ALLIANCE

Alliance Pharma plc
Annual Report and Accounts
2024

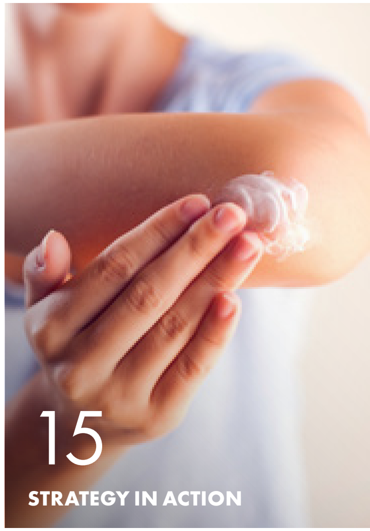
WE ARE ALLIANCE

An Alliance of people, partners and brands, working together to achieve more

What's Inside

COMPANY OVERVIEW

STRATEGIC REPORT



GOVERNANCE

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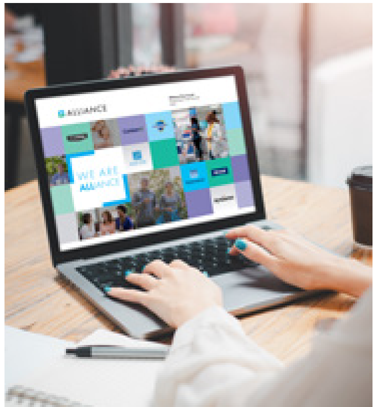

ONLINE ANNUAL REPORT
alliancepharmaceuticals.com/investors/2024-annual-report

ONLINE SUSTAINABILITY REPORT
alliancepharmaceuticals.com/investors/2024-annual-report

Who We Are

An International Consumer Healthcare Company

Empowering people to make a positive difference to their health and wellbeing, through making our trusted and proven brands available around the world

A TEAM OF
290
TALENTED PEOPLE
as at 31 December 2024

BASED IN
9
STRATEGIC LOCATIONS

Working together to deliver value for our stakeholders through maximising the potential of our brands.

INVESTING IN OUR PRIORITY BRANDS AND CHANNELS

INNOVATING TO ENSURE OUR BRANDS REMAIN RELEVANT

SELECTIVELY EXTENDING THE GEOGRAPHIC REACH OF OUR BRANDS

Outsourcing capital-intensive activities, such as manufacturing and logistics, to allow us to focus on what we do best.

For more information see our strategic priorities | **Pages 15 to 18**

2024 Performance Overview

Underlying group profit unchanged, structural changes implemented, new senior hires

STATUTORY REVENUE
£178.8m
-1%
(2023: £180.7m)

SEE-THROUGH REVENUE[1]
£180.3m
-1%
(2023: £182.7m)

UNDERLYING PROFIT/(LOSS) BEFORE TAX[1]
£31.5m
+0%
(2023: £31.5m)

REPORTED BASIC EPS
(2.0)p
NM[2]
(2023: (6.1)p)

UNDERLYING BASIC EPS[1]
4.4p
-4%
(2023: 4.6p)

FREE CASH FLOW[1]
£29.1m
+37%
(2023: £21.3m)

NET DEBT[1,3]
£60.1m
-34%
(2023: £91.2m)

FEMALE REPRESENTATION ON NEWLY EXPANDED EXECUTIVE COMMITTEE[4]
58%
Read more | **Page 12**

GROWTH IN KELO-COTE™ FRANCHISE REVENUES AT CER[5]
6%
Read more | **Page 22**

GROWTH IN MACUSHIELD™ REVENUES AT CER[5]
11%
Read more | **Page 22**

1. Non-IFRS Alternative Performance Measures ("APMs"), (see note 30).See-through revenue includes all sales from Nizoral™ as if they had been invoiced by Alliance as principal. For statutory accounting purposes the product margin relating to Nizoral™ sales made on an agency basis is included within Revenue, in line with IFRS 15.
2. Not meaningful to show as a percentage movement given the significant changes in numbers which have been explained elsewhere.
3. Net debt excludes lease liabilities.
4. Top row from L to R: Amy Mi, Angela Brady, Becky Verano, Claire Bacon. Bottom row from L to R Eva-Lotta Sjöstedt (NED), Jane Burkitt, Julie Skinner, Teresa Gonzalez-Ruiz. 58% female ratio reached on completion of Executive Committee recruitment on 1 February 2025.
5. CER – constant exchange rates.

Why Alliance

With a strong portfolio of differentiated brands Alliance is well positioned to deliver revenue growth

Strong market fundamentals

Alliance operates within niche consumer healthcare categories which offer faster growth than the broader global consumer healthcare market. In our focus categories of helping damaged skin and supporting healthy aging, people are taking more proactive steps to preserve their health through a focus on prevention and living well.

TOTAL GLOBAL CONSUMER HEALTHCARE MARKET WORTH[1]

£164bn

+7% CAGR 2019-2023

Read more on pages 15 to 18

Leading brands with science-led differentiation

Alliance's proven and trusted brands each have clearly differentiated medical claims backed by strong clinical evidence ensuring they maintain a leadership position in the priority markets where they play. Typically, Alliance targets niche markets with few large competitors where this science-led differentiation also helps to support premium pricing.

ALLIANCE OUTPERFORMS THE CATEGORY IN

10 of the 13

CMUs WE TRACK

Read more on pages 15 to 18

New management driving revised strategy

The arrival of our new CEO, Nick Sedgwick, has provided the opportunity to revise our strategy and accelerate our vision. Alliance has a clear ambition to deliver predictable, organic revenue growth ahead of the market. We anticipate strong EBITDA expansion through increased investment in innovation and development, optimising the go-to-market and supply chain strategy and through establishing an internal consumer insights and data analytics function.

CONSUMER HEALTHCARE REVENUES REPRESENT

72%

OF GROUP REVENUES

Read more on pages 10 to 12

Opportunities for targeted geographical expansion

The review of our strategy, led by Nick, has identified a number of high-value, high-growth consumer healthcare markets where certain of our leading brands are not yet fully launched. We see opportunity to significantly increase revenues through targeted marketing to better promote our brands in selected geographies.

US REVENUES REPRESENT ONLY

16%

OF GROUP SALES, YET THIS IS THE LARGEST GLOBAL MARKET FOR CONSUMER HEALTHCARE

Read more on pages 10 to 12

Opportunities for cost savings through simplification

Alliance expanded rapidly through a series of acquisitions which has created a complex business structure, comprising 67 Contract Manufacturing Organisations ("CMOs") and 59 Logistics Service Providers (LSPs). We see significant opportunities for cost savings through simplification and have commenced a review of our Contract Manufacturing Organisations ("CMO") network to identify areas for consolidation. In late 2024 we divested eight tail-end assets and discontinued six loss-making legacy brands.

£2.8m

CASH RAISED FROM DISPOSAL OF EIGHT TAIL-END BRANDS

Read more on page 23

Solid cash generation

Alliance generates consistent solid cash flow due to its premium-priced brands and asset-light operating model. We have successfully reduced leverage from 2.05 times at 31 December 2023 to 1.39 times at 31 December 2024 and anticipate further reduction below 1.0 times by the end of 2025.

£29.1m

FREE CASH FLOW GENERATED IN 2024

Read more on page 23

1. Nicholas Hall's D86 Global CHC Database.

Chair's Introduction

Laying the foundations to deliver our long-term ambitions

"2024 was an important year for Alliance in which we laid the foundations to position the business for future success. I'd like to thank everyone at Alliance for helping to deliver the 2024 results."

SEE-THROUGH REVENUE

£180.3m

+1% CER

(2023: £182.7m)

STATUTORY REVENUE

£178.8m

+2% CER

(2023: £180.7m)

2024 was an important year for Alliance. A year in which we laid the necessary foundations to better position the business to achieve its vision to become a high-performing consumer healthcare company.

A fundamental first step was the appointment of Nick Sedgwick as our new CEO in May. Nick's extensive consumer healthcare experience has enabled him to hit the ground running. He has already implemented a number of changes to place the consumer at the heart of strategic decision-making and to simplify the organisational structure to make it more efficient.

Throughout H2 2024 we have worked to refine our strategy to accelerate the transition to consumer healthcare and identify the market opportunity, and therefore areas of focus, for our five largest brands.

We've also made a number of senior hires in H2 2024, including new heads of North America and China, as well as a Chief Transformation Officer to help deliver the revised strategy.

Throughout the first quarter of 2025 we have worked on the finer details of this strategy, with a view to sharing it to the wider market in H2 2025. We have also planned workshops with all colleagues to develop and define the right values and culture to support the strategy.

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 92% of voted shares by value 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.

I'd like to thank everyone at Alliance for their hard work to deliver the 2024 results. I feel that Alliance is in a very strong position and well placed for future growth under new ownership.

Camillo Pane
Chair
7 April 2025

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OUR PEOPLE

Purpose, Vision and Values

PURPOSE

We empower people to make a positive difference to their health and wellbeing

Read more | **Page 7**

VISION

To be a high-performing Consumer Healthcare Company, built on a portfolio of leading, trusted and proven brands

Read more | **Pages 15 to 18**

VALUES

Our PRAISE values are at the heart of how we work together; they are central to what makes Alliance unique. However, it's not just about achieving great results.

Our PRAISE values strongly underpin the fact that 'how' we do business is as important as 'what' we do, and our people are rewarded in line with that. This is where Alliance people exceed – we believe that by working together we will achieve more.

Performance

Our high-performing people continually drive business success.

Realism

We set stretching goals and targets which we believe are achievable.

Accountability

We take responsibility and deliver what we promise.

Integrity

We build trust in all our relationships.

Skill

We recruit highly skilled people and develop their talents to the full.

Entrepreneurship

Our people think of the business as if it was their own.

Read more | **Page 7**

Our Purpose in Action

MacuShield™ Innovation

MacuShield™ is our fourth largest brand, and is available in a broad range of products and formats. The European eye-health vitamin and mineral supplements (VMS) category is growing at c.1% per annum, with MacuShield™ revenues growing significantly above this at 11% in 2024.

In response to rising consumer awareness of the importance of Omega-3 for promoting eye health, we identified an opportunity for a new product in the range which would provide access to the faster-growth European fish oils category, increasing at c.3.5% per annum.

We consulted with optometrists to gain reassurance that healthcare professionals were also reinforcing the message that Omega-3 nutritional supplements can support eye health, then worked with our contract manufacturing organisation to create a new formulation of MacuShield™, comprising the original base ingredient LMZ (a blend of three macular carotenoids), vitamin B2 and Omega-3, combined into a once-a-day capsule.

MacuShield™ Omega-3 was launched in the UK in early 2024. Consumer feedback has been extremely positive and we are looking to implement the learnings from this launch as we enter new geographies in 2025.

76% OF CONSUMERS[1]
believe that containing Omega-3 is either quite or very important for an eye health supplement

26% OF CONSUMERS[2]
taking an Omega-3 supplement are doing so specifically for their eye health

Discover more | **www.alliancepharmaceuticals.com/about-us/our-vision-and-purpose/**

1. MacuShield™ new product development (NPD) concept research conducted by Alliance Pharma UK in 2023.
2. Euromonitor Health and Nutrition Survey 2023.

Our Values in Action

Modern Slavery Audits

Alliance has long demonstrated its commitment to ethical practices. To reinforce our values of accountability and integrity, we conduct regular modern slavery audits of our suppliers. Recognising the risks associated with global supply chains, Alliance's Quality and Sourcing teams assess our suppliers' compliance with international labour standards.

In 2024, the audit encompassed five key suppliers across Asia, Europe, and North America, evaluating factors such as worker rights, employee behaviour, working conditions, and child labour.

The results were resoundingly positive: no concerns related to forced labour, trafficking, or other forms of modern slavery were identified. This outcome underscores the effectiveness of Alliance's rigorous supplier selection process and our ongoing commitment to ethical sourcing.

Alliance is also committed to annual follow-ups to ensure continued compliance, further embedding accountability into our operational framework. We have a target to audit an additional five key suppliers in 2025.

Discover more | **www.alliancepharmaceuticals.com/join-us/our-values-we-praise-success/**

5 KEY SUPPLIER AUDITS
conducted in 2024

0 RED FLAGS
or concerns raised

Strategic Report

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OUR STRATEGY

Introducing Nick Sedgwick

Q&A

"I am delighted to have joined the fantastic team here at Alliance."

Nick Sedgwick
CEO

Read my biography | **Page 49**

See my annual review | **Page 10**

What has been your career history to date?

I've spent thirty years working in various senior consumer goods 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 responsible for a team of c.400 delivering revenues of over £0.5bn.

Whilst at Reckitt, I helped re-energise the Nurofen brand by launching Nuromol into full distribution, in response to consumer insights, which resulted in an award-winning launch.

What attracted you to the role at Alliance?

I was attracted to the role because I could see a portfolio of strong brands, with clear differentiation supported by clinical evidence. Yet these brands didn't appear to be delivering revenues to the level I would have expected given their market positions in certain geographies. I felt that I had the necessary consumer health experience to help activate these brands and achieve their full revenue potential.

What were your initial observations?

Alliance is a company that expanded rapidly through a number of consumer healthcare brand acquisitions between 2013 and 2022. Whilst consumer healthcare revenues now account for 72% of Group sales, the Company's structure, processes and culture was still rooted in its legacy prescription medicines business.

To be a high-performing consumer health business we need to change our mindset to think 'consumer first'. Many brands in consumer health are similar to each other so we have to move faster, be more agile and more competitive to win.

We need to upgrade our capabilities in consumer insights, ecommerce and innovation. If we know our target consumers better than our competition does, we can market our brands better and out-innovate the market.

We also need to move from a brand-in-market view to a global categories view. We have bought many assets over the years but have not expanded them to the key markets in other countries. We are now focusing our efforts on winning in the key Category Market Units or CMU's as we call them.

What is your proudest achievement in 2024?

I am really pleased that in 2024 we were able to attract and recruit so many talented senior leaders. I am confident that I now have the right leadership team to support me to deliver improved, sustainable revenue growth and profitability for the business.

What are your main areas of focus for 2025?

In 2025 I will be working to finalise the detail of our new strategy, determining our five-year objectives and corresponding KPIs to track progress. I will also involve all colleagues at Alliance in a series of workshops to define the appropriate culture and values to support the delivery of the new strategy.

Where do you see Alliance in five years' time?

After a period transforming the business, in five years' time we will be enjoying a period of accelerated growth driven by increased innovation and activation of our largest brands, supported by improved marketing and in-market execution. This will be bolstered by further inorganic growth from acquisitions.

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.

Read more | **Pages 15 to 18**

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 EBITDA[1] 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.

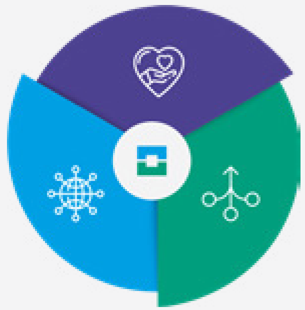
In September 2024, we launched Nizoral™ Derma Daily to expand the reach of the medicated anti-dandruff Nizoral™ brand into the larger, adjacent, derma cosmetic market. The initial launch focused on Thailand, Taiwan, Singapore, Hong Kong and Malaysia. We expect to launch in China in 2025.

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



Read more | **Page 14**

Future opportunity

Inorganic growth through acquisition

Read more | **Page 9**

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

Market Overview

Market factors shaping our business

Positive demographics

Overview

Developed markets, primarily North America and Western Europe, continue to account for the majority of retail sales for consumer health. These countries benefit from stable populations and economies. However emerging countries are expected to experience strong growth given consumers' increasing ability and desire to purchase well-known multinational products with higher perceived quality and purpose. Consequently, well-established international brands can leverage long-standing brand equity by entering new geographies.

Response

- Alliance has well established brands in developed markets.
- Our strategy is to identify opportunities to take these brands into new territories.
- Our distributor model means we are able to access new geographies in a relatively low-risk way, with minimal investment in marketing and advertising.

Increased focus on wellness and prioritisation on health in times of economic uncertainty

Overview

There is a greater desire for consumers to maintain health for longer periods amidst challenging and uncertain times. This stems from the need to spend quality time doing what matters to them, including the ability to work, earn and connect with loved ones. Wellness categories are more valuable and growing faster than healthcare categories in the top ten consumer healthcare markets. Consumers are also prepared to pay a premium for something that delivers tangible benefits.

Response

- Alliance operates in the more defensive consumer healthcare categories such as scar care, scalp care and menopause relief, which often require repeat purchases over a number of years and are therefore well insulated from economic cycles.
- With clinical difference supported by scientific evidence, our brands typically command a price premium over competitor brands.

Proactive consumers seeking omni-channel retail

Overview

Whilst there has been a rapid increase in the purchase of health products and services online, this is not the only way that consumers want to transact. A purchasing journey may include multiple routes or channels such as first seeking advice from a healthcare professional, a website review, or social media influencers before making a purchase online or in a physical retail store. Each channel must be optimised so that the consumer is able to find what they want, when they want it, and can complete their purchase easily.

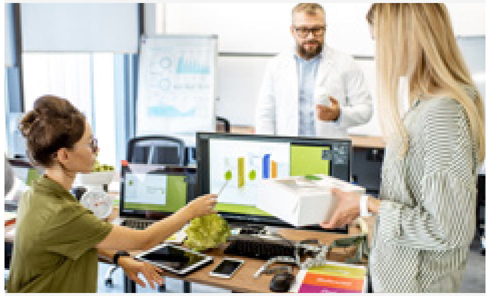
Response

- Alliance, through its distributor partners, is present across many channels including ecommerce platforms, pharmacies and retail stores.
- We work with third-party sales organisations to optimise our presence in each channel.
- We continue to refine and improve our in-house capabilities, particularly in insights and ecommerce. We expect to increase our sales and marketing investment in 2025.

Innovation important to support growth

Overview

Innovation is an essential growth driver in consumer healthcare, particularly in categories with lower barriers to entry such as Vitamin and Mineral Supplements ("VMS"). A constant flow of new products and line extensions allows us to increase our presence on shelf and maintain the brand narrative to sustain consumer interest. Innovation, particularly new launches with strong clinical differentiation, also allows us to maintain premium pricing and support price rises.



Response

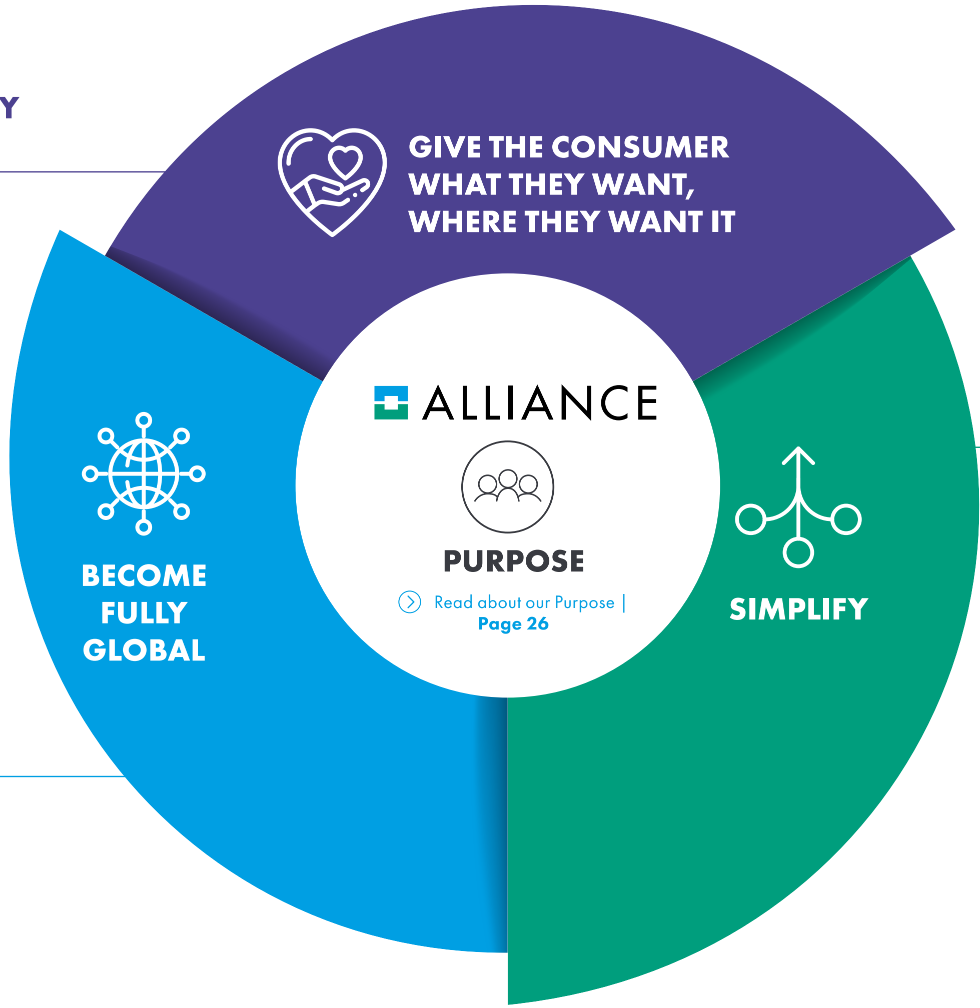
- 4.9% of consumer healthcare sales in 2024 came from new products launched within the last three years.
- We are aiming to increase this proportion to 10% in 5 years through increased investment in our innovation and development capabilities.
- In early 2025 we introduced a new role to our executive team, appointing Angela Brady as Chief Innovation and Scientific Affairs Officer.

