

Chief Executive Officer's Review

My vision for the long- term future of Alliance



2024 has been an important year for Alliance as we implemented the necessary changes to accelerate decision-making and to bring the consumer closer to the heart of the business. Whilst we have much to do as we work on our transformation plans, I am confident that our strong portfolio of clinically differentiated brands will deliver predictable organic revenue growth over the mid-long term."

Nick Sedgwick
Chief Executive Officer



AMBITION
Delivering predictable organic growth,
ahead of market, and strong
EBITDA expansion.

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Trading performance

Performance in 2024 was consistent with expectations and the guidance we gave at the start of the year, with underlying Group profit before tax in line with the prior year as we reinvested for growth.

Whilst revenues declined in some of our brands, we delivered strong performance in Kelo-Cote™, MacuShield™, Hydromol™, Aloclair™ and Forceval™ leading to Group see-through revenues of £180.3m, up 1% at constant exchange rates and statutory revenues of £178.8m.

Whilst see-through revenues decreased 1% on a reported basis, gross profit increased 4% to £109.3m (2023: £105.0m) due to favourable product mix and a reduction in COGS relating to Nizoral™ following the move in manufacturing. With a deliberate focus on increasing investment to support our key brands, underlying operating costs increased 9%, resulting in underlying EBITDA¹ down 4% to £43.1m (2023: £45.0m). However, with lower finance costs on lower debt balances, underlying profit before tax was unchanged at £31.5m (2023: £31.5m) whilst reported loss before tax improved to £14.5m (2023: loss of £48.8m).

¹ Underlying EBITDA is a non-IFRS Alternative Performance Measure (see note 30).

Corporate development

My appointment as CEO in May 2024 has provided an opportunity for fresh perspective. Whilst the business has transitioned to a predominantly consumer healthcare company, much of the infrastructure and mindset had remained more aligned with the legacy prescription medicines business.

Consequently, we are working to adapt the Company's culture and capabilities to support our ambition to become a high-performing consumer healthcare company, placing the consumer firmly at the heart of all strategic decisions.

This change of focus and refined strategy means we have moved away from referring to the three key brands we have previously mentioned (the Kelo-Cote™ franchise, Nizoral™ and Amberen®) and, from mid-2024, we pivoted our corporate strategy to focus on five strategic priority categories (scar care, scalp care, dry skin care, eye health and women's health) which align with our five largest brands in revenue terms (Kelo-Cote™, Nizoral™, Hydromol™, MacuShield™ and Amberen®).

Chief Executive Officer's Review continued

Throughout 2024 we restructured the senior leadership team to remove layers of complexity and to bring key functions closer to the CEO. The senior leadership team, which we now call the Executive Committee, now comprises 12 people, up from five previously, of which 58% are female, up from 20%. To underline our commitment to globalising the business, five of these roles are based outside the UK.

On 23 May 2024 we announced the successful conclusion of our appeal before the Competition Appeal Tribunal ("CAT") of a decision by the UK's Competition and Markets Authority ("CMA"). In a unanimous judgment, the CAT upheld Alliance's appeal, finding that there was no agreement to exclude competition from the market and no breach of competition law. The CMA's decision and £7.9m penalty imposed on Alliance have been set aside. In particular, the CAT found that Alliance's two key witnesses, former Alliance CEOs Peter Butterfield and John Dawson, were both impressive and compelling, with their evidence singled out by the tribunal in its concluding remarks. Director disqualification proceedings brought by the CMA against Peter and John, the first limb of which was joined to the appeal, have also fallen away. The CMA has confirmed that it will not appeal the CAT decision.

In 2021 we provided for the potential penalty but reversed this provision in the 2023 accounts.

On 10 January 2025 we announced the recommended cash offer by DBAY Advisors Ltd for the entire issued and to-be-issued share capital of Alliance. This offer was accepted by shareholders on 13 March, with 80% of shareholders, holding 92% of voted shares in value, voting in favour of the transaction. We will now work through the remaining regulatory steps and anticipate that Alliance will cease trading on AIM by the end of H1 2025.

Innovation and Development (I&D)

We continue to actively invest in our business to maintain strong organic revenue growth and currently spend some £1m-£2m per annum on I&D, with a view to generating 10% of net consumer sales from new product innovation in the future. However, this is one area in which we anticipate increasing investment to accelerate growth and we have appointed a Chief Innovation and Scientific Affairs Officer, who joined Alliance in January 2025, to support this ambition.

In 2024, revenues from new product development reached £6.4m (2023: £3.5m), representing 4.9% of Consumer Healthcare sales (2023: 2.6%).

We launched three significant new products during 2024, all of which provide potential for significant organic growth in future years.

The latest gummy in the Amberen® range, Amberen® Energy, Mood and Sleep, was launched in the United States in Q2 24 targeting the perimenopausal consumer. We have partnered with Walmart to promote the product on its social media platforms, and are working with a leading social media influencer, Dr. Eva Beaulieu, to expand the brand's reach.

In the UK, we have expanded the MacuShield™ range with the launch of MacuShield™ Omega 3. The product was first placed in Boots, both in store and online, then listed on Amazon from May 2024 ahead of Prime Day in July 2024. The launch was supported by an extensive PR campaign and is expected to broaden the brand's reach rather than cannibalise sales of the base brand.

In September 2024, we launched Nizoral™ Derma Daily to expand the reach of the medicated anti-dandruff Nizoral™ brand into the larger, adjacent, derma cosmetic market. The initial launch focused on Thailand, Taiwan, Singapore, Hong Kong and Malaysia. We expect to launch in China in 2025.

