	5.44

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 a fairer representation of the Group's trading performance.

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 in November 2020.

Segment information about these Business Units is presented below:

Six months ended 30 June 2021 (Unaudited)	Surgical £'000	Woundcare £'000	Consolidated £'000
Revenue	30,377	19,826	50,203
Result			
Adjusted segment operating profit	9,855	3,129	12,984
Amortisation of acquired intangibles	(1,001)	(586)	(1,587)
Segment operating profit	8,854	2,543	11,397
Unallocated expenses			(316)
Exceptional items			-
Profit from operations			11,081
Finance income			451
Finance costs			(339)
Profit before tax			11,193
Tax			(2,261)
Profit for the period			8,932

At 30 June 2021 (Unaudited)	Surgical £'000	Woundcare £'000	Consolidated £'000
Other information			
Capital additions:			
Software intangibles	16	12	28
Development	1,216	753	1,969
Property, plant and equipment	463	385	848
Depreciation and amortisation	(2,481)	(1,629)	(4,110)
Balance sheet			
Assets			
Segment assets	155,927	83,870	239,797
Unallocated assets			180
Consolidated total assets			239,977
Liabilities			
Segment liabilities	20,301	14,043	34,343
Consolidated total liabilities			34,343

Six months ended 30 June 2020 (Unaudited)	Surgical £'000	Woundcare £'000	Consolidated £'000
Revenue	21,428	17,854	39,282
Result			
Adjusted segment operating profit	3,020	2,784	5,804
Amortisation of acquired intangibles	(1,069)	(5)	(1,074)
Segment operating profit	1,951	2,779	4,730
Unallocated expenses			(305)
Exceptional items			-
Profit from operations			4,425
Finance income			166
Finance costs			(331)
Profit before tax			4,260
Tax			(614)
Profit for the period			3,646

At 30 June 2020 (Unaudited) Other information	Surgical £'000	Woundcare £'000	Consolidated £'000
Capital additions:			
Software intangibles	25	27	52
Development	647	570	1,217
Property, plant and equipment	663	478	1,141
Depreciation and amortisation	(2,261)	(1,020)	(3,281)
Balance sheet			
Assets			
Segment assets	163,143	67,467	230,610
Unallocated assets			321
Consolidated total assets			230,931
Liabilities			
Segment liabilities	18,160	14,458	32,618
Consolidated total liabilities			32,618
Year ended 31 December 2020 (Audited)			
	Surgical £'000	Woundcare £'000	Consolidated £'000
Revenue	50,169	36,627	86,796
Result			
Adjusted segment operating profit	9,094	5,357	14,451
Amortisation of acquired intangibles	(2,132)	(137)	(2,269)
Segment operating profit	6,962	5,220	12,182
Unallocated expenses			(618)
Exceptional items			(834)
Profit from operations			10,730
Finance income			220
Finance costs			(861)
Profit before tax			10,089
Tax			(1,505)
Profit for the year			8,584
Year ended 31 December 2020 (Audited)			
	Surgical £'000	Woundcare £'000	Consolidated £'000
Capital additions:			
Software intangibles	74	52	126
Development	1,659	1,129	2,788
Property, plant and equipment	1,367	979	2,346
Depreciation and amortisation	(4,709)	(2,123)	(6,832)
Balance sheet			
Assets			
Segment assets	155,301	82,999	238,300
Unallocated assets			255
Consolidated total assets			238,555
Liabilities			
Segment liabilities	20,354	15,990	36,344
Consolidated total liabilities			36,344

Geographical segments

The Group operates in the UK, Germany, the Netherlands, France, the Czech Republic, Israel, with a sales office located in Russia and a sales presence in the USA. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods or services, based upon location of the Group's customers:

	(Unaudited) Six months ended 30 June 2021 £'000	(Unaudited) Six months ended 30 June 2020 £'000	(Audited) Year ended 31 December 2020 £'000
United Kingdom	8,488	7,349	16,748
Germany	9,956	9,234	18,888
France	1,886	2,254	4,369
Rest of Europe	10,601	9,778	18,027
United States of America	16,385	8,922	23,690
Rest of World	2,887	1,745	5,074
	50,203	39,282	86,796

The following table provides an analysis of the Group's total assets by geographical location.