Our Strategy

Growing the core and building scale

GIVE THE CONSUMER WHAT THEY WANT, WHERE THEY WANT IT

- Gain consumer insights
- Increase brand penetration
- Accelerate innovation
- Scale up ecommerce



SIMPLIFY

- Reduce cost
- Redeploy savings to fund growth

BECOME FULLY GLOBAL

- Expand geographical footprint of key brands
- Ensure key talent located in optimal locations globally

Strategy in Action

GIVE THE CONSUMER WHAT THEY WANT, WHERE THEY WANT IT

Strategic priority: Helping damaged skin

Scar care

More than 48% of people worldwide have at least one scar and over 100m new surgical scars are created each year[1], creating a significant market opportunity. In a recent survey more than 59% of people said they want to improve the appearance of their scar. Whilst there are a number of treatment options available, silicon-based solutions such as Kelo-Cote™ and ScarAway™ (which is only available in the US) are considered by healthcare professionals to be the gold standard of care. We see opportunities to grow the market through greater consumer awareness and innovation.

1. Market opportunity statistics are derived from (i) J.M.Amici et al JEADV 2022 (ii) Gallileo Consulting U&A study (iii) Walnut U&A study 2021 (iv) Supramenesh (iv) Gauglitz et al 2011.

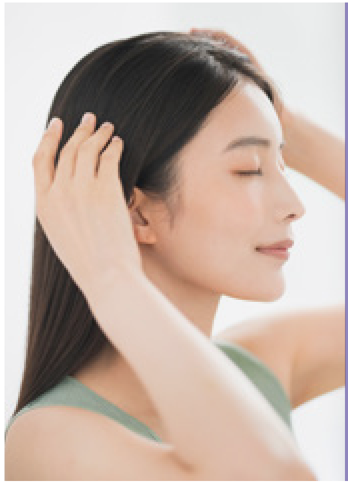
GLOBAL CATEGORY SIZE & GROWTH (4-YEAR CAGR)

£407m

+7%

Alliance Ambition

Global leader in scar care



Scalp care

The scalp care market spans a wide continuum of treatment options from derma cosmetic products for mild to moderate dandruff through to medicated solutions for severe dandruff. It is estimated that 1-5% of all adults in Asia suffer from seborrheic dermatitis[2] (which causes severe dandruff). Whilst Alliance has historically played in the medicated category with leading brand Nizoral™, we see opportunities for expansion into the derma cosmetic market.

2. https://pmc.ncbi.nlm.nih.gov/articles/PMC4908450/

GLOBAL CATEGORY SIZE & GROWTH (4-YEAR CAGR)

£780m

+4%

Alliance Ambition

Leader in scientifically proven dandruff-related scalp care

Strategy in Action continued

GIVE THE CONSUMER WHAT THEY WANT, WHERE THEY WANT IT

Strategic priority: Helping damaged skin continued

Eczema and dry skin care

Atopic dermatitis, or eczema, affects around 20% of children and 10% of adults worldwide[3]. Management strategies for treating the condition follow a stepped-care approach starting with the use of emollients and topical treatments before progressing to phototherapy and systemic solutions. Hydromol™ is the leading prescribed ointment in the UK and is currently available in a number of formats including cream, ointment and bath/shower wash. We see significant opportunities to grow through consumer education and increased self-selection.

3. https://www.eczemacouncil.org/assets/docs/global-report-on-atopic-dermatitis-2022.pdf

GLOBAL CATEGORY SIZE & GROWTH (4-YEAR CAGR)

£739m

+5%

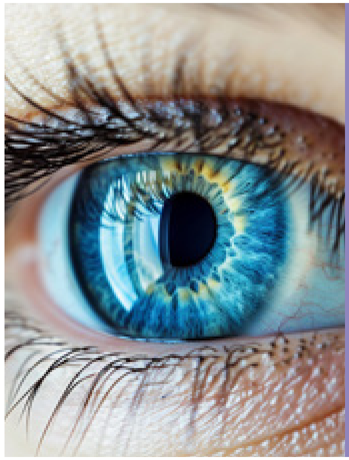
Alliance Ambition

Doctor-recommended eczema and dry skin care

Strategy in Action continued

GIVE THE CONSUMER WHAT THEY WANT, WHERE THEY WANT IT

Strategic priority: Supporting healthy ageing



Eye health

Around 8% of the global population suffer from age-related macular degeneration[4]. Whilst MacuShield™ was originally targeted at an older population , we see a greater potential opportunity in meeting the needs of younger people who are taking steps to increase healthspan to maximise their period of life spent in good health and protect their eye health before experiencing any serious issues. Building from MacuShield™'s proven clinical efficacy, which is endorsed by ophthalmologists, we are looking to expand into new geographies and consumer eye-health categories.

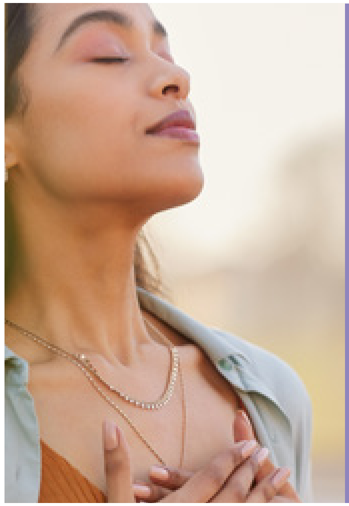
4. https://www.sciencedirect.com/science/article/pii/S2214109X13701633

GLOBAL CATEGORY SIZE & GROWTH (4-YEAR CAGR)

£835m
+3%

Alliance Ambition

Global leader in eye health supplements



Women's health

Women's health needs and life stages are closely related with different phases such as menstruation, pregnancy and menopause which affect their mind and bodies in varying ways. The rise in social media has created much greater awareness and acceptance of the issues women face, with today's consumer likely to be better educated than previous generations. These consumers are now looking for brands that can support them for longer lengths of time, through these various phases[5]. Amberen® is the only clinically proven menopause relief supplement in the United States. We see potential to empower more women to treat their menopause symptoms through product choice and to expand Amberen® to meet women's needs in other stages of life.

5. Mintel report 30 Jan 2024 – Women's Wellness – US – 2024.

GLOBAL CATEGORY SIZE & GROWTH (4-YEAR CAGR)

£1bn
+10%
(Menopause supplements are worth £324m +1%)

Alliance Ambition

Leader in women's health supplements

Strategy in Action continued

SIMPLIFY

Portfolio optimisation

In 2023 we commenced a project to analyse all 70 brands in our portfolio to identify any that were highly complex to maintain, had high risk of unreliable supply and yielded low profitability to the business.

Throughout 2024 we worked to create a model to allocate all appropriate costs to a brand in order to rank the portfolio in terms of profitability. This model identified 14 brands that were suitable for divestment or discontinuation, whilst also ensuring that consumer access to essential medicines for which there are no alternatives was maintained.

The business development team then secured buyers for eight of these brands, generating cash proceeds of £2.8m in late 2024. Six brands were discontinued.

The disposal and divestment of these 14 brands allows Alliance to increase its focus on its more profitable and faster-growing brands. The portfolio remains under continual review and we now have a tried and tested model for identifying candidates for disposal.

14
brands divested or discontinued

£2.8m
cash proceeds generated

BECOME FULLY GLOBAL

Optimising the location of new hires

An important tenet of our strategy is to become fully global. Alliance has bought many assets over the years but has not expanded them to the key markets in other countries. Innovation is key to unlocking these new markets, giving us more products on shelf to excite retail partners and to beat the competition.

To achieve this ambition, and to elevate the innovation function within our organisation we appointed Angela Brady to the new position of Chief Innovation and Scientific Affairs Officer in January 2025.

Angela has a strong innovation track record coupled with extensive consumer health experience arising from holding a variety of innovation roles in her 23 years' industry experience; 18 years were spent with GSK, and most recently she was Global Innovation Director at Health and Happiness Group.

Underlining our commitment to globalisation, Angela is based in Hong Kong, where she is within close proximity of our Shanghai team and can easily attend important trade shows and scientific conferences in China. She is also close to Singapore, an important R&D hub due to the Singapore Government's commitment to, and investment in, the country's research capabilities.

Key Performance Indicators

Financial KPIs

We set out here our key financial performance indicators.

These are the primary measures used by management to monitor business performance against both short-term budgets and forecasts and longer-term plans.

SEE-THROUGH REVENUE[1]

£180.3m
-1%

2024	£180.3m
2023	£182.7m
2022	£172.0m

GROSS MARGIN[1]

60.6%
+310bp[2]

2024	60.6%
2023	57.5%
2022	59.1%

UNDERLYING EBITDA[1]

£43.1m
-4%

2024	£43.1m
2023	£45.0m
2022	£39.2m

UNDERLYING PROFIT BEFORE TAX[1]

£31.5m
+0%

2024	£31.5m
2023	£31.5m
2022	£30.3m

UNDERLYING BASIC EPS[1]

4.4p
-4%

2024	4.4p
2023	4.6p
2022	4.3p

DIVIDEND PER SHARE

Nil
+0%

2024	0.0p
2023	0.0p
2022	1.776p

FREE CASH FLOW[1]

£29.1m
+37%

2024	£29.1m
2023	£21.3m
2022	£15.8m

LEVERAGE[3]

1.39x

2024	1.39x
2023	2.05x
2022	2.57x

NET DEBT[1]

£60.1m
-34%

2024	£60.1m
2023	£91.2m
2022	£102.0m

1. These measures constitute Alternative Performance Measures ("APMs"), as defined in note 30 to the financial statements.
2. Basis points.
3. Leverage is defined as: Adjusted net debt/enlarged Group EBITDA, calculated using proforma EBITDA on a trailing 12-month basis for acquired entities, in line with our banking covenants.

Key Performance Indicators continued

Additional KPIs

Other indicators

In addition to these indicators, we also employ a broad range of other measures to help us manage business performance, including but not limited to:

- Brand revenues, margins and contribution, by management region and relative to marketing and innovation investment.
- Post-acquisition performance evaluation measures.
- On-time in-full delivery and out-of-stocks (to ensure continuity of product supply).
- Working capital management including additional detail around inventory levels, provisioning and ageing profile; the level of trade receivables and payables and their ageing profiles.

We do not disclose the related metrics associated with these measures, on the basis that they are commercially sensitive and/or intended for internal use only.

WORKING CAPITAL MANAGEMENT

SUPPLIER PAYMENT DAYS[1]

48

-12 days

2024	48
2023	60
2022	58

DAYS SALES OUTSTANDING[2]

74

+0 days

2024	74
2023	74
2022	71

DAYS INVENTORY ON HAND[3]

153

+1 day

2024	153
2023	152
2022	154

PORTFOLIO EVOLUTION

REVENUE: CONSUMER HEALTHCARE BRANDS[4]

£130.7m

-4%

2024	£130.7m
2023	£136.4m
2022	£125.2m

CONSUMER HEALTHCARE AS A % OF TOTAL REVENUE[4]

72%

-3pp[6]

2024	72%
2023	75%
2022	73%

RESOURCING

TOTAL HEADCOUNT[5]

290

-1%

2024	290
2023	292
2022	285

EMPLOYEE ENGAGEMENT: (GPTW TRUST INDEX©)

70%

-4pp[6]

2024	70%
2023	74%
2022	79%

1. Month-end value of trade payables relative to the trailing 12 months' cost of goods expressed as a days' equivalent, averaged over the year.
2. Month-end value of trade receivables relative to the trailing 12 months' sales expressed as days' equivalent, averaged over the year.
3. Month-end value of inventory relative to the trailing 12 months' cost of goods expressed as a days' equivalent, averaged over the year.
4. On a see-through basis.
5. As at 31 December.
6. Percentage point.

Financial Review

The Group delivered underlying PBT in line with 2023

"Performance in 2024 was consistent with expectations, with underlying Group PBT in line with the prior year due to our deliberate increased investment to support our key brands."

Andrew Franklin
Chief Financial Officer

See our Financial Statements | **Page 81**

UNDERLYING PBT
£31.5m
+0%
(2023: £31.5m)

Summary income statement

Year ended 31 December

	2024 £m	2023 £m	Growth
See-through revenue[1]	**180.3**	182.7	-1%
Statutory revenue	**178.8**	180.7	-1%
Gross profit	**109.3**	105.0	4%
Operating costs[2]	**66.2**	60.0	10%
Underlying EBITDA[1]	**43.1**	45.0	-4%
Depreciation and underlying amortisation	**3.2**	3.1	3%
Underlying operating profit ("EBIT")[1]	**39.9**	41.9	-5%
Finance costs	**8.4**	10.4	-19%
Underlying profit before taxation[1]	**31.5**	31.5	0%
Non-underlying items before taxation	**46.0**	80.3	-43%
Reported profit/(loss) before taxation	**(14.5)**	(48.8)	NM[3]
Underlying basic earnings per share[1]	**4.36**	4.55p	-4%
Reported basic earnings per share	**(1.99)p**	(6.13)p	NM[3]
Proposed total dividend per share	**nil**	nil	NM[3]

1. The performance of the Group is assessed using Alternative Performance Measures ("APMs"), which are measures that are not defined under IFRS, but are used by management to monitor ongoing business performance against both shorter-term budgets and forecasts and against the Group's longer-term strategic plans. APMs are defined in note 30.

   Specifically, see-through revenue includes all sales from Nizoral™ as if they had been invoiced by Alliance as principal. For statutory accounting purposes, the product margin on Nizoral™ sales made on an agency basis is included within revenue, in line with IFRS 15.

   Underlying profitability metrics are presented, as we believe this provides investors with useful information about the performance of the business. In 2024 and 2023, underlying results exclude the amortisation and impairment of acquired intangible assets. Further detail can be found in note 5.
2. Including share-based employee remuneration.
3. Not meaningful to show as a percentage movement given the significant changes in numbers which have been explained elsewhere.

Financial Review continued

Revenue summary

Year ended 31 December

	2024 £m	2023 £m	Growth	CER growth
Kelo-Cote™ franchise	**65.4**	63.2	4%	6%
Amberen®	**10.1**	11.2	-10%	-7%
Nizoral™	**16.4**	21.7	-24%	-21%
MacuShield™	**10.2**	9.2	11%	11%
Other Consumer brands[1]	**28.6**	31.1[1]	-8%	-6%
Total Consumer Healthcare	**130.7**	136.4	-4%	-2%
Hydromol™	**10.3**	9.0	14%	14%
Other Prescription Medicines[1]	**39.3**	37.3	5%	6%
Total Prescription Medicines	**49.6**	46.3	7%	8%
See-through revenue	**180.3**	182.7	-1%	1%
Statutory revenue – Consumer Healthcare	**129.2**	134.3	-4%	-2%
Statutory revenue – Group	**178.8**	180.7	-1%	2%

1. 2023 Other Consumer brands restated to exclude MacuShield™, which is now detailed separately. 2023 Other Prescription Medicines restated to exclude Hydromol™, which is now detailed separately.

Revenues

The Group delivered see-through revenues in the period of £180.3m (FY23: £182.7m), up 1% at constant exchange rates ("CER") and down 1% on a reported basis versus the prior period. Whilst revenues declined in some of our brands, namely Nizoral™, we delivered strong performance in Kelo-Cote™, MacuShield™, Hydromol™, Aloclair™ and Forceval™.

Group revenue was adversely affected by exchange rate movements throughout 2024, principally the strengthening of Sterling against the US Dollar and Euro, which decreased see-through revenue by approximately £3.4m. Statutory revenue decreased 1% to £178.8m (2023: £180.7m).

Consumer Healthcare

Total Consumer Healthcare see-through revenues for the Year were £130.7m (2023: £136.4m), down 4% on the prior year (-2% CER). On a statutory basis, reported Consumer Healthcare revenues were £129.2m, down 4% from the previous year (2023: £134.3m) and down 2% CER.

Kelo-Cote™ franchise revenues grew 6% CER to £65.4m (FY23: £63.2m) in line with previous guidance of mid-single digit revenue growth.

Whilst we remain committed to moving to smaller, more regular orders in China, this is taking longer than anticipated.

Nizoral™ see-through revenues declined 21% CER to £16.4m (FY23: £21.7m) due to the timing of distributor orders.

Amberen® revenues declined 7% CER to £10.1m (FY23: £11.2m) due to softer trading on Amazon following the loss of the Buy Box to unauthorised resellers, which has now been resolved, and slower adoption of new product launches than anticipated.

MacuShield™ revenues grew 11% CER to £10.2m (2023: £9.2m) boosted by new product launches in addition to increased focus and investment to optimise Amazon distribution in the UK.

Other Consumer brands declined 6% CER to £28.6m (FY23 restated: £31.1m) due to weakness in Lefuzhi and Ashton & Parsons.

Prescription Medicines

Prescription Medicine revenues increased 8% CER to £49.6m (FY23: £46.3m). Hydromol™ revenues increased 14% CER to £10.3m (FY23: £9.0m) as we launched our first ever direct to consumer communication campaign to target consumers and boost sales via Amazon. Forceval™ delivered another solid performance with revenues up 20% CER to £7.9m (FY23: £6.6m) and other Prescription Medicine revenues showed strong recovery as previously out-of-stock products became available.

Profit and loss development

Whilst see-through revenues decreased 1% in the year, 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. Gross margin increased by 310 basis points to 60.6% of see-through revenue (2023: 57.5%) and gross margin relative to statutory revenue was 61.1% (2023: 58.1%).

However, with a deliberate focus on increasing investment to support our key brands and operations, operating costs (defined as underlying administration and marketing expenses, excluding depreciation and underlying amortisation charges) increased 9% versus the prior year to £64.5m (2023: £59.1m).

With a £0.8m increase in share option charges versus prior year (2024: £1.6m, 2023: £0.9m) underlying earnings before interest, taxes, depreciation, and underlying amortisation ("EBITDA") decreased 4% to £43.1m (2023: £45.0m), whilst underlying operating profit ("EBIT") decreased by 5% to £39.9m (2023: £41.9m). Reported operating loss decreased by £30.3m to give an £8.1m loss (2023: £38.4m loss), after non-underlying items of £48.0m (2023: £80.3m).

Net finance costs of £8.4m (2023: £10.4m) include a £0.8m decrease in interest payable to £9.2m (2023: £10.0m), due to lower debt balances, with net exchange gains of £0.8m (£0.5m loss in 2023).

As a result of lower finance costs, underlying profit before tax was unchanged at £31.5m (2023: £31.5m), resulting in a 30 basis-point margin increase to 17.5% of see-through revenues (2023:17.2%). Reported profit before tax increased to a £14.5m loss (2023: £48.8m loss), primarily due to lower non-underlying impairment charges in 2024.

Financial Review continued

With an underlying tax charge of £7.9m (2023: £6.9m) equating to an underlying effective tax rate of 25.2% (2023: 22.0%), underlying basic earnings per share decreased 4% to 4.36p (2023: 4.55p). Reported basic earnings per share was a loss of 1.99p (2023: 6.13p loss), a reduced loss versus the prior year due to the lower impact from non-underlying items on reported earnings in 2024 versus 2023.

Further detail on non-underlying items is provided [opposite] and in note 5.

Non-underlying items

Non-underlying items in the year comprised impairment charges identified as a result of the annual impairment review, amortisation charges for Prescription Medicines and certain other brand assets, together with restructuring costs (see note 5).

For 2024, net impairment charges of £36.5m (2023: £79.3m) include a charge of £23.5m in relation to Amberen® (2023: £46.4m), together with £13.0m (net of £2.4m impairment reversals) relating to a number of other products and associated goodwill. These impairments were driven by changes to their financial outlook and updates to central overhead allocations.

Following a comprehensive review of our portfolio to identify brands that were highly complex to maintain, had a high risk of unreliable supply and yielded low profitability, we made the decision to discontinue six assets and divest eight. The disposal of these eight brands yielded cash proceeds of £2.8m in December 2024 and a profit on disposal (net of costs to sell and residual net book value of disposed assets) of £2.4m, which has been included as a non-underlying item.

Balance sheet development

Intangible assets decreased by £46.4m in the year to £253.6m (31 December 2023: £300.0m) reflecting net non-underlying amortisation and impairment charges of £43.0m, underlying amortisation of £1.9m, exchange rate-related revaluation adjustments of £0.7m and £0.8m net book value of disposals.

Net working capital at 31 December 2024 was £40.1m, a decrease of £3.3m on that at the start of the year (31 December 2023: £43.4m).

Inventories, net of provisions, decreased £3.2m to £22.5m at 31 December 2024 (31 December 2023: £25.7m).

Trade and other receivables decreased by £5.3m to £49.4m, reflecting the timing of sales and cash receipts in the second half of the year, versus the equivalent period in 2023. Trade and other payables decreased £5.2m on the prior year to £31.8m.