In addition, ScarAway™ Kids scar gel was launched in the United States on Amazon in late February 2024 expanding the range of the flagship gel listing.

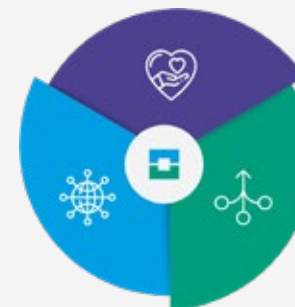


STRATEGY



Initial focus

Growing the core and building scale



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Future opportunity

Inorganic growth through acquisition

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Chief Executive Officer's Review continued

Continuing our sustainability journey

We continue to make good progress on our sustainability journey, and will publish our third, voluntary, stand-alone TCFD report for 2024 by the end of June 2025.

Throughout 2024, we have focused on developing our social and governance strategies. Having established a partnership with Slave Free Alliance ("SFA") in 2023, in H1 2024, the SFA conducted a high-level risk assessment on 15 suppliers deemed most at risk from a modern slavery perspective.

In H2 2024, we fulfilled our ambition to conduct at least five modern slavery audits in person from this group of 15 high risk suppliers, of which four were completed in H1 2024, and one in H2 24, with no red flags. We anticipate conducting another five audits in 2025 from the remaining ten high risk suppliers we have identified.

We have also joined the UN Global Compact, which is the world's largest global corporate sustainability initiative. This commits Alliance to meeting fundamental responsibilities in the four areas of human rights, labour, the environment and anti-corruption.

During the period, we were pleased to have completed the NHS Evergreen Sustainable Supplier Assessment. This self-assessment and reporting tool resulted in Alliance receiving a level 2 accreditation recognising

our comprehensive net-zero targets and reporting for carbon emissions. This accreditation is key to remaining a trusted provider to the NHS, supporting us to align with their long-term sustainability priorities and their pathway to net-zero emissions.

For further detail, please see the Sustainability section of our website: www.alliancepharmaceuticals.com/sustainability/.

Building a strong alliance of colleagues

Our business, and the delivery of our strategy, is only possible due to our network of talented, dedicated colleagues. Throughout 2024 we restructured the senior leadership team.

The Chief Operating Officer role has been removed, to streamline the management structure and accelerate decision-making, and both the Heads of North America and China have been replaced to support our growth ambitions.

A Chief Transformation Officer was appointed in December 2024; she has spent the first three months of 2025 reviewing all existing structures and processes to identify opportunities to optimise our approach and to drive scale benefits.

Further senior appointments in early 2025 include a Chief Marketing Officer, Chief Innovation and Scientific Affairs Officer and Chief Supply Officer.

We are working to develop a comprehensive people strategy and have begun to develop our belonging and inclusion policy, partnering with an external consultant to conduct a baseline assessment to inform our future strategy.

We have introduced belonging and inclusion questions within our new exit interview procedure as part of a plan to understand and improve diversity metrics beyond our annual engagement survey. We have also introduced a Celebration Day as part of our employee offering, which gives all colleagues an additional day off in the year to celebrate an event of their choice to promote diversity in lifestyle, cultural or religious beliefs.

Work continues on our recognition and reward programme with three new awards to recognise outstanding behaviour and performance through peer-to-peer, manager and Executive Committee team rewards. We have also launched a global wellness programme which includes training for mental health first aiders in each of our locations and a schedule of wellness webinars.

Our investment in colleague engagement continues to pay dividends as evidenced by our re-certification as a Great Place to Work in the United Kingdom, France, China and Singapore. In the 2024 survey we were pleased to have received an overall Trust Index rating of 70% (2023: 74%)

with 67% of participants globally saying that Alliance was a Great Place to Work (2023: 73%).

On behalf of the Board, I would like to thank all those colleagues who helped us to deliver our achievements in 2024.

Board and executive changes

As announced in February 2024, Jo LeCouilliard stepped down from the Board with the appointment of Camillo Pane as the new independent Chair of Alliance that month. Camillo Pane has over 30 years of relevant sector experience. He has held a number of senior positions at Reckitt, including Senior Vice President and Global Category Officer for Consumer Health, before moving to Coty Inc, one of the largest beauty companies in the world, where, as CEO, he led the merger with Procter & Gamble Specialty Beauty. Most recently, he was Group CEO of Health & Happiness Group, a global health and nutrition company listed on the Hong Kong Stock Exchange with revenues of around \$2bn.

On 8 May 2024, we announced that Peter Butterfield, CEO, had decided to leave the business and, on 13 May 2024, I joined as Alliance's new CEO.

I bring 30 years of consumer goods experience predominantly in health across European, US and global roles at major multinational companies such as Reckitt, Coty and Nestlé. Most recently I was Regional Director

for UK and Ireland Consumer Health at Reckitt, during which time I increased revenue and improved profitability in the second largest market for the Company.

Prior to this, I worked at Coty holding a number of senior roles, including Senior Vice President for Global Sales and Commercial Capabilities, Senior Vice President Sales for the US business and General Manager Consumer Beauty for UK and Ireland. Throughout my career, I have worked in multiple countries, always delivering high-revenue growth through consumer-centric strategies, high-performance teams and excellence in execution.

In order to accelerate the globalisation of the business, simplify the management structure and to bring the consumer closer to the heart of the business, the Board decided that the role of COO was no longer required. Consequently, Jeyan Heper left the business on 31 August 2024.

I am excited about the future of Alliance. Whilst we have much to do as we work on our transformation plans, I am confident that our strong portfolio of clinically differentiated brands will deliver predictable organic revenue growth over the mid-long term.



Nick Sedgwick
Chief Executive Officer

7 April 2025