	(Unaudited) Six months ended 30 June 2021 £'000	(Unaudited) Six months ended 30 June 2020 £'000	(Audited) Year ended 31 December 2020 £'000
United Kingdom	133,038	114,466	125,343
Germany	67,338	73,163	71,752
France	9,263	10,291	9,703
Rest of Europe	6,860	4,924	7,224
Israel	20,091	24,478	21,163
United States of America	3,387	3,609	3,370
	239,977	230,931	238,555

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 2021. The Group has no financial instruments with fair values that are determined by reference to significant unobservable inputs i.e. those that would be classified as level 3 in the fair value hierarchy, nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

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

	Ave. exchange rate			Foreign currency			Fair value		
	30 June 21 USD:£1	30 June 20 USD:£1	31 Dec 20 USD:£1	30 June 21 USD'000	30 June 20 USD'000	31 Dec 20 USD'000	30 June 21 £'000	30 June 20 £'000	31 Dec 20 £'000
Cash flow hedges									
Sell US dollars									
Less than 3 months	1.29	1.30	1.30	6,500	9,000	8,000	339	(363)	312
3 to 6 months	1.26	1.24	1.30	8,000	8,500	6,500	570	(17)	235
7 to 12 months	1.35	1.30	1.27	14,000	14,000	14,000	269	(526)	805
Over 12 months	-	1.25	1.31	-	10,000	6,000	-	(87)	205
				28,500	41,500	34,500	1,178	(993)	1,557

	Ave. exchange rate			Foreign currency			Fair value		
	30 June 21	30 June 20	31 Dec 20	30 June 21	30 June 20	31 Dec 20	30 June 21	30 June 20	31 Dec 20
	EUR:£1	EUR:£1	EUR:£1	EUR'000	EUR'000	EUR'000	£'000	£'000	£'000
Cash flow hedges									
Sell Euros									
Less than 3 months	1.13	1.14	1.15	800	900	600	23	(28)	(16)
3 to 6 months	1.10	1.07	1.14	600	600	600	27	12	(15)
7 to 12 months	1.12	1.14	1.11	1,200	1,200	1,200	33	(47)	(1)
Over 12 months	-	1.11	1.10	-	1,000	600	-	(18)	2
				2,600	3,700	3,000	83	(81)	(30)

7. Exceptional items

During the six months ended 30 June 2021, the Group incurred exceptional items of £nil (2020 H1: £nil, year ended 31 December 2020: £0.8 million in relation to the acquisition of Raleigh Adhesive Coatings Limited as well as the transaction costs to participate in another potential process which was ultimately unsuccessful).

8. Taxation

The weighted average tax rate for the Group for the six month period ended 30 June 2021 was 22.5% (first half of 2020: 25.2%, year ended 31 December 2020: 24.6%). The Group's effective tax rate for the full year is expected to be 20.2%, which has been applied to the six months ended 30 June 2021 (first half of 2020: 14.4%, year ended 31 December 2020: 14.9%). This represents an increase on the previous period as the Group was able to retrospectively claim for patent box relief as a result of the granting of patents on LiquiBand® Exceed in the first half of 2020 and also reflects the impact of the substantive enactment of the higher tax rate in the UK from April 2023 resulting in an increased valuation of the deferred tax liability in the current period.

9. Dividends

	(Unaudited)	(Unaudited)	(Audited)
	Six months ended	Six months ended	Year ended
	30 June 2021	30 June 2020	31 December 2020
Amounts recognised as distributions to equity holders in the period:	£'000	£'000	£'000
Final dividend for the year ended 31 December 2019 of 1.05p per ordinary share	-	2,260	2,260
Interim dividend for the year ended 31 December 2020 of 0.50p per ordinary share	-	-	1,077
Final dividend for the year ended 31 December 2020 of 1.20p per ordinary share	2,579	-	-
	2,579	-	3,337

10. Contingent liabilities

The Directors are not aware of any contingent liabilities faced by the Group as at 30 June 2021 (30 June 2020: £nil, 31 December 2020: £nil).

11. Share capital

Share capital as at 30 June 2021 amounted to £10,787,000 (30 June 2020: £10,764,000, 31 December 2020: £10,769,000). During the period the Group issued 352,526 shares in respect of exercised share options, LTIPS, Deferred Annual Bonus Scheme and the Deferred Share Bonus Scheme.

12. 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. These have been based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the current economic environment.

Due to the impact that COVID-19 has had on the global economy, the Group has deemed it appropriate to use sensitivity analysis on the Group's forecasted performance, using a mid-case scenario, a 10% sales reduction, and a worst-case scenario, a 25% sales reduction. The results show that in both scenarios AMS is able to continue its operations for a period of at least 12 months, and importantly there remains significant margin between our covenants in place.

With regards to the Group's financial position, it had cash and cash equivalents at 30 June 2021 of £61.1 million and a four-year, £80 million, multi-currency, revolving credit facility, obtained in December 2018, with an accordion option under which

AMS can request up to an additional £20 million on the same terms. The credit facility is provided jointly by HSBC and NatWest, is subject to leverage and interest cover covenants, is unsecured on the assets of the Group and is currently undrawn.

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.

13. Principal risks and uncertainties

Further detail concerning the principal risks affecting the business activities of the Group is detailed on pages 46-49 of the Annual Report and Accounts for the year ended 31 December 2020. There have been no significant changes since the last annual report, other than the continued uncertainty surrounding the COVID-19 pandemic, for which, an update has been provided in market announcements and within these Interim Statements.

14. Seasonality of sales

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

15. Events after the balance sheet date

There have been no material events subsequent to the end of the interim reporting period ended 30 June 2021.

16. 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".