Cash generation

Free cash flow (see note 30 for definition) for the year rose 37% to £29.1m (2023: £21.3m), due to the strong trading performance in H2 and improved working capital. Cash generated from operations increased by 20% to £44.3m (2023: £36.9m).

This solid cash generation supported a reduction in net debt (excluding lease liabilities) of £31.1m to £60.1m at 31 December 2024 (31 December 2023: £91.2m), with Group leverage (the ratio of net bank debt to EBITDA) decreasing to 1.39 times (31 December 2023: 2.05 times). Interest rate cover (the ratio of EBITDA to finance charges) increased to 5.03 times (31 December 2023: 4.82 times) reflecting the decrease in net interest cost on lower debt outstanding.

Net debt and Group leverage are both expected to fall further during 2025, with Group leverage expected to be below 1.0 times by the end of 2025.

Andrew Franklin

Chief Financial Officer

7 April 2025

Stakeholder Engagement

Overview

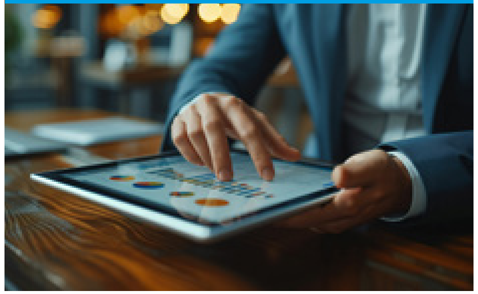
The Board recognises the importance of maintaining an engaged and motivated workforce, dependable supply chains, customer confidence in our products, close relationships with healthcare professionals, good returns for our shareholders and a positive contribution to both our local and wider communities. The Board works closely with the Executive Committee to ensure we continue to understand and meet the evolving needs of all our stakeholders, whilst maintaining our relevance and ability to create long-term sustainable value.

On the following pages, we have identified our principal stakeholders, their primary requirements and how we've delivered against these in 2024.

Examples of how stakeholder interests have been considered by the Board in their decision-making are provided in the Governance section | **Page 53**

Additional content regarding our stakeholder relationships and how we manage these can also be found on our website | **www.alliancepharmaceuticals.com/investors/stakeholders**

Shareholders



Our shareholders are interested in:

- Strong financial performance.
- Share price appreciation.
- Dividend income.
- ESG and long-term business sustainability.

How we delivered for our shareholders in 2024:

- Expanded gross margin.
- Increased investment behind our key brands.
- Maintained underlying group profit.
- Strengthened the skills, experience and expertise on the Executive Committee to align with the long-term strategy.
- Commenced work to adapt the Company's culture and capabilities to support our ambition to become a high-performing consumer healthcare company.
- Good progress made with developing and executing our sustainability strategy.

Employees

Our employees are interested in:

- Competitive reward structures.
- Opportunity to share in the success of the business.
- Flexible working.
- Meaningful work and connection.
- Learning and development opportunities.

How we delivered for our employees in 2024:

- Annual pay review in line with industry benchmarks.
- Flexible working arrangements maintained.
- Monthly business briefings.
- Implemented new reward and recognition suite.
- Lunch and learn sessions arranged to educate colleagues on topics such as financial planning and mental health.
- Participation in the GPTW® survey.

Customers

Our customers are looking for:

- Safe and effective healthcare products, which are widely available, at a reasonable cost.
- Reliable sources of information and practical help to manage their, and their family's, health and wellbeing.
- Products and services that have as low as possible an impact on the planet.

How we delivered for our customers in 2024:

- Safety and efficacy standards maintained.
- 43m units of product supplied.
- Worked with Valpak to create a database of all our packaging.
- Innovation launches within our global priority categories.
- Market and channel expansion for our consumer products, particularly in ecommerce.
- Consumer healthcare product pricing aligned with competitive positioning.

Stakeholder Engagement continued

Supply and distribution partners

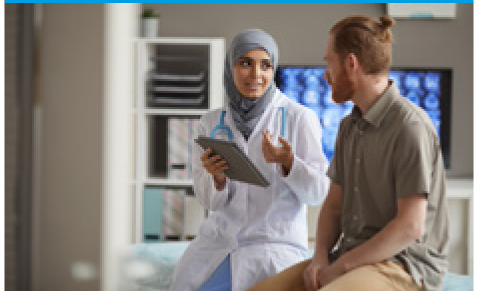
Our supply and distribution partners are looking for:

- Continued business growth opportunities.
- Reliable counterparties who share similar values and who act both responsibly and with integrity.
- Strong brands with growth potential and appropriate investment in marketing and innovation.
- Proactive partnering and regular engagement.

How we delivered for our supply and distribution partners in 2024:

- Global brand protection strategies.
- Regular quality and sourcing audits.
- Partnership with Slave Free Alliance.
- Published our Supplier Code of Conduct.

Healthcare professionals



Healthcare professionals are looking for:

- Safe and effective products.
- Engagement, education, information, and resources.
- Therapy area expertise.

How we delivered for healthcare professionals in 2024:

- Zero safety actions needed in-market due to defective product.
- New social media use and control policies published, to help ensure only factual and compliant information is provided on Alliance controlled social media platforms.
- Responses provided to more than 850 enquiries from healthcare professionals ("HCPs").
- Over 5,100 responses provided directly to customers and patients.
- HCP meetings policy updated to ensure we more flexibly meet the needs of HCPs.

Lenders

Our lenders are interested in:

- Strong financial performance.
- Ability to service and repay borrowings.

How we delivered for our lenders in 2024:

- Regular communication and reporting of business performance.
- £29.1m of free cash flow generated.
- Compliance with borrowing covenants maintained.
- Leverage down significantly in the period.

Wider communities

The wider community is interested in:

- Social impact strategy.
- Local engagement.
- Charitable and product donations.

How we delivered for the wider community in 2024:

- Promoted the Alliance Volunteering Day, which is one day of paid leave that can be utilised to support a nominated charity or local community.
- Supported our colleagues to fund-raise through initiatives such as bake sales, raffles and quizzes, then matched the funds raised.
- Encouraged colleagues to donate clothes and toiletries to the local homeless shelter in the UK.
- Helped to pack meals for the Rise Against Hunger food bank in the United States.

Sustainability

Prioritising people, planet and product

Our approach

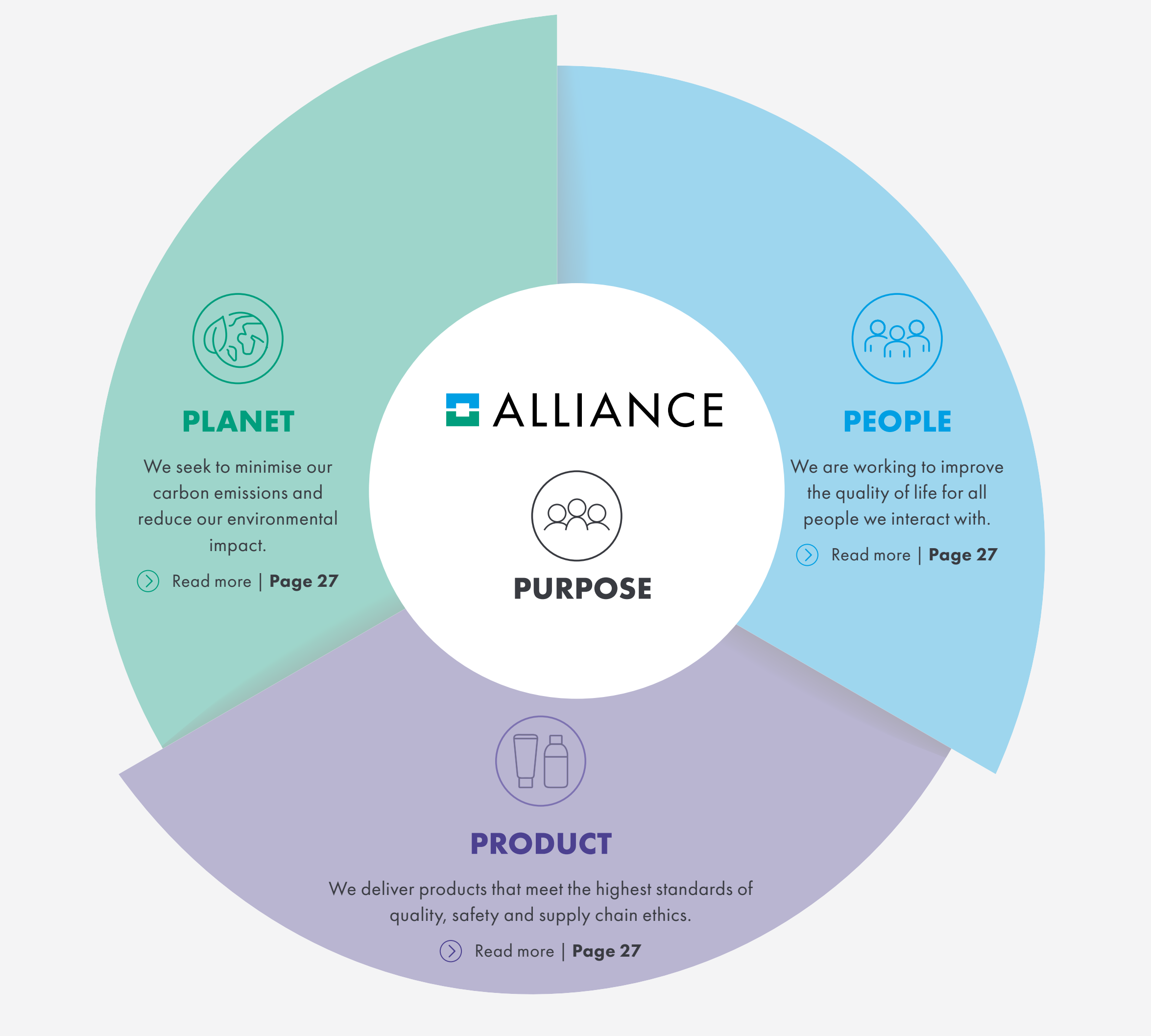
We are committed to operating our business in a responsible way, minimising our negative impacts and maximising our positive contribution while promoting the sustainability of our business for the longer term.

Our sustainability framework

Our sustainability framework identifies the key areas we are focusing on to deliver on our Purpose and to assure the future of our business for the longer term.

Purpose

We empower people to make a positive difference to their health and wellbeing



Visit our Sustainability hub

Learn more on our website and in our Online Sustainability Report at **alliancepharmaceuticals.com/sustainability**

Sustainability – Overview

We made good progress against our sustainability agenda in 2024

PEOPLE

Focus areas for 2024

Continue to increase and improve communication throughout the business.

Further the development and implementation of our reward and recognition proposition.

Develop a comprehensive three-year People strategy to support Alliance's growth ambitions and business strategy.

Progress in the year

- Refreshed our monthly business briefings, rescheduling to a time appropriate for all regions and including a diverse range of contributions from across the business.
- Maintained Great Place to Work® certification in the United Kingdom, France, China and Singapore.
- Launched a new recognition and reward suite.
- Commenced work on a belonging and inclusion policy, partnering with an external consultant to conduct a baseline assessment.
- Launched a global wellness programme, including training for mental health first-aiders in each of our locations.

Focus for 2025

- Continue to increase and improve communication throughout the business.
- Continue to embed a culture of wellbeing.
- Further the development of our learning and development platform.
- Continue to develop a comprehensive People strategy to support Alliance's growth ambitions and business strategy.

PRODUCT

Focus areas for 2024

Continue to provide modern slavery training to relevant colleagues including senior leaders.

Undertake a supply chain human rights risk assessment and supplier lifecycle due diligence review.

Progress in the year

- Contacted all contract manufacturing organisation ("CMO") and logistics service provider ("LSP") partners explaining our Scope 3 net-zero ambitions and our expectations from them to help achieve these.
- Completed a supply chain human rights risk assessment and supplier lifecycle due diligence review.
- Conducted five modern slavery audits in person from our list of 15 high-risk supplier sites.
- Provided modern slavery training to all colleagues including senior leaders.

Focus for 2025

- Continue to provide modern slavery training to relevant colleagues including senior leaders.
- Complete another five in-person modern slavery audits from the remaining ten high-risk suppliers we have identified.
- Develop a comprehensive human rights strategy.
- Develop a procurement framework including sustainability criteria.

Further detail, including relevant metrics for all the areas of focus forming part of our sustainability framework, can be found in our Online Sustainability Report | **alliancepharmaceuticals.com/sustainability**

PLANET

Focus areas for 2024

To continue to work towards our net-zero targets through:

- Embedding ownership of product-related emissions within the appropriate functional areas of the business.
- Continued methodology improvements to increase the accuracy of emissions measurement across all categories.
- The development of a packaging strategy, confirming and publishing sustainability improvement targets for both primary and secondary packaging.

Progress in the year

- Scope 1 and 2 (location-based) emissions down 60% versus 2018 baseline through energy efficient improvements to the Alliance HQ.
- Scope 3 emissions down 15% versus 2022 baseline through more efficient downstream transportation and distribution.
- Joined the UN Global Compact.
- Received Level 2 accreditation in the NHS Evergreen Sustainable Supplier Assessment.
- Worked with Valpak to create a database of the weight and composition of all our packaging to enable more accurate carbon emissions reporting.
- Initiated a double materiality assessment using an external consultant.

Focus for 2025

- Develop a sustainable packaging strategy with appropriate KPIs.
- Publish a travel policy for employees to encourage more sustainable modes of transport.
- Use the outputs from the double materiality assessment to determine our long-term strategic focus for sustainability.

Task Force for Climate-related Financial Disclosures (TCFD)

Climate change remains one of the world's most critical challenges, carrying with it profound consequences for businesses and people across the globe

Climate inaction will intensify this issue to a critical point. At Alliance Pharma ("Alliance" or "the Group"), we understand every business has an impact on the environment. Although our impact may be small in comparison to other industries, we have a responsibility to help mitigate the effects of climate change where possible.

Consequently, we have elected to voluntarily report under the Task Force on Climate-related Financial Disclosures (TCFD). Whilst there is no current requirement for us to comply with the requirements of TCFD, we welcome the recommendations. We have structured our report to follow the four themes of the TCFD framework: Governance, Strategy, Risk Management and Metrics and Targets, and we have complied with 11 out of the 11 recommended disclosures. As with previous years, we have partnered with an external consultancy, Inspired ESG, to support the identification of climate-related risks and opportunities and to evaluate our business through a climate lens. Whilst we use an external consultancy for support, ultimate responsibility for ESG strategy remains with Alliance management and the Alliance ESG team.

Governance

Alliance aims to refine its climate and sustainability approach annually. As FY2024 is our fourth year of voluntarily reporting under the TCFD, we have expanded our assessment scope to include our supply chain analysis. We seek to embed climate governance into all levels of the business by integrating the TCFD recommendations into our existing frameworks (Table 1). The Group has gained extensive and essential knowledge on climate matters, including climate change, climate risks, and the TCFD.

Table 1: The Group Governance Structure for Climate-Related Information in 2024.

Level	Key Roles and Responsibilities	Flow of Communication
Board of Directors	Oversee climate-related risks and opportunities; approve strategy. Holds ultimate responsibility for climate matters.	Receives quarterly updates from the ESG Committee by the Non-Executive Director.
ESG Committee	Identifies climate-related risks and opportunities, develops strategies, oversees risk management, and monitors progress. Responsible for identifying, assessing and managing climate risks.	Reports to the Board quarterly. Members of the Board also sit on the ESG Committee. Met five times formally, but ad hoc meetings were scheduled when required. Consults with the Senior Leadership Team (SLT).
Senior Leadership Team (SLT)[1]	This is a sub-committee to the ESG Committee, comprised of the Chief People Officer (responsible for People), Chief Operating Officer (responsible for Environmental), Group General Counsel (responsible for Governance) and Head of Investor Relations and Corporate Communications. This sub-committee monitors and oversees progress, and works with relevant Management teams to implement initiatives based on discussions from the ESG Committee. The SLT support the ESG Committee in the management of climate-risks, including mitigation development.	Met twelve times in FY2024, provided updates to ESG Committee prior to ESG Committee meetings.
Management Teams	Implements Climate Initiatives and reports on performance. The Management teams aid in the management of climate-risks, including mitigations.	Provide progress updates and key information to the ESG Committee when required.

1. The SLT was restructured and expanded in late 2024, and is now called the Executive Committee, see page 11 for more detail

Task Force for Climate-related Financial Disclosures (TCFD) continued

Board Oversight

The Board retains responsibility for climate matters and decisions, considering climate related issues when reviewing and guiding business strategy and financial planning. Despite only receiving formal updates quarterly, the Board discussed climate change at all eleven meetings in 2024, as climate change is a standing agenda item in Board meetings. This is supported by the new ESG committee chair, Eva-Lotta Sjöstedt who was appointed in July 2024 and is a Non-Executive Director sitting on the Board. Topics discussed in FY2024 include the Energy Savings and Opportunities Scheme (ESOS), double materiality, TCFD, Scope 3 targets and packaging. In December 2024, Inspired ESG delivered a capacity-building session for the ESG Committee on TCFD, climate change and climate-related risks and opportunities; this information was shared with the Board. Members of the Board have exposure and experience with ESG, including climate matters, through professional engagements. Currently, the Executive management team's remuneration is not linked to the delivery of climate change strategy or performance objectives. The possibility of linking remuneration to climate change strategy will be reviewed in FY2025. To ensure climate-matters are thoroughly embedded across the Group, the Board have delegated the responsibility of identifying, assessing and managing climate-related risks and opportunities to the ESG Committee. The responsibility of managing climate-related risks is supported by the SLT and Management Teams, including the implementation of climate-related mitigations.

ESG Committee

The ESG Committee, established in 2022 and restructured in 2024, is chaired by one of the Group's Non-Executive Directors. The Board have delegated the responsibility for identifying, assessing and managing climate-related risks and opportunities to the ESG Committee. The ESG Committee has six key focus areas, including TCFD, net zero (minimum 90% absolute reduction, with residual emissions neutralised using permanent carbon removals), and packaging improvements. Climate change is a standing agenda item during ESG Committee meetings. Progress is reported quarterly to the Board by the chair, including progress toward climate targets, such as emissions.

As an observer on the ESG Committee, the Head of Investor Relations and Corporate Communications, engaged with Inspired ESG bi-weekly to collect climate data for emissions and TCFD reporting. Key changes were communicated during these sessions to ensure climate change is considered in business strategy and operational and financial planning. Members of the ESG Committee also attended two climate risk management workshops in November 2024 to assess the impact of associated risks and the effectiveness of current mitigation measures.

To ensure all ESG Committee members remain informed on the latest developments, Inspired ESG facilitated a capacity-building session in December 2024 to expand on members' existing knowledge of climate change, TCFD and climate-related risks and opportunities. As members of the ESG Committee are also Board members, information from these sessions is easily reported upward. The Board also reviews the TCFD Statement annually, approving the material climate-related risks and overseeing the risk management process. Alliance considers the financial impact of each climate risk using our internal risk rating system (page 33).

In June 2024, the ESG Committee and the Board, supported by the SLT, held a sustainability workshop for employees covering topics such as TCFD, climate change, and net zero, presented by Inspired ESG. In FY2024, the ESG Committee worked closely with the ESG Intern who provided a workshop on the Group's ESG progress to all employees. Inspired ESG also worked with our ESG intern in FY2024 to deliver a climate and net zero capacity-building session for our supply chain and operations teams.

Senior Leadership Team (SLT)

During 2024, a delegation from the SLT, comprising the COO, Chief People Officer (CPO), and the Group General Counsel & Company Secretary, executed climate-related strategies across the Group. The SLT ensures that the Group's climate initiatives align with the Board's overarching goals. Regular consultations with the ESG Committee ensure a seamless flow of information and a proactive approach to emerging climate-related risks. The SLT is now known as the Executive Committee, see p11 for details.

Strategy

Alliance aims to achieve sustainable growth while maximising the value of our Consumer Healthcare business. We acknowledge that our operations face potential impacts from climate-related risks. Therefore, in collaboration with Inspired ESG, we conducted a climate scenario analysis across September and October 2024 to identify the climate-related risks and opportunities posed to the Group. In November 2024, the analysis results were presented at two climate risk management workshops to assess the significance to our operations, strategy and financial planning and evaluate current mitigation effectiveness. We conducted the analysis on all seven of our offices. Climate-related disruptions to our key partners and suppliers' operations could also impact Alliance. Therefore, in FY2024, we also included 23 key Contract Manufacturing Organisation (CMO) sites and 17 key distributor sites, selected based on financial expenditure, in our assessment. This approach continues to refine and embed resilience throughout our operations and value chain.

Following the TCFD guidance, we classified climate-related risks into two categories: transition risks (risks associated with a shift to a low-carbon economy) and physical risks (the physical impacts of climate change, either event-driven or longer-term shifts), and across six key themes (policy and legal, market, technology, reputation, acute weather events, and chronic impacts).

Climate scenarios are plausible representations of the earth's future state. Scenarios consider various global warming pathways to illustrate potential impacts of climate change in the short, medium and long term (see table 3). We consider various combinations of factors such as technology advances, increased regulatory requirements, consumer preference shifts and the potential impacts of climate change on operations, markets, our supply chain, and reputation. We employed the use of several internationally established frameworks for our analysis, including the International Energy Agency's World Energy Models ("WEM"), Shared Socioeconomic Pathways ("SSPs"), Climate Natural Catastrophe Damage Models, Coordinated Regional Climate Downscaling Experiment ("CORDEX") forecasts, and Integrated Assessment Models ("IAM").

Task Force for Climate-related Financial Disclosures (TCFD) continued

While climate models offer detailed insights into potential futures based on various emission pathways, their accuracy is not guaranteed. Additionally, potential exaggerations or underestimations of climate variables could occur.

We utilised three climate change scenarios, considering three distinct warming pathways. Each scenario reflects various levels of global climate action, ranging from a "business-as-usual" approach to a rapid shift towards a low-carbon economy. We utilised three climate change scenarios, considering three distinct warming pathways. Each scenario reflects various levels of global climate action, ranging from a "business-as-usual" approach to a rapid shift towards a low-carbon economy.

The 'Proactive' scenario was chosen to model increasing transition risks and their impacts, including greater climate legislation and increased stakeholder concern. The 'Reactive' scenario was chosen to understand how Alliance's business model would cope during a period when both physical and transition risks intensify simultaneously. The 'Inactive' scenario was mapped to understand how significant physical risks might impact Alliance's operations and its long-term business strategy. These scenarios are detailed in Table 2 (below).

Table 2: The three warming pathways for the climate scenario analysis and Alliances resilience.

Warming Scenario	Explanation
Below 2°C (Proactive scenario)	Global efforts to mitigate climate change are substantial to keep global warming below 2°C, compared to pre-industrial levels. Many organisations set net zero targets in line with the Paris Agreement goal of 2050. Governments introduce stricter laws and regulations to reduce carbon emissions, encouraging the introduction of low-emission technology to help companies decarbonise. Alliance is well placed to adapt to this scenario as the Group continues its net zero journey with annual monitoring of upcoming and existing regulations. As Alliance voluntary aligns with the TCFD, the implementation of its recommendations contributes to our resilience as we annually identify, assess and manage climate-related risks, and seek to capitalise from the opportunities this may present to us.
Between 2–3°C (Reactive scenario)	This scenario represents a postponed response to climate change, resulting in a staggered and uncoordinated introduction of measures to cut global emissions. Pledges, such as those introduced at COP26, sit here. As the climate begins to change, physical and transitional risks are likely to intensify as policies are hastily implemented. A reactive scenario will have implications such as supply chain disruptions; electrical efficiency decreases and increased energy costs as demand for heating and cooling increases. However, Alliance has ensured resilience under this scenario through our engagement with Inspired ESG and the implementation of our net zero strategy. To maintain resilience, Alliance conducts an annual climate scenario analysis to ensure climate-related risks are appropriately identified, assessed and managed. This year, Alliance has expanded the scope of this analysis to include key suppliers to understand how supply chain disruptions could impact operations and to take steps to mitigate this.
Above 3°C (Inactive scenario)	Business as usual, where limited climate action is taken, leading to an increase in global emissions until 2040, causing a rise in global temperature of more than 3°C. Many climate tipping points are exceeded. This will lead to the highest levels of physical risk. This scenario would see the most extreme instances of climate-related incidents taking place due to the intensification of physical and transition risks globally. Alliance ensures resilience through the annual evaluation of climate-related risks and effective mitigations. The Group annually discloses progress on climate-related matters and targets within its annual report to drive accountability.

Climate-related risks and opportunities were assessed over three-time horizons. These horizons were chosen to align with the UK's target to be net zero by 2050.

Table 3: Time-horizons.

Time-horizon	Description
Short 2024–2028	Greatest changes would be in the proactive scenario over this period. This timeframe offers insight into immediate climate-related impacts, such as stricter environmental regulations and growing stakeholder concerns.
Medium 2029–2038	Physical impacts would start to be experienced, and policies would tighten in the proactive/ reactive scenarios. This timeframe demonstrates intensifying transition and physical risks, leading to the development of proactive risk mitigation strategies. The medium-timeframe aligns with the Group's Scope 1 and 2 interim goal for emissions.
Long 2039–2053	Greatest physical impacts would be experienced in this period in the inactive scenario. This timeframe aligns with the UK's net zero target of 2050 and the Group's Scope 3 net zero target.

We identified 19 climate related risks. Of these, any climate related risks with an impact score of 4 or higher, meaning a financial impact to the business greater than £2.5m, were deemed material (see Table 6, Risk Management section).

In FY2024, one risk was deemed material to the Group; this was the increased severity of flooding (Table 4). The impact of this risk on business strategy and financial planning will be fully considered in FY2025. Moreover, we identified six climate-related opportunities, and the identified opportunities are explained in Table 5. We review this process annually to ensure our scoring is appropriate and mitigations are well placed. There have been no significant changes in our methodology or new material risks in FY2024.

Task Force for Climate-related Financial Disclosures (TCFD) continued

Transition Risks

Transition risks relate to the risks associated with the move to a low-carbon economy. These risks are most pronounced under a 2°C warming pathway, within the short to medium term, as stricter environmental regulations are introduced to force rapid decarbonisation to meet international agreements. Alliance has fully considered all identified transition risks such as changing customer behaviour and exposure to litigation but has not deemed any transition risks significant to the Group. Each risk was fully evaluated against likelihood and impact and no transition risk was scored higher than the materiality thresholds. The assessment and scoring took into consideration existing mitigations. Alliance has a net zero strategy focused on decarbonisation in line with regulatory requirements, and the Group regularly reviews existing and upcoming legislation to monitor potential market shifts.

Physical Risks

Physical risks relate to the tangible consequences of climate change. They can be either acute (event-driven), such as flooding or heatwaves, or chronic (longer-term shifts in the climate's atmosphere), such as sea level rise or rising mean temperatures. Physical risks are most significant under a warming pathway with more than 3°C warming in the long term. Flooding presents a significant risk to the business operations and supply chain and, therefore, has been deemed material. In November 2024, our headquarters in Chippenham was flooded, and remained closed for several months. However, Alliance has a robust Business Continuity Plan and the business was unaffected as colleagues were able to work remotely. The office reopened in February 2025 and we continue to conduct site-specific flood risk assessments to monitor long-term impacts of flooding. The Group has appropriate business insurance cover for disruptions.

Key Outcomes

Alliance, however, is well-positioned to manage the risk of flooding(Table 4) and capitalise on climate-related opportunities (Table 5) where possible, increasing the climate resilience of the business. Alliance integrates climate-related risks and opportunities into strategic and financial planning where possible to further enhance resilience, for example, by introducing safety stock in the event of a flood in the supply chain to ensure business continuity.

Table 4: Material Climate risks to Alliance.

Climate-related risk	Impact Description	Mitigations
Risk: Increased frequency and severity of flooding **Time Horizon:** Medium – Long Term (2029–2053) **Warming Scenario:** >3°C **Likelihood:** 5 – Already occurring **Impact:** 5 – Highly significant/Over £3.5M **Financial impact:** Expenditures – Increased operating costs. Write-offs and early retirement of existing assets due to policy changes	Five of Alliance's Offices (direct flood risk in Shanghai, Germany and UK and indirect flood risk in Singapore and France), 14 CMO and 9 Distributor sites are in potential high flood risk zones. **Actual** Avonbridge House flooded in November 2024. There is a high flood risk around a CMO site in Largo, Florida (flooding has previously been seen at this site). **Potential** Flood events could lead to a closure of sites which may result in a loss of revenue. Flooding can damage property and equipment leading to an increase in renovation, repair and maintenance costs. Additionally, flooding events can impact critical transport routes causing supply chain or employee disruption as sites are inaccessible, reducing revenue. Damages may require stock to be replaced leading to an increase in capital spend. Insurance premiums may increase, or coverage may decrease.	Continue to conduct climate scenario analysis annually to monitor this risk. Alliance maintains appropriate business interruption insurance cover and has flood defences installed in its Largo facility. This is to mitigate the potential costs associated with flooding such as increased operating expenses and insurance expenses. Alliance will also maintain communication with top suppliers, sharing their Business Continuity Plans, many of which include mitigation strategies for flooding. Longer lead times and increased safety stock ensure that a delay because of a one-off event will have less of a direct impact on Alliance's operations. Alliance has conducted site-specific flood risk assessments, and flood impacts at the Chippenham HQ office are monitored for long-term impacts. Related Metrics & Targets: Scope 1, 2 and 3 emissions.

Task Force for Climate-related Financial Disclosures (TCFD) continued

Table 5: The Group's Climate-related Opportunities

Opportunity Area	Opportunity	Time Horizon	Scenario	Potential Impact
Resource Efficiency (where Alliance has offices)	Implement energy-efficient technologies, sustainable transport, streamlined distribution, recycling, efficient buildings, and reduced water consumption.	Short –Medium Term (2024–2038)	<2°C 2–3°C	Reduces costs and provides fast payback through lower energy use. Efficient buildings increase value and reduce waste. Encouraging energy-saving behaviours (e.g. virtual meetings) boosts employee satisfaction and reduces costs. Alliance aims for net zero Scope 1 and 2 by 2030, Alliance has already taken significant steps such as utilising 100% renewable energy and implementing energy efficiency initiatives such as motion-sensor lighting. These steps have helped Alliance capitalise off this journey. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.
Energy Source (UK only)	Use of lower-emission sources of energy (e.g solar, EV charging).	Short –Medium Term (2024–2038)	<2°C 2–3°C	Onsite solar generation reduces energy costs and mitigates fossil fuel and carbon price risks. Alliance utilises green energy and is looking to self-generate through solar panels to capitalise from this opportunity. Low-emissions technology improves capital access and boosts reputation, driving demand.
Products and Services (Global)	Develop low-emissions products through R&D, innovation, and business diversification.	Short –Medium Term (2024–2038)	<2°C 2–3°C	Meets growing customer demand, boosts sales and positions Alliance ahead of trends. We are committed to ensuring our products meet the expectations of our stakeholders. Drives Scope 3 emissions reduction and offers strong revenue potential despite upfront costs. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.
Reputation (Global)	Increased reputational profile and investment opportunities.	Short –Medium Term (2024–2038)	<2°C 2–3°C	As Alliance voluntarily aligns with the TCFD, we have demonstrated our commitment to taking action against climate change. We report on our progress annually to drive accountability and Alliance has publicly available targets. Transparent reporting aligns with stakeholder values, boosting investments. Clear progress reporting in our annual reports communicates growth and competitiveness. To mitigate the risk of reputational damage, Alliance has set environmental targets (see page 34). Progress towards these targets will be reported on annually, demonstrating our commitment to reducing our carbon footprint.
Markets (Global)	Access to new low-emissions markets.	Short –Medium Term (2024–2038)	<2°C 2–3°C	Partnerships with government and businesses in low-carbon transition. Investment in green assets (technologies and infrastructure) for financial diversification. **Related Metrics & Targets:** Scope 1, 2 and 3 emissions.
Resilience (Global)	Adaptation to climate change through renewable energy programs, energy efficiency, and resource diversification.	Short –Medium Term (2024–2038)	<2°C 2–3°C	Through the annual TCFD process we continually increase and embed our climate strategy into our processes and operations, promoting resilience against climate change. Increases asset value by managing climate risks. Enhances operational reliability. Growth from new resilience-focused products/services. Critical for long-lived assets and complex supply chain. To increase resilience, the Group has set environmental targets (see page 34). Progress towards these targets will be reported on annually, demonstrating our commitment to reducing our carbon footprint.

Task Force for Climate-related Financial Disclosures (TCFD) continued

Risk Management

Alliance has developed a robust climate risk management process to address evolving challenges and aid in identifying, assessing, and managing climate-related risks. Our approach is underpinned by a dedicated climate risk management framework, developed in alignment with our TCFD commitments and supported by expert insights from our third-party ESG consultancy.

1. Identify

Alliance submits climate data to Inspired ESG in bi-weekly meetings, which support the identification of climate-related risks and opportunities. Inspired ESG conducted climate scenario analysis in October and November 2024. The outcomes were presented at two workshops (covering transition and physical risks) in November 2024 to various stakeholders, including members of the supply chain team and ESG Committee. In FY2024, we included key aspects of our value chain in the analysis; this was included within the physical workshop (see Strategy section, page 29). The workshops identified 19 climate-related risks, including 13 transition and 6 physical risks. One risk was deemed material to the Group. Heads of Departments regularly review and monitor existing and upcoming legislation changes and report when required to the ESG Committee. The ESG Committee reviews climate-related legislation with Inspired ESG annually.

2. Assess

To better understand which risks were material to the Group, we evaluated the identified climate-related risks and opportunities based on their likelihood of occurrence and the impact on the Group should the risk materialise. This approach allowed us to prioritise areas of the highest impact. The ESG Committee assessed and evaluated climate-related risks, as is their delegated responsibility. The impact of tackling climate-change is one of our 15 Principal Risks and Uncertainties, as approved by the Board. This risk is unchanged in 2024 versus 2023 (see p38).

Existing mitigations were taken into consideration when scoring the likelihood and impact of each climate-related risk. Risks were scored against likelihood and impact using a 1 to 5 scoring system, with a score of 5 indicating this is already occurring or is highly significant (Table 6). To define which risks are material to the Group, we have set a materiality threshold of a score of "4" or more in impact only. Although the likelihood is assessed and helps dictate future planning, it is not factored into the materiality threshold. We have set this threshold as risks are likely to materialise despite our mitigations, however, the scale of the impact is more within our bounds of control due to mitigation efforts.

Table 6: Risk Classification

Score	Likelihood	Score	Impact
5	Already Occurring	5	Highly Significant – Over £3.5m
4	Very Likely	4	Material – £2.5m to £3.5m
3	Likely	3	Medium – £1.5m to £2.5m
2	Low	2	Small – £0.5m to £1.5m
1	Remote	1	Negligible – Less than £0.5m

3. Appraise

During the workshop, attendees, such as members of the ESG Committee, appraised various mitigation strategies to address the identified risks and opportunities. Key discussions during the workshops evaluated the effectiveness of existing measures, such as flood adaptations at sites, and identified areas for focus, such as insurance policies. This evaluation is conducted annually to ensure our mitigations remain effective and appropriate. The updated framework ensures that the Group's operations remain resilient and adaptive to climate-related challenges.

4. Address

An overview of climate change and all identified climate-related risks and opportunities was presented to all ESG Committee members in December 2024, ensuring effective oversight and climate management. The ESG Committee has the authority to manage climate-related risks, and is supported by the SLT, both of whom contribute to developing and implementing mitigation measures to ensure an effective risk management process. We conduct annual reviews of the climate risk register to ensure our classification and mitigations remain appropriate.

In July 2022 the Audit and Risk committee deemed that climate change is a principal risk for the business, with the risk status being reviewed annually. This decision was made due to the expected future impacts of climate change on business operations. In FY2024, climate change remained one of the fifteen principal risks for the Group. Whilst the overall impact during the financial year was deemed to be low, Alliance recognises the impact that climate change poses to the business's success in the future through disruptions to Group and value chain operations, and therefore requires annual monitoring, which has a cost for the business. The climate risk register identifying comprehensive risks relating to climate change is currently separate from the corporate risk register. Alliance will review the feasibility of integrating the climate and corporate risk register in FY2025. Alliance have considered the resilience of the Group's business model and strategy against the three different climate scenarios presented in Table 2. We assessed the potential effect on the business model and strategy (Tables 4 and 5) and deemed that they are resilient to the three climate scenarios.

Task Force for Climate-related Financial Disclosures (TCFD) continued

Metrics and Targets

Alliance is committed to achieving sustainable growth and minimising its environmental impact. Targets have been developed to support this (Table 7), which means we are playing our part in helping to mitigate the impact of climate-related risks on our business (Table 4).

The environmental metrics have been developed in collaboration with Inspired ESG, aiming to improve data collection and environmental performance annually. We have calculated our Scope 1 and 2 emissions since 2018, followed by Scope 3 starting in 2021. The Carbon Balance Sheet Report in our TCFD standalone report provides further detail on the data sources and methodologies used for each category of emissions. No third-party formal assurance has been provided for emissions calculations.

Table 7: Alliance's emission reduction targets

Emission Scope	FY2024 Gross Emissions (tCO_2e)	Percentage of Emissions	Reduction Target	Progress
Scope 1	0	0%	Achieve net zero for Scope 1 and 2 emissions (absolute) by FY2030, compared to a FY2018 baseline. Interim Goal – Achieve a 65% reduction (from the 2018 baseline) of Scope 1 and 2 (location-based) emissions (absolute) by FY2025.	Emissions have reduced by 60% from FY2018 to FY2024. To achieve net zero by 2030, Scope 2 (location-based) emissions must be reduced by 12.5% annually from the FY2024 level.
Scope 2 (location-based)	46	0.1%		
Scope 3	38,957	99.9%	Achieve net zero* for Scope 3 (from FY2022 baseline) by FY2040 (absolute). Interim Goal – Reduce Scope 3 emissions by 25% (from FY2022 baseline) by FY2030.	Emissions have reduced by 15% (5.5% for net zero). The interim target is a 2.0% annual reduction.
Total		**100%**		

* Net zero is an absolute reduction with a maximum of 10% of baseline emissions being neutralised through permanent carbon removals.

Our Scope 1 and 2 targets differs from our Scope 3 targets due to the complexities associated with mitigating emissions beyond direct operational control. We will continue to work with our value chain to reduce Scope 3 emissions.

Task Force for Climate-related Financial Disclosures (TCFD) continued

Streamlined Energy and Carbon Reporting (SECR)

Per the UK's SECR requirements, all energy consumption and emissions for UK operations have been disclosed below. Carbon emissions are categorised as follows:

Scope 1: Consumption and emissions related to direct combustion of natural gas, fuels utilised for transportation operations, such as company vehicle fleets, any other fuels, and fugitive emissions from refrigerant gases.

Scope 2: Consumption and emissions from indirect emissions relating to purchasing electricity in daily business operations.

Scope 3: Consumption and emissions cover emissions from sources not directly owned by Alliance's, i.e., grey fleet business travel undertaken in employee-owned vehicles only.

Table 8: Alliance's Total Energy Consumption (kWh) and Total Location based Emissions (tCO2e)

Utility & Scope	FY2024		FY2023		
Scope	Total Consumption (kWh)	Total Emissions tCO_2e	Total Consumption (kWh)	Total Emissions tCO_2e	Year-on-Year tCO_2e change (%)
Scope 1 Total	**0**	**0**	**0**	**0**	**0%**
Natural Gas, Other Fuels, & Refrigerant	0	0	0	0	0%
Scope 2 (location-based) Total	**219,755.31**	**45.50**	**220,105.00**	**45.58**	**-0.17%**
Grid-Supplied Electricity	219,755.31	45.50	220,105.00	45.58	-0.17%
Scope 3 Total (Grey Fleet)	**240,674.97**	**55.49**	**239,614.12**	**55.47**	**+0.03%**
Total	**460,430.28**	**100.99**	**459,719.12**	**101.05**	**-0.06%**

Although the environmental impact of our operations (Scope 1 & 2) is minimal, accounting for 0.1% of total emissions in FY2024, reducing these emissions is important as we progress towards our net zero targets (table 7). In FY2024, we maintained zero tCO_2e Scope 1 emissions for the second consecutive year because we have eliminated the use of natural gas at our UK Headquarters (Avonbridge House).

In FY2024, our total Scope 1 & 2 (location-based) emissions were 46 tCO_2e, achieving an 0.17% decrease from our FY2023 and a 60% reduction compared to the baseline. From our decarbonisation efforts, we are aware of residual emissions we have not yet eliminated from our Scope 1 & 2 emissions and, as an interim measure, in FY2023, we purchased offsets to support us to reach carbon neutrality (offsetting total Scope 1 and 2 emissions, without a minimum reduction requirement). Now that emission figures have been quantified, we will purchase offsets for FY2024.

In FY2024, we installed solar panels at our Chippenham Head Office, aiming for these to be operational in FY2025. Once fully functional, these panels are expected to generate 25% of the site's electricity needs, reducing reliance on grid energy. Subject to planning permissions, we plan to expand this initiative by installing additional PV panels and a new substation to support site operations. To further reduce our operational emissions, we continue to procure 100% renewable electricity through green tariffs and Energy Attribute Certificates (EACs). We have implemented energy efficiency measures, including motion-sensor lighting and eliminating on-site gas consumption. We collaborate with landlords to enhance energy efficiency at our operational sites whenever possible.

We are exploring further measures, such as Electric Vehicle (EV) charging infrastructure, to encourage lower-carbon employee commuting and thereby reduce grey fleet emissions.

Task Force for Climate-related Financial Disclosures (TCFD) continued

Scope 3 – Decarbonising our value chain and Methodology

Our Scope 3 emissions account for 99.9% of total emissions for FY2024. Reducing Scope 3 emissions is a key focus area for Alliance, as stated in our Sustainability Framework (see the sustainability section of our website for more information). We have, therefore, developed a net zero road map (see our Standalone TCFD Report).

In FY2024, we followed the Greenhouse Gas (GHG) Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standards. Recognising that Scope 3 accounts for the largest proportion of the Group's carbon footprint, we conducted a comprehensive review to assess the applicability of the 15 GHG Protocol categories to our business. Ten categories were applicable to the business. The not applicable categories are Category 13 (Downstream Leased Assets), Category 14 (Franchises) and Category 15 (Investments). We do not have any Downstream Leased Assets (Category 13), Franchises (Category 14), or significant investments (Category 15). Scope 3 emissions accounts for 99.9% of our carbon footprint. The most significant source of Scope 3 emissions comes from Category 1 (Purchased Goods and Services), accounting for 86% of Alliance's total footprint. The next two largest contributors are Category 4 and 9 (Upstream and Downstream Transportation and Distribution). These account for 7% and 3% of Alliance's total footprint respectively.

Table 9: Group Carbon Balance Sheet (UK and Global).

	FY2024 Calculated Emissions (tonnes of CO_2e)		FY2023 Calculated Emissions (tonnes of CO_2e)*		FY2022 Calculated Emissions (tonnes of CO_2e)*		FY2018 Calculated Emissions (tonnes of CO_2e)		Percentage change from baseline (FY2018 – Scope 1 and 2) (FY2022 – Scope 3) (%)
Emission Type	**Location-based**	**Market-based**	**Location-based**	**Market-based**	**Location-based**	**Market-based**	**Location-based**	**Market-based**	**Location-based**
Scope 1 (direct)	**0**	**0**	**0**	**0**	**2**	**2**	**7**	**–**	**-100%**
Scope 2 (indirect) (location-based)	**46**	**0**	**46**	**0**	**50**	**52**	**107**	**–**	**-57.00%**
Scope 3 (indirect)	**38,957**	**38,957**	**49,991**	**49,991**	**45,603**	**45,603**	**–**	**–**	**-14.57%**
1. Purchased Goods & Services	33,418	33,418	42,723	42,723	31,583	31,583	–	–	+5.81%
2. Capital Goods	183	183	140	140	108	108	–	–	+69.44%
3. Fuel and Energy-related Emissions	15	15	15	15	17	17	–	–	-11.76%
4. Upstream Transportation and Distribution	2,877	2,877	3,193	3,193	7,539	7,539	–	–	-61.84%
5. Waste Generated in Operations	2	2	1	1	1	1	–	–	+50.00%
6. Business Travel	777	777	861	861	655	655	–	–	+18.63%
7. Employee Commuting	347	347	376	376	499	499	–	–	-30.46%
8. Upstream Leased Assets	63	63	48	48	42	42	–	–	+50.00%
9. Downstream Transportation and Distribution	1,114	1,114	2,433	2,433	4,972	4,972	–	–	-77.59%
12. End-of-life Treatment of Sold Products	161	161	199	199	187	187	–	–	-13.90%
Total	**39,003**	**38,957**	**50,037**	**49,991**	**45,655**	**45,657**	**114**	**–**	
Emissions intensity per £m of revenue (tCO_2e)	259.62	259.31	273.88	273.62	265.44	265.45	0.96	–	

* FY2023 and FY2022 Scope 3 emissions figures have been restated to reflect more accurate reporting and improved data accuracy.

Task Force for Climate-related Financial Disclosures (TCFD) continued

Additional environmental metrics

Waste management

Reducing our product packaging is a priority for the Group. In FY2024, we have engaged with Valpak to create a database and platform to analyse the components of each of our products. This will allow us to analyse our packaging and make informed decisions on how to improve sustainability where possible. The possibility of setting a waste target will be reviewed in FY2025.

Water

Our water consumption is minimal as it is mainly used for domestic purposes. We are therefore prioritising emission reduction and improving the sustainability of our packaging. We will review the possibility of setting a water reduction target in FY2025.

SECR Methodology

Scope 1, 2, and 3 CO_2e emissions data have been calculated using the Greenhouse Gas Protocol (2004), Scope 2 Guidance (World Resources Institute, 2015), ISO 14064-1 and ISO 14064-2 (2018,2019); and the UK Government's Environmental Reporting Guidelines, including Streamlined Energy and Carbon Reporting (SECR) Guidance (2019).

Emissions factors from the Government Emissions Factor Database 2024 (version 1.1) were applied for the reporting period of 1st January to 31st December 2024, using the kWh gross calorific value (CV) and $kgCO_2e$ factors.

The SECR calculations only included Alliance Pharma's UK sites, with international sites reflected in the Scope 3 footprint (Category 8 – Upstream Leased Assets).

Estimations for missing billing, covering 13% of reported consumption, were calculated pro-rata on a kWh/day basis at the meter level for properties invoiced directly to Alliance Pharma. Future reports should aim to reduce estimations by obtaining full-year consumption data from energy providers.

For market-based emissions, a 0 tCO_2/kWh factor was applied to electricity from renewable contracts. Transport emissions were calculated using the same methodology as the previous period, with supplier-specific emissions factors included in Scope 2 (market-based).

Intensity metrics were calculated using total tCO_2e figures, based on the agreed performance indicators for the reporting period:

Table 10: SECR Intensity Metric for Alliance Pharma.

Intensity Metric	Location-based tCO_2e FY2024	Location-based tCO_2e FY2023	Year-on-year emission percentage change (%)
Turnover (£m)	125.1	125.20	
All Scopes tCO_2e per Turnover (£m)	0.81	0.81	0%
Full Time Equivalent (FTE)	208.00	202.00	
All Scopes tCO_2e per FTE	0.49	0.50	-2%

Next steps

This disclosure details our significant progress in developing climate targets and signifies the maturity of our TCFD reporting. We are committed to building on our progress in FY2025 and achieving net zero in line with our targets. We are proud of our achievements so far, but we understand we have more to offer in the climate space. We will continue reporting voluntarily under the TCFD.

Principal Risks and Uncertainties

Protecting our business

The Board, with the support of the Audit and Risk Committee, reviews the principal risks and uncertainties facing the Group and the business continues to focus on those which could threaten the sustainability of our business model, our reputation, future performance expectations, or, in extreme cases, the solvency or liquidity of our business.

The consideration of risks is inherent within strategic planning and decision-making, and throughout the year, Board members have challenged management on key issues faced by the business.

The identified risks are not intended to be an exhaustive list of all the risks the Group faces but are the principal risks and uncertainties which the Directors believe include all known material risks in relation to the Group and the markets and industry within which we operate. The environment in which we operate is constantly evolving and can be affected by events that are outside of our control, and which may impact on us both operationally and financially. New risks may emerge, the potential impact of known risks, including how quickly they escalate, and/or our assessment of these risks may need to change.

During the review process, risks are identified and categorised into 15 principal areas of risks. Risks will come in and out of focus depending on prevailing circumstances. Some risks are pervasive, and others are active and current. Members of the Executive Committee maintain a careful watch on all risks identified to ensure that they have been accurately assessed. How we identify, monitor, and review our risks is explained in greater detail on the Company's website.

Principal risks are assessed and scored on a residual basis according to our current view of their potential severity (being the combination of impact and likelihood), and assuming that existing plans for mitigation are, and remain, effective. In addition, the Board considers the links between our principal risks and uncertainties and our current strategy which focuses on growing our core brands and building scale by placing the consumer at the heart of the business.

Analysing our identified risks

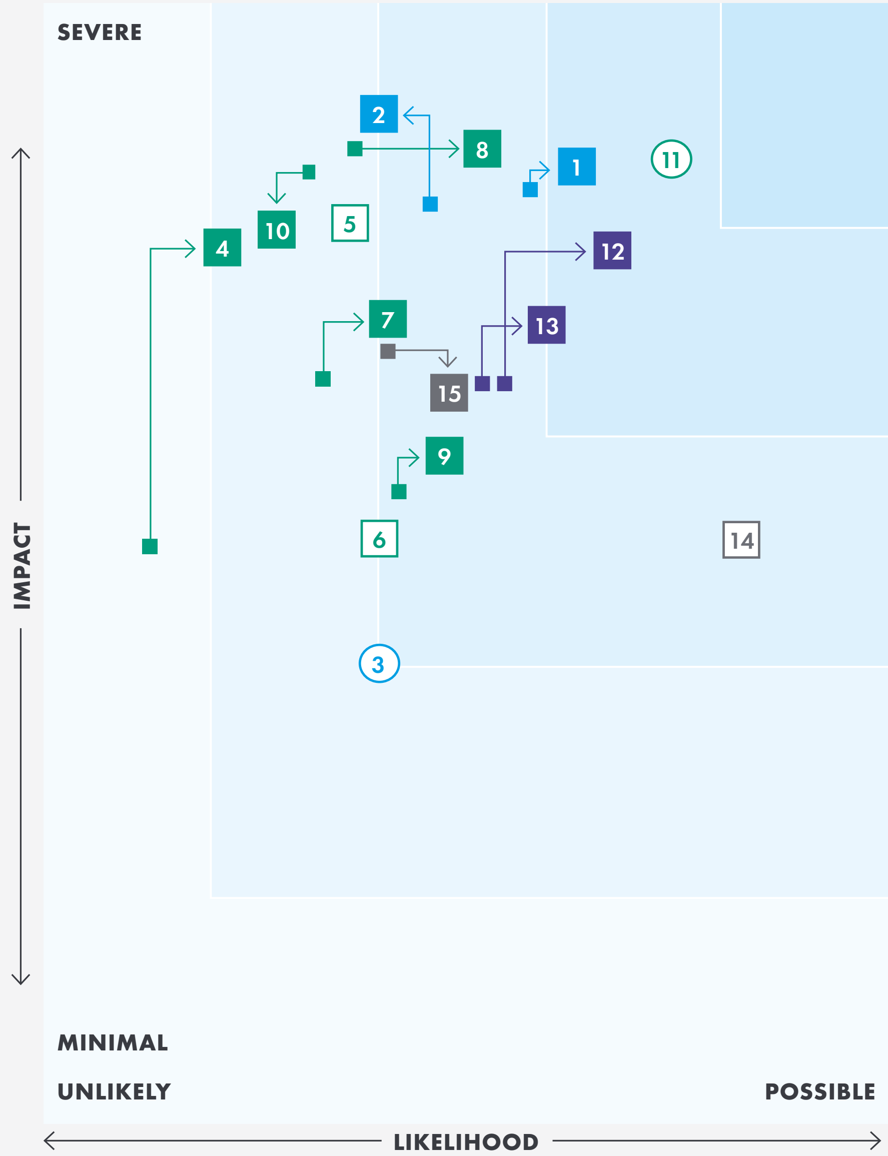
Strategic risks
1 Organic growth: innovation and competition
2 Inorganic growth – acquisitions
3 Transformation

Operational risks
4 Product safety
5 Supply disruption
6 Impact of tackling climate change
7 Business systems
8 Cyber-security
9 People
10 Supply chain management
11 Distribution partner management

Compliance risks
12 Product regulations
13 Legal and compliance

Other risks
14 Macro economic
15 Geopolitical and other worldwide events

Risk movement
No change
Movement
New



Principal Risks and Uncertainties continued

We are striving to become fully global, bringing our leading brands to new markets and unlocking new channels through innovation, whilst seeking greater simplification to unlock cost savings for reinvestment.

When assessing the risks to our business, we do so in the context of their relevance to our strategic priorities: how they affect our ability to grow our brands, our relationships with both strategic suppliers and our consumers, and our commercial execution and organisational efficiency. Within this context, the assessment by the business includes consideration of those risks that are emerging and by their nature may be more uncertain due to a lack of information and are not yet fully known or quantifiable. The Board discusses such risks to not only raise awareness but also make sure that the business builds greater resilience to anticipate possible events occurring and can prepare an appropriate and measured response.

The current positioning of our principal risks, based on our assessment of their residual impact and likelihood, is shown in the graph on | **page 38**.

Link to strategy

Give the consumer what they want, where they want it

Become fully global

Simplify

Risk trends

Risk has increased versus last year

Risk has not changed materially since last year

Risk has reduced versus last year

N New risk

Strategic Risk

1. ORGANIC GROWTH – INNOVATION AND COMPETITION

We are unable to achieve strategic growth because:

The risks

- We fail to track changing consumer preferences, or fail to identify and exploit new or existing geographical markets for our products.
- Our consumer products are subject to counterfeiting in key markets, where others seek to take advantage of the reputation built up in our brands for their own commercial exploitation.
- We fail to adequately build our brands through innovation and line extensions, or the innovation and/or line extensions fail to be accepted by the consumer.
- We fail to adequately manage or mitigate the inherent operational and financial risks involved with any change in relationship or trading model for our key brands in our key markets.
- We fail to maintain our competitive positioning, or to increase or maintain market share, specifically the risk to Kelo-Cote™ forecast sales (principally in China).
- We fail to secure or maintain suitable partnerships with our international distributors in existing or new markets.
- Sales are affected by over reliance on third-party systems in our sales distribution channels.

The impact

- We lose our ability to grow revenues leading to reduced profitability, reduced growth and increased inventory risk.
- External market forces mean demand for our products may fall, consumers may switch to competing products and the prices we can achieve are reduced.
- We lose high-margin sales from our leading brands either permanently or as part of any operational transitional period.
- We are unable to continue to increase our market share and suffer damage to reputation from counterfeit products reaching strategic markets, which may not have been subject to the same rigorous quality and safety testing as genuine products.
- Depending on the severity, the risks may impact our share price, cash flow and our ability to comply with banking covenants.
- A significant or continued loss of sales could affect the carrying value of a brand, or portfolio of brands, and lead to an impairment charge.

Our mitigations

- We continue to invest in consumer insights data and focus on 'marketing excellence', to ensure we stay attuned to changing consumer preferences, promote our brands and maximise the value of our marketing campaigns.
- We invest in product innovation and development activities.
- We maintain close working relationships with our distributors.
- We continue to assess the positive/negative impacts of any change in operational structures for our business with a full assessment of the adverse impacts in making long-term beneficial changes.
- We forecast and monitor sales, costs, profits, and cash flows.
- We have a Head of Brand Protection, brand protection strategies, and support from external experts.
- We undertake product or claims innovation strategies, to pre-empt patent expiration.

Principal Risks and Uncertainties continued

Strategic Risk

2. INORGANIC GROWTH RISKS – ACQUISITIONS

We are unable to deliver additional growth because:

The risks

- We are unable to identify suitable targets to continue to boost the Group's growth through acquisitions. The market for high-quality assets – whether brands or corporates – is highly competitive and the Group may find itself unable to compete if the pricing of targets proves prohibitive.
- We are unable to source affordable debt (or any debt depending on the Group's prevailing leverage). A lack of sensible debt option would lead the Group to look to raise equity, which itself may prove difficult or too expensive depending on the prevailing market sentiment and the impact this has on the prevailing share price.
- We fail to effectively integrate assets and maximise their potential once acquired.

The impact

- We are unable to grow inorganically leading to an over-reliance on organic growth and its associated risks.
- Acquisitions fail to deliver expected benefits – due to overly optimistic forecasts, unidentified risks/poor evaluation of identified risks during due diligence, or because of failings in the integration process, resulting in integration taking longer/costing more than was originally anticipated.
- The business suffers distraction costs resulting from acquisition evaluation activities.

Our mitigations

- We continue to refine our acquisition evaluation process.
- We nurture and record the experience gained from having completed multiple deals.
- We ensure that we engage experienced legal, regulatory and financial experts to assist with the due diligence process.
- We have put in place a debt facility through to 2026. See going concern review on p101.

Strategic Risk

3. TRANSFORMATION

N

We are unable to achieve our strategic ambition because:

The risks

- We are unable to reorganise the structure and processes of the business to optimise performance.
- We are unable to identify opportunities to grow our brands in new markets, channels and geographies.
- We are unable to identify cost-saving initiatives.
- We fail to implement the new strategy arising from our transformation process and deliver the anticipated benefits.
- The business transformation takes longer and costs more to achieve than anticipated.
- We are unable to retain key talent during the business transformation

The impact

- We are unable to deliver sustainable organic revenue growth.
- Group profits are negatively impacted due to unanticipated costs arising from the transformation, inability to deliver cost savings or a protracted implementation of the new strategy.
- The business suffers distraction and additional costs resulting from transformation, leading to potential loss of revenues and/or decline in profits.
- Any significant impact on the Group's revenues and profitability could potentially affect the Group's ability to comply with its borrowing covenants
- The business suffers elevated levels of employee churn.

Our mitigations

- We have appointed a Chief Transformation Officer with extensive experience.
- We are partnering with a consultant who has a strong track record of delivering transformation benefits.
- We ensure that we engage experienced legal, regulatory and financial experts to assist with the transformation process.
- We maintain regular employee communication to keep them informed and engaged.

Principal Risks and Uncertainties continued

Operational Risk

4. PRODUCT SAFETY

Our products harm consumers because:

The risks

- Products are poorly manufactured or are damaged and contaminated during transit.
- We fail to carry out quality checks and audits on our CMOs and fail to detect manufacturing issues.
- A consumer/patient could misuse a product or suffer an adverse reaction to one of our products constituting a safety risk.

The impact

- We need to withdraw products from sale causing a direct impact on revenues.
- We may have legal liability to those injured by the product.
- We potentially damage the reputation of the business, compromising our future performance and, in an extreme scenario, this could impact our liquidity position or even solvency.
- A poor claims history, or the use of certain ingredients in our products could mean our insurance premiums increase, or become too expensive or that we are unable to procure applicable cover.

Our mitigations

- Our Quality team carry out regular audits of our manufacturers on a risk-based frequency which is in line with all laws and regulations. Our manufacturers for medicines have a QP (designated regulated quality person) who is responsible for signing-off all batches before they are released to market. For all other products, our manufacturers are contractually required to certify every batch is fit for release.
- We have quality technical agreements in place with manufacturers which outline the responsibilities for compliance.
- With our distributors we have a safety data exchange agreement that requires them to report information on safety events from the market in a timely manner.
- We operate a process for adverse event reporting and signal management for all medicine products.
- We maintain the necessary regulatory approvals for all products in the markets in which we operate and sell products.
- We maintain public and products liability insurance to provide an appropriate level of protection for the Company.
- We provide product vigilance training for all new employees, Directors and contractors and annual compulsory refresher training.

Operational Risk

5. SUPPLY DISRUPTION

We are unable to supply our market-leading products because:

The risks

- We cannot procure critical ingredients or components, or continue with the uninterrupted manufacture or sourcing of our finished goods, due to geopolitical events, including pandemics, logistical failures, or reliance on a single site of manufacture.
- There is a scarcity of natural ingredients due to climate or other factors.

The impact

- We suffer manufacturing, sourcing, or distribution issues leading to an inability to supply our products to our customers.
- We are unable to increase production volumes to meet consumer demand, impinging on potential sales, compromising our future performance and, in extreme cases, our ability to generate cash.
- We fail to achieve the expected growth due to reductions in demand or potential supply issues.
- Any significant impact on the Group's revenues and profitability could potentially affect the Group's ability to comply with its borrowing covenants.

Our mitigations

- We continue to maintain close working relationships with our key suppliers, to ensure we have early visibility of any potential issues.
- We ensure adequate stocks of critical ingredients and of finished goods, to enable us to cushion the impacts of any disruption in the supply chain.
- We forward-book transportation to minimise the impacts of any disruption to logistics provision – for example, due to geopolitical or economic events.
- We set up dual-sourcing arrangements for our key products to mitigate against manufacturing failures or their inability to supply products to meet sales demand.
- Where possible and cost-effective, the potential financial impact of supply chain disruption is mitigated by insurance.
- We work towards less value concentration of our business in any one jurisdiction or market to try and mitigate the risk of an inability to make sales in affected areas.
- We move towards more online sales for those of our products which are permitted to be sold online, with a drive to increase share on online channels, to help mitigate any loss of sales for physical markets that may be shut down.

Principal Risks and Uncertainties continued

Operational Risk

6. IMPACT OF TACKLING CLIMATE CHANGE

We fail to respond to the needs of tackling climate change risks because:

The risks

- Risk to the longer-term viability of the business due to the impacts of all the changes to be made by the business to its operations to tackle the effects of climate change.
- We fail to monitor and meet changing consumer preferences and increased sensitivity to ESG issues with consumers who are potentially substituting existing products with more environmentally friendly competing products.

The impact

- We incur increased indirect costs as a result of the challenges associated with direct physical impacts of climate change (adverse weather events and rising sea levels).
- Our cost of energy and materials increase as we introduce initiatives such as moving towards more sustainable packaging for our products as we seek to transition away from plastics where possible.
- We incur increased costs of production and transportation associated with a more environmentally friendly supply chain, including the possible need to engage a more expensive group of manufacturers who meet the needs of our own ESG demands.
- We incur increased cost of regulation and/or fines relating to additional ESG regulations imposed by various governments globally
- The identified physical risks (see page 38 of the Annual Report) all have the potential to cause disruption to our business activities and supply chains in the longer term, depending on the warming pathway we find ourselves on.
- Our reputation is damaged due to a failure to respond to new regulations and/or increased stakeholder concerns.

Our mitigations

- We have increased the business' focus on our sustainability strategy and associated risks.
- We continue to work with third-party experts to support our sustainability strategy.
- We ensure there is wide engagement with our competitors/peers to ensure we can utilise any industry-wide improvements (e.g. packaging).
- We have created a TCFD roadmap and set emissions reduction targets that are realistic and balance resources.
- We have conducted a double materiality assessment to understand the areas of most importance to our key stakeholders and the risk these factors pose to our business.

Operational Risk

7. BUSINESS SYSTEMS

Our business can no longer operate because:

The risks

- We fail to maintain and develop business systems and technology which adequately support business processes, organisational infrastructure, and strategic growth ambitions.
- We have poor or no business continuity plans that are initiated when there are unforeseen events that affect our operations.

The impact

- We lose operational efficiency.
- We lose access to key resources, systems and/or data.
- We cannot report on the status of our operations whether internally or externally, which could also potentially lead to a compliance failure, loss of control or an inability to trade.
- The quality of our data degrades across multiple systems, leading to poor decision-making and increased transactional errors.

Our mitigations

- We continue to improve change control/change management processes to better protect the integrity of our master data.
- Our IT Steering Group maintains oversight of core systems, leading on systems projects driven by systems development or regulatory changes.
- Develop and keep under review our business continuity plans.

Principal Risks and Uncertainties continued

Operational Risk

8. CYBER-SECURITY

We cannot operate due to a security breach because:

The risks

- The business or part of the business suffers a cyber-attack.
- We also hold confidential data on our customers and employees, some of which is collected via our transaction processes, and so includes their financial information in addition to other personal data, which is similarly at risk of loss, corruption, or unauthorised dissemination as a result of a successful cyber-attack.

The impact

- We breach the integrity, confidentiality and availability of our data, and third-party information which we hold is compromised.
- We lose or compromise significant amounts of confidential data relating to our products, our commercial activities, our financial transactions, and all other aspects of our business operations in electronic format.
- The reputation of the business is impacted if we suffer a major loss of personal data.
- Financial transactions are being re-routed fraudulently because sensitive transactional data is obtained.
- Data is deliberately destroyed.
- The business is held to ransom because of a malicious link being clicked.

Our mitigations

- We use anti-virus software, firewalls, and network segmentation.
- We ensure that all business software is up to date, to provide additional in-built security.
- We implement and review our incident management, business continuity and IT disaster recovery plans.
- We maintain appropriate physical and cyber-security measures to prevent unauthorised access to information.
- We train and alert staff to ensure that they are aware of known risks.
- We engage with third parties to review and recommend ongoing improvements to enhance IT security and resilience.

Operational Risk

9. PEOPLE

We are unable to attract or retain the right people because:

The risks

- We are not attractive to candidates as an employer and fail to deliver the business's strategic growth ambitions.
- We lose good employees who have considerable sector and other specialist expertise making them attractive to competitors.
- As the business continues to scale and to expand its geographical presence, our requirements for high-calibre people continues to increase.

The impact

- We weaken the Group's operational/management capabilities, potentially impeding its ability to grow.
- We lose strategic and operational expertise and knowledge as a result of employee replacement, leading to operational inefficiencies.
- We do not have the required skills and expertise to support the continued growth of the business, its systems, procedures, and processes.

Our mitigations

- Maintaining competitive incentive and reward structures, which remain attractive to existing employees and enable us to continue to attract high-quality applicants for new roles.
- Clearly defining roles and responsibilities supported by documented systems and procedures to provide a level of continuity in the event an employee leaves the Group.
- Undertaking regular talent reviews to support succession planning and to identify higher-performing personnel.
- Increased investment in our learning and development programme.
- Maintaining relationships with several international and local recruitment agencies to ensure we can find and recruit good-quality employees.
- Maintaining a balance between permanent and contract heads of function to increase flexibility, particularly for project-based work.

Principal Risks and Uncertainties continued

Operational Risk

10. SUPPLY CHAIN MANAGEMENT

We fail to manage our supply chain because:

The risks

- Our outsourced supply model affords only limited visibility of our end-to-end supply chain.
- We fail to maintain sufficient oversight of our end-to-end supply operations.
- We are exposed to risks around health and safety, business ethics, supply chain security and climate change.

The impact

- The reputation of the business suffers.
- We fail to maintain continuity of product supply.
- We fail to meet revenue targets.

Our mitigations

- Our Know Your Supplier ("KYS") programme provides us with visibility of potential 'red flags' in our supply chain, enabling us to align compliance and escalation processes to facilitate timely remediation of issues.
- We have partnered with the Slave Free Alliance to increase our understanding of Modern Slavery risks. With their support we have completed a gap analysis and high-level risk assessment of our 15 suppliers deemed most at risk from a modern slavery perspective.
- We conduct in-person audits of our supplier sites.
- We have published and maintain a Partner Code of Conduct, setting out our expectations of our partners from a business ethics' perspective.

Operational Risk

11. DISTRIBUTION PARTNER MANAGEMENT

N

We fail to manage the distribution of our products because:

The risks

- Our outsourced distribution model affords only limited visibility of the delivery of our products to our end-customers.
- We fail to maintain sufficient oversight of our distributors.
- We lack sufficient visibility of inventory levels in distribution channels and at a retailer level.
- We are exposed to over-reliance on one or two large distributors in a single territory or region.
- We are exposed to risks around health and safety, business ethics, supply chain security and climate change.

The impact

- We fail to meet revenue targets.
- We lack real-time customer insight and feedback.
- The reputation of the business suffers.
- We are exposed to single-point failure at distributor level which could lead to loss of revenue and/or a complicated restructuring of the relationship in the affected market.
- We are exposed to volatile stocking cycles.
- We fail to maintain continuity of product supply.

Our mitigations

- We regularly review distributor contracts to ensure appropriate guarantees on minimum order volumes, data reporting and investment in marketing can be enforced.
- We continue to review existing distributor partnerships and consider alternative relationships and/or structures where appropriate.

Principal Risks and Uncertainties continued

Compliance Risks

12. PRODUCT REGULATIONS

We are unable to comply with product regulations because:

The risks

- We fail to keep up with changing product regulations.
- New requirements are introduced (e.g. Medical Device Regulations), or product classifications are changed.

The impact

- Some of our products may not gain regulatory approval or could face the risk of having their regulatory status challenged or adversely altered. This could affect the Group's ability to launch new products or maintain sales of its current products in current jurisdictions or pursue further geographic expansion.
- Non-compliance with product classification regulations may mean that our products need to be withdrawn from the market leading to limitation of market opportunities and loss of sales.

Our mitigations

- We allocate sufficiently experienced internal resource to support the regulatory approval of products, including any extensions to other markets.
- In several territories, our product registrations are maintained by local distributors in order to comply with local regulatory requirements.
- We ensure there is a regular dialogue with local regulatory advisers to monitor any products that may be subject to challenge.

Compliance Risks

13. LEGAL & COMPLIANCE

We are unable to comply with rules and regulations because:

The risks

- Across the Group, we fail to comply with relevant laws and regulations including anti-corruption laws, data privacy laws, competition laws, accounting, taxation, and listing regulations.
- As we enter new territories and overseas markets, we become exposed to increased bribery, modern slavery, and corruption risks which require monitoring and resource to ensure compliance.
- As the Group expands its operations, the VAT and general tax environments in which we operate become more complex and the risk of incorrectly reporting and paying relevant taxes increases.
- We fail to comply with ongoing industry-specific UK and overseas regulatory requirements (e.g. pharmacovigilance).

The impact

- We may incur substantial fines, penalties, and interest on those payments, as a result of adverse findings from regulatory inspections and non-compliance.
- Adverse findings could also potentially impact our ability to sell certain products, damage our brands, and harm our reputation.
- A failure to abide by data protection rules or incur a breach of data security could also pose a financial and reputation risk to the Group.

Our mitigations

- We ensure all employees receive training on anti-bribery, anti-money laundering, competition law, market abuse, modern slavery, sanctions, tax evasion and GDPR. This includes the creation of in-house SharePoint sites providing helpful information and easy access for employees.
- We build strong relationships with third-party experts in the UK and in our overseas territories to help us ensure compliance with local rules and regulations.
- We catch things early by raising awareness as part of a wide-ranging induction process for all new starters to ensure they understand their individual, and the Group's obligations in relation to matters such as adverse event reporting.

Principal Risks and Uncertainties continued

Financial Risks

14. MACRO ECONOMIC

The financial performance of the business suffers because:

The risks

- We fail to hedge the risk of movements in foreign exchange rates because the Group earns a proportion of its revenues and profits in currencies other than Sterling (principally Euros, US Dollars and Hong Kong Dollars), but accounts for the business in Sterling. The reporting of revenues and profits is therefore subject to volatility due to changes in exchange rates.
- The business fails to adjust its financial and commercial strategies to deal with the risk of global inflationary increases.
- We fail to hedge the risk of adverse movements in interest rates linked to our borrowing facilities.

The impact

- Swings in the macro economic environment could affect income generation, increasing the Group's leverage.
- Adverse movements in Sterling exchange rates versus Euro, US Dollar, Hong Kong Dollar and other currencies could increase the cost of raw materials and other overheads including wages, and is often linked to supply chain disruption as markets adapt.
- Higher prices for goods will decrease consumer purchasing of non-essential products.
- Increased leverage would impact the Group's ability to implement its desired capital allocation strategy, which could in turn stifle growth potential and affect the ability to remain within banking covenants.
- Adverse movements in interest rates increase interest costs, reducing PBT and shareholder returns.

Our mitigations

- We ensure flexible funding structures, with borrowings denominated in Sterling, Euros and US Dollars providing a natural hedge to exposures.
- The Group has a risk management policy, to hedge up to 75% of its estimated future foreign currency EBITDA exposure for up to 18 months at any given point in time. The Group uses forward foreign exchange contracts to implement this policy, which are generally designated as cash flow hedges.
- The Group has an interest rate hedging policy and uses interest rate swaps to fix the rates paid on a portion of the Group's debt.
- We regularly review pricing strategies across the portfolio and look to increase flexibility within our supply chain.

Other risks

15. GEOPOLITICAL AND WORLDWIDE EVENTS

The business suffers as a result of geopolitical and other worldwide events because:

The risks

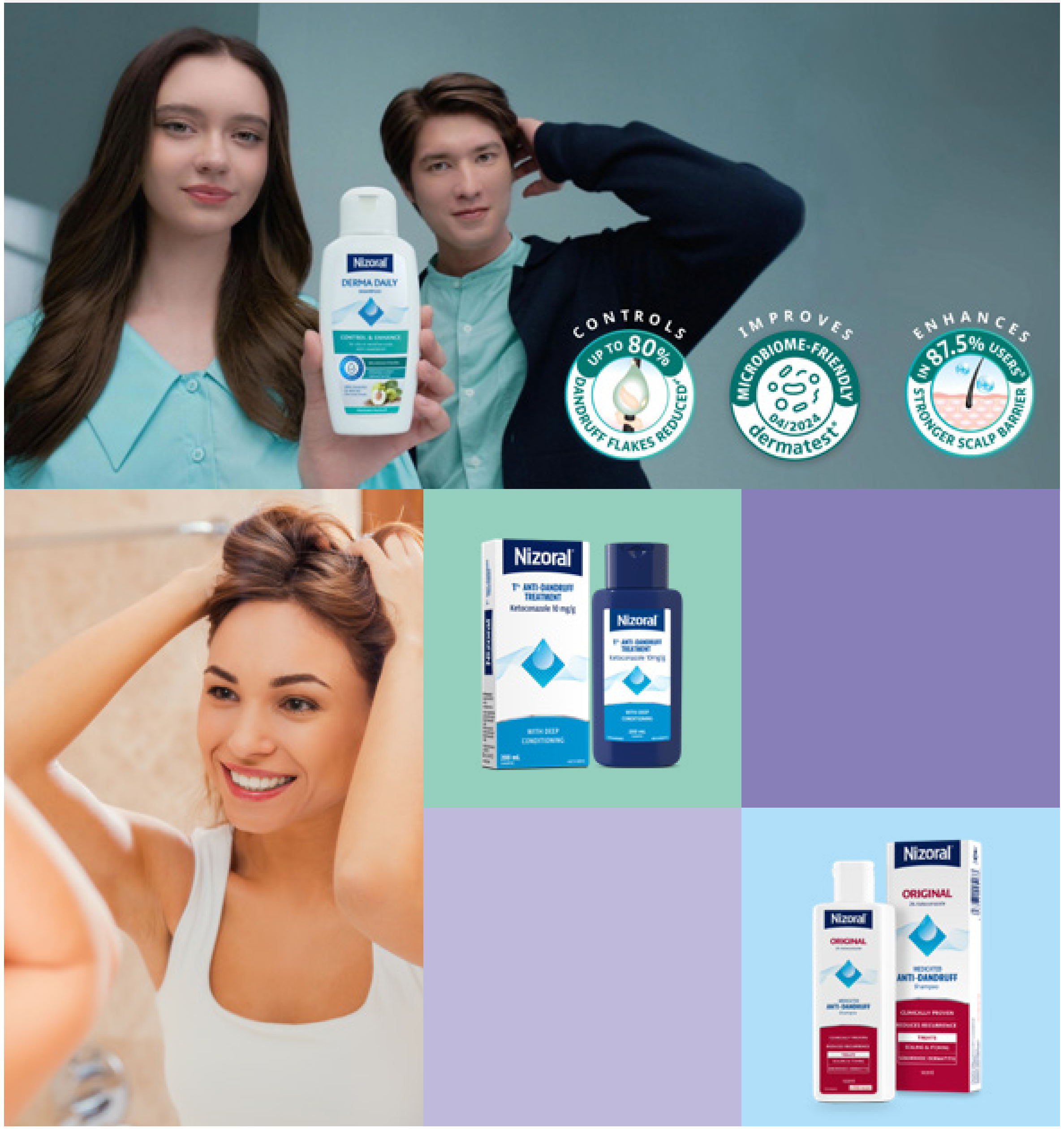
- We fail to minimise disruption to our supply chain because of geopolitical events occurring in our key markets, such as APAC and Europe.
- We risk being subjected to changing policies, laws and regulations making it more difficult to operate.
- The business is at risk of further macro economic changes.

The impact

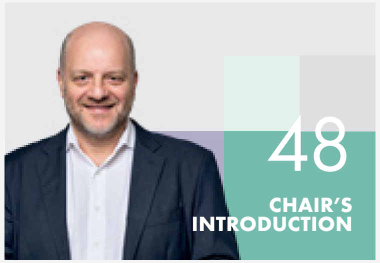
- The escalation of conflicts, or any new conflicts in or connected to our major markets, could have a significant impact on our ability to manufacture and/or sell products in certain markets causing increased economic uncertainty and ultimately impact growth.
- The emergence and spread of pandemics, such as new strains of COVID, in or connected to our major markets, could have a significant impact on our ability to manufacture and/or sell products in certain markets causing increased economic uncertainty and ultimately impact growth.
- Disruption caused by military or political conflict/tensions, or global pandemics, could cause our markets to be restricted or even close. This could lead to loss of sales and a potential inability to recover market share if/when those issues are resolved.
- Increased costs/reduced demand for goods due to weaker economic growth and higher inflation.
- General inflationary pressures being experienced by the wider business community will lead to increased pressure on workforce costs and rewards, which in turn could impact profitability.
- Increasing costs impact our profits and ability to remain competitive; this could also impact market share.

Our mitigations

- Regular review and updating of demand forecasts to understand and mitigate any potential adverse effects on revenues, supported by our recently improved sales and operations planning processes.
- Maintenance of close working relationships with suppliers and distributors; ongoing monitoring for any signs of distress.
- Keeping abreast of global events and economic conditions in the territories in which we operate to ensure risks are monitored accordingly (e.g. appropriate stock-building).
- Monitoring and reviewing our supply chain to ensure we dual source or look for alternative suppliers to diversify the supply chain.



Governance



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DIRECTORS' REPORT

Chair's Introduction

2024 saw leadership changes at Board and Executive level

On behalf of the Board, I am pleased to introduce the Governance Report for the year ended 31 December 2024.

As a Company admitted to AIM, our governance is underpinned by the Quoted Companies Alliance ("QCA") Corporate Governance Code 2023 ("the QCA Code"), which we have chosen, voluntarily, to adopt early. During the year, the Company has complied with the principles of the QCA Code and details of how we have done so can be found in the Governance section of the Company's website:

www.alliancepharmaceuticals.com/investors/governance/

In today's business environment, the challenges to our strategy never seem to be very far away and like many other Companies we continue to work hard to limit the impact of changes in the macro economic environment, economic fluctuations, geo political tensions, and supply chain disruptions. Board discussions centre on driving value for our investors as we continue to focus on developing our Consumer Healthcare business within skincare and healthy ageing. This includes reviewing the risks to our business as explained in the 'Protecting our Business' section on page 38.

2024 has been another year of change and has necessitated careful and considered decision-making by the Board. Mid-year, we were delighted to have received the news the Competition Appeal Tribunal had issued its judgment setting aside the CMA's decision issued 3 February 2022 and finding that there was no breach by the Company of competition law.

The year also saw leadership changes at Board and executive level. Since these changes the Board has refocused on the strategy to ensure the business is on the trajectory of becoming a global leading Consumer Healthcare business. This work continues throughout 2025 as we embark on a period of transformation to enhance our operating model. This also involves a strong focus on our people and culture, reviewing our skills and capabilities to develop our people and drive performance.

The Board's agreed strategy can be found on pages 14 to 18 and alongside the strategy, we continue to ensure that our corporate governance processes remain robust, challenging and appropriate, providing strong foundations to underpin our assessment of risks to our strategy and the delivery of that strategy for the long-term sustainability of the business.

The Board is supported by its Committees. Their work in the areas of financial assurance, ESG, remuneration and leadership ensure a governance framework that pieces together the complexities that need to be balanced to ensure we deliver on our promise to all stakeholders. You can read more about their work in the reports that follow.

As announced on 20 March 2025 the Sanction Hearing to approve the offer made by DBAY is now scheduled for 12 May 2025, and the Effective Date of the Scheme is expected to be 14 May 2025. As such, we do not intend to call an AGM for 2025.

Camillo Pane
Chair

7 April 2025

Board of Directors

Camillo Pane
Independent Non-Executive Chair

COMMITTEE MEMBERSHIP C

DATE JOINED

Camillo joined the Board of Alliance as Chair on 19 February 2024.

QUALIFICATIONS

Camillo graduated in Business Administration specialising in marketing, from Bocconi University, Milan.

EXPERIENCE

Camillo is a senior Executive with over 30 years of UK and international experience in US, European and Asian public multinational consumer companies. He has a strong track record for delivering value and growth in multi-channel, multi-cultural and multi-category consumer businesses through the use of consumer-centric strategies, developing high-performance teams with strong execution and innovation and operational optimisation. He was recently appointed CEO of PetIQ LLC on the 17 February 2025.

During his career, Camillo has held a number of senior positions at Reckitt where he spent almost 20 years across both Global and Regional roles, 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 $2.0bn.

SKILLS

Nick Sedgwick
Chief Executive Officer

COMMITTEE MEMBERSHIP

DATE JOINED

Nick joined the Board as Chief Executive Officer on 13 May 2024.

QUALIFICATIONS

Nick has an honours degree in Maths from Loughborough University.

EXPERIENCE

He brings 30 years of consumer goods experience across European, US and global roles at major multinational companies such as Reckitt, Coty, and Nestlé. Most recently, Nick was Regional Director for UK and Ireland Consumer Health at Reckitt during which time he increased revenue and improved profitability in the second-largest market for the Company.

Prior to this, Nick worked at Coty holding several 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 his career, Nick has worked in multiple countries, always delivering high-revenue growth through consumer-centric strategies, high-performance teams and excellence in execution.

SKILLS

Andrew Franklin
Chief Financial Officer

COMMITTEE MEMBERSHIP

DATE JOINED

Andrew joined Alliance in September 2015 from Panasonic Europe Ltd, where he was General Manager, European Tax and Accounting.

QUALIFICATIONS

Andrew holds an honours degree in Civil Engineering from the University of Wales, Cardiff and is a Chartered Accountant.

EXPERIENCE

From 2010 to 2012, Andrew was Finance Director and Company Secretary of Genzyme Therapeutics Ltd, the UK and Ireland subsidiary of Genzyme Corporation. Prior to that, he gained 12 years' pharmaceutical experience with Wyeth in a variety of senior financial positions.

Andrew is a Fellow of the Institute of Chartered Accountants in England and Wales with extensive experience in financial management of international businesses, including significant experience in life science companies.

SKILLS

Richard Jones
Senior Independent Non-Executive Director

COMMITTEE MEMBERSHIP C

DATE JOINED

Richard joined Alliance as a Non-Executive Director on 1 January 2019.

QUALIFICATIONS

Richard has a degree in Engineering from Newcastle University and is a Chartered Accountant.

EXPERIENCE

From 2020 to 2024 Richard was Chief Financial Officer at UK main market-listed Medica Group PLC, an international provider of high-quality telemedicine services. Since mid-2024 Richard has been interim CFO at HSS Hire PLC, a UK-based business services company helping the Group in a period of business transformation. Richard was also recently appointed NED and Audit Chair at AIM-listed Inspiration Healthcare PLC, a UK-based medtech company

Prior to Medica, Richard gained extensive experience in the healthcare sector in his roles at UK AIM-listed companies Mereo BioPharma Group PLC and Shield Therapeutics PLC. At Mereo, he had a leading role in the merger with US-listed OncoMed Pharmaceuticals, Inc and Mereo's dual listing on Nasdaq in 2019. At Shield, he had a leading role establishing the finance operations and guiding Shield through its 2016 IPO. His prior career in investment banking included senior positions at Investec and Brewin Dolphin Securities, where he advised healthcare clients on a wide range of transactions including IPOs, M&A and fund-raisings.

SKILLS

COMMITTEE MEMBERSHIP KEY

- Nomination Committee View report on page 56
- Audit and Risk Committee View report on page 59
- ESG Committee View report on page 63
- Remuneration Committee View report on page 65
- C Committee Chair

SKILLS KEY

- Consumer/ Consumer Health
- International
- ecommerce
- Growth
- Marketing
- Financial markets
- Finance
- Pharma

Board of Directors continued

Richard McKenzie
Independent Non-Executive Director

COMMITTEE MEMBERSHIP

DATE JOINED

Richard joined Alliance as an Independent Non-Executive Director on 6 November 2023.

QUALIFICATIONS

Richard graduated from Oxford University in Philosophy, Politics, Economics and holds an M.Phil in Latin American Studies.

EXPERIENCE

From 2019 to 2023, Richard was Chief Commercial Officer and latterly President (Europe and Asia) for Ocado Solutions, driving the growth of this leading grocery ecommerce platform globally. During his tenure at Ocado Solutions, Richard led major new deals with partners in Korea, Japan, Spain and Poland, and redesigned the B2B organisation of the business.

Prior to this, Richard was a strategy consultant for OC&C in London and China, building the Company's presence in Asia-Pacific, before becoming a Senior Partner for the Consumer Goods and Retail practice of Oliver Wyman in Asia-Pacific. During this time, he built extensive experience of the retail consumer market in China, and Asia-Pacific more broadly. He is currently a Senior Advisor at McKinsey and Company.

SKILLS

Kristof Neirynck
Independent Non-Executive Director

COMMITTEE MEMBERSHIP

DATE JOINED

Kristof joined Alliance as an Independent Non-executive Director on 1 December 2021.

QUALIFICATIONS

Kristof holds a Master of Science degree in Electronic Engineering from the University of Ghent, Belgium.

EXPERIENCE

Kristof is CEO at Avon Cosmetics where up until recently he was their Global Chief Marketing Officer and Managing Director Western Europe. He brings more than 20 years of experience in General Management, Marketing, Digital Transformation and Innovation, having carried out roles in Fast Moving Consumer Goods/Consumer Packaged Goods, Luxury and Retail sectors across multiple geographies. He is well versed in operating across an omni-channel model, combining bricks and mortar retail, ecommerce and direct-to-consumer experience.

Kristof joined Walgreens Boots Alliance in 2015 and in 2017 became their Chief Marketing Officer for their Global Brands division where he had responsibility for a $4.0bn sales portfolio of more than 20 of their owned brands in Beauty and Consumer Healthcare. Prior to this, Kristof held leadership roles at P&G's Prestige, Laundry and Feminine Care global divisions; having started his career in 2002 at Procter & Gamble in Belgium before moving to Procter & Gamble International in Switzerland in 2004.

SKILLS

Eva-Lotta Sjöstedt
Independent Non-Executive Director

COMMITTEE MEMBERSHIP C

DATE JOINED

Eva-Lotta joined Alliance as an Independent Non-Executive Director on 6 November 2023.

QUALIFICATIONS

Eva-Lotta graduated from IHM Business School in Marketing and Economics.

EXPERIENCE

From 2016 to 2018, Eva-Lotta was CEO of Georg Jensen, the luxury jewellery and Scandinavian design brand. Prior to this, Eva-Lotta was CEO at Karstadt, a chain of premium department stores in Germany with a strong ecommerce presence. She started her career at IKEA, establishing the business in Japan where she worked for four years before becoming CEO of IKEA Netherlands and then Deputy Global Retail Manager. Eva-Lotta was formerly a Non-Executive Director at FTSE250-listed Tritax Eurobox, which operates, manages and invests in real estate assets across Continental Europe where she chaired the ESG Committee and was a member of the Nomination and Management Engagement Committee.

She has in-depth knowledge of global consumer retail, supply chain and digital transformation and has held leadership roles in consumer-facing industries across Europe, Japan, China and the United States. Eva-Lotta is currently a member of the Board of ELISA Oyi, a digital services and telecommunications Company listed on Nasdaq Helsinki, and sits on their People and Nomination Committee. She is also a member of the Supervisory Board of Metro AG, a German wholesale food specialist operating in 35 countries.

SKILLS

Martin Sutherland
Independent Non-Executive Director

COMMITTEE MEMBERSHIP C

DATE JOINED

Martin joined Alliance as an Independent Non-Executive Director on 1 February 2023.

QUALIFICATIONS

Martin graduated from Oxford University with a Master of Arts degree in Physics and University College London with a Master of Science degree in Remote Sensing.

EXPERIENCE

Martin is a senior Executive with more than 30 years of global business experience. He is currently a Non-Executive Director at FTSE-listed Forterra plc, a leading UK manufacturer of essential clay and concrete building products, sitting on their Nomination, Remuneration, Audit and Risk and Sustainability Committees. Martin is also a NED on the Board of XPS Pensions plc, where he sits on the Remuneration and Audit Committees, and is the Chair of Logiq Consulting Limited, a privately held cyber-security business.

Previously, Martin was CEO of Reliance Cyber Limited from 2019 to 2022, De La Rue plc from 2014 to 2019 and held a variety of roles at Detica plc, becoming Managing Director in 2008 on its acquisition by BAE Systems plc. He brings experience in delivering growth through new product innovation, market diversification and international expansion.

SKILLS

COMMITTEE MEMBERSHIP KEY

- Nomination Committee View report on page 56
- Audit and Risk Committee View report on page 59
- ESG Committee View report on page 63
- Remuneration Committee View report on page 65
- C Committee Chair

SKILLS KEY

- Consumer/Consumer Health
- International
- ecommerce
- Growth
- Marketing
- Financial markets
- Finance
- Pharma

Governance

The role of the Board

The Board is responsible for the Group's vision, business model and strategy. Together, the Directors are responsible for providing effective leadership to promote the long-term success of the Company.

Each year, the Board holds a two-day strategy planning meeting which is attended by the Executive Committee and other senior employees from within the business by invitation. From this session, the Group's strategic plan and business model is agreed. The CEO is responsible for the implementation of the strategy which is communicated to all employees by the management team through business briefings and online presentations.

There is a formal list of matters reserved for the Board, which may only be amended by the Board and is available on our website.

Leadership, roles, and responsibilities

The Chair

Camillo Pane was appointed to the Board as Chair on 19 February 2024. With primary responsibility for leading the Board and facilitating the effective contribution of all members to meetings, he maintains a strong focus on governance to ensure good practice is embedded within the business with good flows in communication and reporting. He has regular dialogue with the CEO to ensure the business and the management team receive the support from the Board necessary to progress the strategy.

The Chair also meets with the Non-Executive Directors on their own following every Board meeting and leads the Board evaluation process. Shareholders have an opportunity to engage with the Chair and the Board at the Company's AGM.

The Chief Executive Officer ("CEO")

The responsibility for the day-to-day running of the business and the implementation of the Group's strategy rests with the CEO, Nick Sedgwick. Nick was appointed to the Board as CEO of the Company on 13 May 2024 following the announcement on 8 May that Peter Butterfield was stepping down and would be leaving the business at the end of June 2024.

Nick has introduced two new committees at senior management level. The Executive Committee (the "EC") widens the leadership team that has responsibility for the delivery of strategy, corporate development, business operations and its support functions. The Strategic Growth Committee includes members of the EC as well as other key senior employees from across the Group and is charged with reviewing opportunities for growth and innovation. Both Committees meet once a month and any relevant matters are reported to the Board by the CEO.

The Senior Independent Director ("SID")

Richard Jones is the appointed SID and his role is to act as a sounding board and intermediary for the Chair and other Board members. His responsibilities include leading the performance evaluation of the Chair and attending meetings with shareholders and analysts to obtain a balanced understanding of any issues or concerns.

The Non-Executive Directors

Non-Executive Directors are required to commit the time necessary to fulfil their role to:

- provide oversight and scrutiny of the performance of the Executive Directors;
- constructively challenge to help develop and execute on the agreed strategy;
- satisfy themselves as to the integrity of the financial reporting systems and the information they provide;
- satisfy themselves as to the robustness of the internal controls;
- ensure that the systems of risk management are robust and defensible; and
- review corporate performance and the reporting of such performance to shareholders.

Independence on the Board is reviewed and confirmed annually by the Nomination Committee. Each of the Non-Executive Directors sits on at least one of the Committees ensuring that between them they have a role in oversight of the audit and financial processes, determining the pay and benefits of the Executive Directors and in the planning of Board succession, including the appointment and, if necessary, removal of Executive Directors.

They are appointed for an initial term of five years, subject to annual re-election by shareholders at the AGM. Their appointment term may be renewed by mutual agreement for a further four years.

BOARD AND COMMITTEE MEMBERSHIP

The Board currently comprises eight Directors: the Chair, five further Independent Non-Executive Directors and two Executive Directors. Supporting the Board are four Committees operating under their respective delegated powers and with clear Terms of Reference.

Nomination Committee

The Nomination Committee reviews the leadership needs of the organisation and monitors succession planning for both Board and senior Executive roles. It is responsible for the selection process and nomination of all Directors to the Board, and reviews the structure, size, and composition of the Board.

Audit and Risk Committee

The Audit and Risk Committee monitors and reviews the financial results and other reporting and oversees the effectiveness of risk management and systems of internal control. The Committee provides confidence to shareholders in the integrity of reported financial results and challenges the external auditors and senior management.

Remuneration Committee

The Remuneration Committee ensures there is a formal process for reviewing salaries, benefits, and other terms of service to determine appropriate levels of remuneration for the Executive Directors and other senior Executives.

ESG Committee

The ESG Committee reviews the overarching ESG vision for the Company and ensures that the priorities become an integral part of the overall strategy.

Governance continued

Board attendance, support and meeting management

Meeting attendance in 2024

Directors are expected to attend all scheduled Board meetings. This includes a two-day strategy meeting in each year which is also attended by the Executive Committee, and certain senior employees by invitation, to review progress in delivering the Group's long-term strategic objectives. The Board held nine scheduled meetings, and four unscheduled meetings during the year. Unscheduled meetings were called to discuss matters such as Director changes, budget, and the proposed recommended offer by DBAY for the Company which was announced on 10 January 2025. In addition, and where appropriate, sub-committee meetings were convened to assist with formal decision-making. Meetings follow a clear agenda, supported by written reports and presentations from both internal members of staff, as well as external advisers and consultants.

Member	Role	Status	Attendance
Camillo Pane[1]	Chair	Independent	10/10
Jo LeCouilliard[2]	NED	Independent	3/3
Peter Butterfield[3]	CEO	–	7/9
Nick Sedgwick[3]	CEO	–	7/7
Andrew Franklin	CFO	–	13/13
Jeyan Heper[4]	COO	–	8/10
Kristof Neirynck	NED	Independent	12/13
Richard Jones	NED	Independent	12/13
Martin Sutherland	NED	Independent	13/13
Eva-Lotta Sjöstedt	NED	Independent	11/13
Richard McKenzie	NED	Independent	13/13

1. Camillo Pane was appointed to the Board on 19 February 2024.
2. Jo LeCouilliard resigned from the Board on 19 February 2024.
3. Peter Butterfield stepped down as CEO on 13 May 2024 and resigned from the Board on 30 June 2024. Nick Sedgwick was appointed to the Board as CEO of the Company on 13 May 2024.
4. Jeyan Heper resigned from the Board on 31 August 2024.

Meeting management

The Company Secretary is secretary to the Board and the Board's Committees. On behalf of the Chair, the Company Secretary is responsible for ensuring that all Board and Committee meetings are conducted properly and that the Directors are properly briefed on any item of business to be discussed. He has a direct line into the Chair on all matters relating to governance and is responsible for ensuring governance, legal and regulatory compliance is considered, recorded, and implemented.

Procedures are in place for distributing meeting agendas and reports so that they are received in good time, with the appropriate information. Ahead of each Board meeting, the Directors receive written reports updating on strategy, finance (including monthly management accounts), operations, commercial activities, business development, risk management, legal and regulatory matters, people and infrastructure and investor relations. Meeting papers are distributed via an electronic Board portal.

The Directors may have access to independent professional advice, where needed, at the Company's expense.

Directors' conflicts of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. Directors are required to notify the Company of any situation that could give rise to a conflict or potential conflict thereby compromising their independence and objectivity. Each member is required to disclose any such potential conflicts at the start of every meeting. The Board is fully aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board. Where any such conflict arises, the Board determines whether or not a Director can vote or be a party of the item under consideration in accordance with the Company's Articles of Association. The Board is satisfied that potential conflicts have been effectively managed throughout the year.

Director induction, training, and development

The Company Secretary is responsible for ensuring that all newly appointed Directors receive a thorough formal tailored briefing and induction on joining the Board, aimed at providing Directors with the information to become effective as soon as possible in their role. The induction has the aim of:

- building an understanding of the Company's business and markets;
- building a link with the Company's people and an understanding of the Company's main relationships; and
- ensuring an understanding of the Board's governance framework and Board processes.

Each Director receives one-to-one inductions with Board and Executive Committee members and is provided with access to the Directors' handbook. Both newly appointed Directors received tailored inductions which included but were not limited to:

- meetings with each Board member to discuss their roles and responsibilities on the Board and the Committees;
- meetings with each member of the leadership team to explain their areas of responsibility within the business;
- an explanation of the Company's governance and compliance framework, including Board procedures;
- an explanation of Directors' responsibilities under the AIM Rules and other statutory and regulatory rules; and
- pharmacovigilance and Good Distribution Practice inductions.

All the Directors are responsible for ensuring their skills and knowledge are kept up to date. This is done in varying ways but includes professional training, online training or attending seminars and webinars offered by advisers and consultancies. In addition, regular updates on corporate governance, legal or regulatory changes are also provided via reporting or through presentations to the Board.

Governance continued

Board responsibility for sustainability

The Board has overall responsibility for the Group's sustainability strategy and programme which includes climate policy and action and TCFD voluntary reporting. In 2024, we continued to refine our approach to our sustainability framework. The ESG Committee is responsible for setting the Group's overarching sustainability strategy, including climate change, and you can read more about the Committee's work on pages 63 to 64.

Corporate culture and business conduct

Our culture is underpinned by a clear set of values, which help guide decision-making at all levels in the business. You can read about our values on pages 6 and 7.

The Board expects the business to foster relationships and operate high standards of business conduct. We recognise that investors are increasingly looking for socially responsible Companies to invest in; employees are seeking employers with a strong ethics culture that aligns with their own moral code; and customers are conducting enhanced due diligence on their suppliers' ethical and legal compliance controls. With regular briefings to employees across the Group, training and investment in our people and systems, we ensure that everyone understands the Company's strategy, goals and objectives. We empower employees to take ownership of the work that they do and encourage a culture of inclusion to manage risks, deliver results and drive the business forward.

The Board reviews and approves the Group's policies that have been implemented and communicated internally and externally in the Company's core languages to those who are expected to adhere to them. For example, in addition to the codes of conduct, this includes policies on diversity and inclusion, the prevention of bribery and corruption, fair competition, conflicts of interest and anti-slavery. Further information about our policies can be found in Sustainability – Policies and Documents on our website at www.alliancepharmaceuticals.com/sustainability/policies-and-documents.

Stakeholder engagement

Engaging with the Company's stakeholders is well embedded in the business as we continue to look after our relationships with shareholders, employees, lenders, customers, suppliers and consumers and the wider communities. The Board and management seek to understand views from stakeholders and is made aware of and considers their needs and interests and any impact of the decisions it makes.

Visibility and awareness are further increased through senior management who have collective responsibility for communicating and engaging with specific stakeholder groups. This includes making sure that the business upholds its values and monitors behaviour for acceptability.

The Board and its Committees recognise that to meet their responsibilities to shareholders and other stakeholders, it is important to ensure effective engagement with, and encourage participation from, these parties. When engaging with shareholders, the Directors are supported by the Head of Investor Relations and Corporate Communications.

You can read more about our stakeholder engagement on pages 24 and 25.

Promoting the success of the Company

Throughout the year, the Board received updates on business and financial performance with a strong focus on the strategic direction of the business as it seeks to ensure it fulfils its visions and purpose, legal and governance matters.

The powers and duties of the Directors are determined by legislation and the Company's Articles of Association. Collectively, they have a duty to promote the success of Alliance for the benefit of its members over the long term.

The Directors are aware and mindful of their duties and obligations under s.172 of the Companies Act 2006 and in the planning of meetings and decisions required are reminded of these responsibilities to consider the wider interests of stakeholders. They are required to act in good faith and their discussions give due consideration to the impact of those decisions on the Group's strategy, values, and the interests of the Company's various stakeholders.

Each Director is responsible for weighing up all the relevant factors and how these ultimately promote the long-term success of the Company for the benefit of its shareholders as a whole. To help them reach well-informed decisions they are provided with written reports, market reviews, guidance, and presentations and briefings, from both internal members of staff and external advisers, which assist them when assessing any risks.

Governance continued

Key decisions by the Board and management including s.172 considerations

s.172 Consideration:

1 The likely consequences of any decision in the long term

2 The interests of the Company's employees

3 The need to foster the Company's business relationships with suppliers, customers, and others

4 The impact of the Company's operations on the community and the environment

5 The desirability of the Company maintaining a reputation for high standards of business conduct

6 The need to act fairly as between members of the Company

Recommended offer

1 2 3 6

During the year, the Board considered the future ownership of the Company that has led to the recommended cash offer by DBAY Advisors Ltd. for the entire issued and to-be-issued share capital of the Company. In reaching its recommendation, the Directors took account of several factors and sought guidance from the Company's nominated adviser, its corporate finance advisers and legal advisers.

In order to create long-term value, the Board considered the current performance of the Company, long-term prospects for growth, and what would be a fair and reasonable valuation of the Company. Discussions also took account of the strategy and the risks and opportunities of the business in the short to medium term, to ensure that there is a sustainable business for shareholders, employees, customers and suppliers.

Link to strategy: Become fully global, Simplify

Director changes

1 3 5 6

There were several changes in the membership and composition of the Board during the year, a process which was supported by the Nomination Committee.

The Board was in close communication with our shareholders and following feedback relating to the skills and expertise required to support the company's long-term strategy the Board took a decision to refresh Board membership and appointed both a new Chair and CEO.

Link to strategy: Give the consumer what they want, where they want it

Strategy and transformation

1 2 3 4 5 6

Every year the Board reviews the Group's strategy for the business. This year, the Board conducted a deeper review of the purpose and strategic direction of the business, its brands and markets. New members on the Board were able to share and bring their skills, knowledge and experience to help shape and develop a clear strategic path underpinned by a transformative approach.

Discussion considered the current and medium- to long-term economic landscape in the key markets for the Group's products in order to understand consumers' needs, and relevant trends to ensure the Group's strategy is focused on the right categories and markets. This includes the assessment of risks and opportunities and how these might benefit shareholders, and impact, for example, consumers, suppliers and employees.

A long-term approach ensures the Directors take decisions based on a clear understanding of the Group's products and the consumer needs for those products in their applicable markets, with a view to promoting a more sustainable business. The strategy is explained on pages 14 to 18.

Link to strategy: Give the consumer what they want, where they want it, Become fully global, Simplify

HR strategy

1 2 5

The Chief People Officer was tasked during the year with reviewing and developing the HR strategy for the business, which was presented and approved by the Board during the year. To support the Group strategy, the people strategy took a transformative approach with a review of the culture of performance, organisational design and key drivers for growth including talent attraction, capabilities reward and inclusion and belonging. This creates opportunities for current employees and future employees joining the business, globally. In addition to other Company benefits, the business has launched a new reward and recognition scheme.

Link to strategy: Become fully global, Simplify

Link to strategy **Give the consumer what they want, where they want it** **Become fully global** **Simplify**

Governance continued

Engagement with shareholders

Throughout the year, the members of the Executive, the Chair, SID and Head of IR met with potential and existing investors, and they fed back to the Board the key summary points from their meetings. In addition to these meetings, there were 41 scheduled meetings held as part of the Company's investor roadshows for the annual 2023 and half-year 2024 results.

Feedback following an analysis of the Company's investor base and research notes by sell-side analysts is reported by the CEO at each Board meeting. The Board also received analysts' notes, and brokers' briefings to ensure, as far as possible, a clear and up-to-date understanding of investors' views. Information on investor sentiment is also provided to the Board by the Company's brokers and financial PR advisers.

A list of the Company's major shareholders can be found in the Investor section of our website, and a list of notifiable holdings can be found on page 75 of the Directors' Report.

These are regularly updated following the formal notification of movements to the Company.

Shareholders are kept informed of Company news via stock exchange announcements, websites and hard copy communications. Investor Relations is charged with ensuring that all shareholders receive information by their chosen method. In addition, Directors meet with shareholders and discuss any concerns they have via periodic investor roadshows. All shareholders are encouraged to attend the Company's AGM each year, where free and open dialogue with the Board is promoted.

The Company further communicates with shareholders through its Annual Report and Accounts, half-year announcements, trading updates and at the Company's AGM. Such reports, as well as other relevant announcements and related information, are all available on the Group's website, www.alliancepharmaceuticals.com.

The website also offers a facility to sign up for email alert notifications of Company news and regulatory announcements.

Board effectiveness review

As required under the QCA Code, the Board monitors and improves its performance and the process is led by the Chair. It offers Directors an opportunity to discuss their contribution in terms of their skills and experience, as well as identify areas for improvement or development to enhance the capabilities of the Board as a whole.

The Board has progressed improvements through feedback during the year to ensure alignment of reporting, reviewing succession plans and refreshing the skills and experience on the Board. The Board conducted an internal Board evaluation in February 2025 via questionnaire, from which key themes and findings are discussed and implemented in due course.

Nomination Committee Report

I'm pleased to set out the Committee's responsibilities and its activities during the last year

COMMITTEE MEETINGS
4

COMMITTEE MEMBERS
6

Committee members

Camillo Pane (Chair)
Eva-Lotta Sjöstedt
Kristof Neirynck
Martin Sutherland
Richard Jones
Richard McKenzie

I am pleased to introduce the report of the Nomination Committee ("the Committee") which sets out the Committee's responsibilities and its activities during the last year.

In the first half of the year, the Board welcomed new Chief Executive, Nick Sedgwick and me, as Chair. During this time, the Committee was focused on success planning, reviewing skills, capabilities and experience needed to support changes in leadership. Throughout the rest of the year, it is business as usual, as the Committee works with the Board to continue its work in order to ensure the organisation has the right skills across the organisation as a whole to support the strategic direction of Alliance as a Consumer Healthcare business. This process includes reviewing Board balance and Committee composition, diversity of skills and experience, terms of existing appointments and independence, as well as a review of Directors' time commitments.

I was delighted to join the Board of Alliance on 19 February 2024 and was pleased to welcome Nick Sedgwick as CEO in May. You can read about our collective experience in our biographies on pages 49 to 50.

Camillo Pane
Nomination Committee Chair

7 April 2025

The role of the Committee

The Committee's primary roles are to carry out a selection process for the appointment and reappointment of all Directors to the Board, and to review the structure, size, and composition of the Board (including in terms of skills, knowledge, experience, and diversity). The Committee also reviews the leadership needs of the organisation and monitors succession planning for both Board and senior Executive roles.

The framework of duties is set out in its Terms of Reference, which are available on the Company's website. Each year, the Committee reviews its own performance and compliance with its Terms of Reference and, having done so for 2025, the Committee is happy that the Terms of Reference remain appropriate.

Membership and meeting attendance

Appointments to the Committee are made by the Board. During the year, the Committee comprised six Independent Non-Executive Directors who have the right to attend meetings. On 22 March 2024, Camillo Pane was appointed as a member and Chair of the Nomination Committee.

Where appropriate, the Chief People Officer and the CEO are invited to attend certain meetings of the Committee to support with discussions around succession planning and recruitment processes.

Members of the Committee have access to the Company Secretary, who attends and minutes all meetings. To enable the Committee to discharge its duties effectively, the Company Secretary is responsible for ensuring the Committee receives high-quality, timely information.

The Chair of the Committee reports to the Board on its proceedings after each meeting, on all matters within its duties and responsibilities, and will make any recommendations to the Board it deems appropriate.

During the year, the Committee held a total of four meetings: two scheduled and two unscheduled. Members who are not able to attend unscheduled meetings offer their apologies and provide feedback to the Chair of the Committee in advance of meetings. The two unscheduled meetings were held to deal with the appointment of new Directors to the Board.

Nomination Committee Report continued

Member	Status	Attendance
Camillo Pane[1]	Independent	3/3
Jo LeCouilliard[2]	Independent	–
Richard Jones	Independent	4/4
Richard McKenzie	Independent	4/4
Kristof Neirynck	Independent	4/4
Eva-Lotta Sjöstedt	Independent	4/4
Martin Sutherland	Independent	4/4

1. Camillo Pane was appointed Chair of the Committee on 22 March 2024.
2. Jo LeCouilliard resigned from the Board on 19 February 2024.

Board gender diversity

Whilst certain diversity targets are not directly imposed on AIM companies, the Committee continues to monitor guidance and best practice in the market around the areas of gender and ethnicity, in particular the percentage targets set for FTSE main market-listed Companies. The Company's Diversity, Equality and Inclusion Policy can be found on the Company's website.

The Committee is aware of and has discussed the benefits of diversity on the Board and at senior management level as part of the review of succession planning and any Director appointment process. It remains committed to considering diversity when discussing appointments and succession plans, as evidenced by the significant increase in female representation on the newly expanded Executive Committee (see page 12 for further detail).

The Company and the Board always seek to search for, recruit and appoint the best available person based on aptitude and ability, regardless of gender, marital or civil partnership status, race, colour, nationality, ethnic or national origins, pregnancy, disability, age, sexual orientation, religion, or belief. The Committee discussed a range of areas such as diversity of thought, experience, gender, ethnicity, skills, nationality, and specific skills identified to strengthen and develop the knowledge base on the Board.

The Board keeps female representation on the Board under review and ensures that focus is maintained at all stages of the Board recruitment process. The Company engages and works with specialist recruitment consultants to help identify talent and search for potential candidates that meet our objective criteria.

Board appointments and succession planning

The Committee works closely with the Board and, with the support of the Chief People Officer, develops strategies in support of progressive and orderly succession planning for Board and senior management. Planning includes consideration of the challenges and opportunities facing the Company and careful evaluation of the skills and experience needed on the Board in the future. When developing these plans, the Directors are mindful of the need for a more diverse Executive pipeline to help increase diversity levels in senior positions.

Page 74 in the Remuneration Committee Report sets out the term of appointment for each Director.

Board appointments and induction

Whether as part of formal succession planning or to fill any Board vacancy that should arise, the Committee leads the process for the appointment of Directors. The Chair of the Board does not chair the Committee when it is dealing with the appointment of their own successor. Any appointment process follows a careful assessment of skills, knowledge, experience and diversity on the Board to identify capabilities that would enhance the Board and support the long-term strategy of the Group. The Chief People Officer prepares a role description and outlines the capabilities required for the appointment. The services of an external recruitment agency are engaged to facilitate the search with instructions to consider candidates from a wide range of backgrounds. Potential candidates are also considered on merit and against objective criteria with due regard to the benefits of diversity, including gender, and time available to devote to the position. Potential candidates are required to disclose business interests that may result in a conflict of interest.

From a shortlist of suitable candidates, interviews are held with the Chair of the Board, CEO and Chief People Officer at the first stage, with interviews with other Board members at the next stage. The Committee then recommends appointments to the full Board for their formal approval. New appointments are proposed to shareholders for approval at the next AGM following the first date of appointment. On appointment, all Directors receive a personally tailored induction. This includes meetings with members of the Board, members of the Executive Committee, the Group General Counsel and Company Secretary, and presentations from key functions in the business. They are provided with an overview of the Group's structure, operations and governance policies and receive copies of past Board minutes and reports via the electronic Board portal. In addition, the portal holds other key corporate documents and information, for example, Matters Reserved for the Board, Committee Terms of Reference, the Company's Articles of Association and the Directors' and Officers' liability insurance arrangements.

Nomination Committee Report continued

Annual re-election of Directors at AGM

In accordance with the Company's Articles of Association, all Directors are subject to election or re-election by shareholders at the AGM. In line with good practice, the Committee recommended to the Board that all Directors eligible for re-election put themselves forward for re-election on an annual basis at the Company's AGM. However, if the recommended offer by DBAY Advisers Limited as announced on 10 January 2025 closes before the end of June 2025, the Company will not be calling an AGM and any appointments to the Board will be a matter reserved to the new owners of the Company.

Activities of the Committee

The duties and activities of the Committee are supported by the Committee's terms of reference. The Committee held meetings during the year to discuss and review:

- The structure, size, membership, and composition of the Board, including the independence of Directors, diversity, skills, knowledge, experience, and time commitments at least annually and prior to commencing any appointment process.

  The Committee determined that there is an appropriate balance between Executive and Non-Executive Directors on the Board. It considered the guidelines on independence. Camillo Pane was appointed Chair of the Board with effect from 19 February 2024 and was deemed independent on appointment and continues to be regarded by the Board as independent, alongside Richard Jones, Richard McKenzie, Kristof Neirynck, Eva-Lotta Sjöstedt and Martin Sutherland.

  As part of the review of time commitment, the Committee reviewed the external appointments of Chair and Non-Executive Directors. These are detailed in their biographies on pages 49 to 50. The Committee, having reviewed the position as part of its annual processes, considers that the Chair and Non-Executive Directors are not over-boarded and can allocate sufficient time and commitment to fulfil their duties to the Company.

- The succession plans for Directors and the nomination of candidates to fill Board vacancies and make recommendations to the Board on matters such as Committee membership, reappointment, and re-election of Directors.

  Succession plans in relation to the Chief Executive Officer and other members of the leadership team were reviewed. Prior to the search and recruitment process for new Directors, the Committee reviewed the skills, capabilities, diversity, and experience on the Board and concluded to specifically seek out skills and experience in consumer/consumer healthcare sector, strategic growth and expansion, business transformation as well as international experience. Supporting the orderly succession for the role of CEO, the Company was pleased to recommend that Nick Sedgwick be appointed to the Board as CEO with effect from 13 May 2024 and the appointment of Camillo Pane as Independent Non-Executive Director and Chair of the Board on 19 February 2024.

Audit and Risk Committee Report

The Committee is pleased with the significant progress made to strengthen our processes

COMMITTEE MEETINGS
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COMMITTEE MEMBERS
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Committee members
Richard Jones (Chair)
Martin Sutherland
Richard McKenzie

Chair's statement

On behalf of the Audit and Risk Committee ("the Committee"), I am pleased to introduce this year's Audit and Risk Committee Report. This report is intended to provide shareholders with information about the Committee's responsibilities and report on the activities of the Committee during the year and our approach to overseeing further improvements to our internal controls. As a Company admitted to trading on AIM, we are guided by the QCA's Audit Committee Guide and, when appropriate to do so, look to investor guidelines for best practice.

Following the 2023 audit, we learned valuable lessons and provided a full explanation of the reasons for the delay of the publication of our results. We assured shareholders that we engaged actively, and collaboratively, with management and our auditors throughout that audit process to ensure a successful conclusion to the audit, and the accurate reporting of the Company's results.

This year we have continued to work hard on our processes over which the Committee has had regular and detailed oversight. With 11 meetings held in 2024, the Committee focused its discussion on the audit process and the technical accounting matters in the first half of the year.

Following the publication of the 2023 results the Committee conducted a comprehensive review, particularly in respect of the weaknesses identified in our internal control environment, including impairment reviews, balance sheet reconciliations and IT environment. This work included engagement of external expertise and we are pleased that significant progress is being made.

Mid-year, I was pleased to welcome Richard McKenzie to the Committee following a review by the Board of the Committee's composition.

Richard Jones
Audit and Risk Committee Chair

7 April 2025

The role of the Committee

The Committee assists the Board with monitoring and reviewing the Company's financial results and other reporting and has oversight of the effectiveness of risk management and systems of internal control. Its role is to provide confidence to shareholders on the integrity of our reported financial results and provide challenge to the external auditors and senior management.

The framework of duties is set out in its Terms of Reference, which are available on the Company's website. Each year, the Committee reviews its own performance and its Terms of Reference.

Duties of the Committee

The duties of the Committee include:

- Reviewing the management and reporting of financial matters, including key accounting policies.
- Reviewing the Annual Report and Accounts and advising the Board on whether, when taken as a whole, it is fair, balanced, and understandable and provides shareholders with the information necessary to assess the Company's performance, business model and strategy.

Audit and Risk Committee Report continued

- Considering the appointment of external auditors and the frequency of retendering and rotation of the audit.
- Overseeing the relationship with, and the independence and objectivity of, the external auditors; setting policy in relation to the use of the external auditors for non-audit services.
- Advising the Board on the Company's appetite for, and tolerance of, risk and the strategy in relation to risk management and reviewing any non-conformances with these.
- Reviewing the Company's risk management and internal control systems and their effectiveness.
- Reviewing the Company's procedures for detecting fraud, bribery and corruption and ensuring arrangements are adequate for employees to raise concerns.

Members of the Committee have access to the Company Secretary, who attends and minutes all meetings. To enable the Committee to discharge its duties effectively, the Company Secretary is responsible for ensuring the Committee receives high-quality, timely information. The Chair of the Committee works closely with the CFO and the Finance department to ensure papers for meetings are comprehensive and comprehensible. When appropriate to do so, the Committee seeks the support of external advisers and consultants.

The Committee reports to the Board which includes reporting on any matters where it considers action or improvement is needed, including recommendation of remedial actions. The Chair of the Committee reports to the Board on its proceedings after each meeting on all matters, including any reporting issues and on estimates and judgements made in the preparation of financial statements.

Membership and meeting

Committee membership and attendance

Appointments to the Committee are made by the Board following any recommendations from the Nomination Committee. Only members of the Committee have the right to attend meetings. During 2024, the Committee had an appropriate mix of knowledge and skills gained through their experience of business, management practices including risk, industry and sector, and their recent and relevant financial experience. They have a direct relationship with the external auditor and review internal controls and financial reporting matters.

The CEO, CFO, and Group Finance Director are invited to attend all meetings, while other senior financial managers and external advisors attend as appropriate.

The external auditor also attends the meetings to discuss the planning and conclusions of their work and meets with the members of the Audit and Risk Committee without any members of the Executive team present after each meeting. The Audit and Risk Committee can call for information from management and consults with the external auditor directly if required.

Attendance

During the year, the Committee held a total of 11 meetings: seven scheduled and four unscheduled meetings, reporting on its activities to the Board. Members who are not able to attend unscheduled meetings offer their apologies and provide feedback to the Chair of the Committee in advance of meetings. Directors who, during the year, were unable to attend meetings, provided comments and feedback on business to the Chair of the Committee.

Member	Status	Attendance
Richard Jones	Independent	10/11
Martin Sutherland	Independent	11/11
Richard McKenzie[1]	Independent	4/5
Jo LeCouilliard[2]	Independent	1/1

1. Richard McKenzie was appointed to the Committee on 1 July 2024.
2. Jo LeCouilliard resigned from the Board on 19 February 2024.

Risk management and internal controls

The Board has primary responsibility for the Group's overall approach to risk management and systems of internal control and has delegated its oversight to the Committee. The Board considers risks when reviewing strategy. Those risks the Board is not prepared to take are either avoided or, as far as possible, mitigated and/or transferred to insurers.

The responsibilities surrounding risk management and internal control systems are designed to meet the needs of the business, relative to its size and complexity. It considers the applicable requirements of pharmaceutical and financial regulators in the various markets in which the business operates, as well as the legal requirements of being a UK Company admitted to AIM. Internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material financial loss or misstatement.

The expectation of the key components of the current systems of internal controls are:

- Clearly communicating Alliance's values and strategy to ensure these are understood and people know what is expected.
- Developing business and financial plans that support the strategy.
- Reviewing policies and procedures to ensure these remain fit for purpose.
- Continuous review and improvement of controls through enterprise resource planning.
- Regular reporting of actual performance relative to goals, budgets and forecasts.
- Ensuring there is a structure of accountability.
- Training and monitoring.

The identification of significant control weaknesses in impairment reviews, balance sheet reconciliations and the IT environment identified during the 2023 audit resulted in several misstatements being identified and addressed. This raised a challenge as to the effectiveness of the internal control environment, and the Committee instigated a comprehensive review led by the CFO and overseen by the Committee, of people, processes and controls during 2024.

Audit and Risk Committee Report continued

With the support of external advisors, a detailed gap analysis and action plan was implemented to address the identified issues. Remediation work has been completed with its key objective to ensure that there are effective processes in place to conclude that the 2024 financial statements contain no material errors.

Improvements implemented during 2024 include:

- For each identified area of control weakness, reviews were held with the process owners to understand the current process, develop a framework of expected controls to address risks to the business; and produce an action plan to implement controls improvements.
- Any additional process improvements identified were implemented as part of the framework and embedded into the business with a system of monitoring progress.
- Enhancement of the impairment models for the intangible asset portfolio.
- Detailed external technical oversight and testing of accounting processes and impairment modelling in respect of FY2024.

The work to improve our internal controls continues with the following additional activities planned for FY2025:

- Strengthening the skills of the finance function through permanent recruitment including roles in Internal Audit, Treasury and Technical Reporting in H1 2025.
- Targeted system implementations including new software for Group consolidation, cashflow reporting and tax automation
- Rolling out the improved controls framework documentation to the wider global finance team and increasing regular cross-functional communication, with a view to establishing a formalised control framework. This workstream will include an offsite strategic review with the Finance function in the summer of 2025.

Activities of the Committee

Areas of focus	Key duties and responsibilities	Activities of the Committee
Financial statements and narrative reporting	The content and integrity of financial statements and any formal announcements relating to financial performance, including review of the significant financial reporting judgements contained therein	› Review of the financial statements and narrative reporting in the Annual Report and Accounts for 2023 and 2024 with reference to the reports being fair, balanced and understandable. This included a review of the appropriateness of the disclosures considering requirements and guidance under IFRS, the AIM Rules for Companies, requirements under the Companies Act 2006, FRC guidance and the QCA Corporate Governance Code 2023. › Review of the preliminary results for the financial year ended 31 December 2023 and 2024. › Review of the unaudited half-year results to 30 June 2024. › Consideration of reports from the external auditor in respect of the Annual Report and Accounts from 1 January 2024 to the date of this report. › The committee confirmed that the content, integrity of, and judgements contained within financial statements and any formal announcements relating to financial performance were appropriate, fair, balanced and understandable.
Going concern	Matters that have informed the Board's assessment of whether the Company is a going concern	› Review of the going concern including methodology, assessment in support of the going concern assumption which included consideration of downside scenarios and the impact of the proposed DBAY acquisition. The Committee concluded that the Group has adequate resources to continue in operational existence for the foreseeable future. › After reviewing management prepared going concern papers, the Committee confirmed that the application of the going concern basis for the preparation of the financial statements continued to be appropriate.
Accounting policies and standards	Key accounting estimates and judgements	› In respect of the preparation of the financial statements for the year ended 31 December 2024, the Committee reviewed key accounting judgements and estimates including a review of the Group's weighted average cost of capital ("WACC"). › Review of the outcome of an Audit Quality inspection on Deloitte. › Review of intangible assets, including consideration of impairment of assets under IAS 36. › Specific review of the impairment of Amberen® and Nizoral™. This included challenges to management on the key assumptions used in the valuation model, including marketing reinvestment rate, discount rate and revenue growth rates in addition to a more scientific approach to central cost allocations. › Review of Alternative Performance Measures. › The Committee confirmed that key accounting estimates and judgements have been made appropriately and applied consistently
Risk management and internal controls	Financial and other internal controls and risk management systems, including the Group's Principal Risks and Uncertainties	› Review of the effectiveness of the internal control environment and control weaknesses in impairment reviews, balance sheet reconciliation and IT environment. › Review of the Group's risk management and Group risk register. › Review of the Principal Risks and Uncertainties reported in the Annual Report and Accounts 2024. › The committee reviewed the disclosures relating to risk and risk management in the ARA and considered that the review accurately reflected the committees view of the principal risks
	Regulatory and compliance risk	› Review of the Company's Speak Up Policy setting out the Company's whistleblowing arrangements and procedures. › Review of the non-audit fee policy.

Audit and Risk Committee Report continued

Fair, balanced and understandable assessment

The need for an annual report to be fair, balanced and understandable is one of the key compliance requirements for a company's financial statements. To ensure that Alliance's Annual Report meets this requirement, we have a well-established and documented process governing the coordination and review of Group-wide contributions to the publication. The Committee reviewed the 2024 Annual Report and Accounts including a review of the appropriateness of the disclosures considering requirements and guidance under IFRS, the AIM Rules for Companies, requirements under the Companies Act 2006, FRC guidance and the QCA Corporate Governance Code 2023. This enabled the Committee to confirm that Alliance's 2024 Annual Report is fair, balanced and understandable and provides the necessary information for shareholders to assess the company's position and performance.

Speak Up Policy

The Company has a Speak Up Policy and procedures to help with the detection and prevention of fraud. Reviewed annually, the Policy was updated during the year and published internally and on the Company's website. It provides all employees with access to a confidential helpline where they can raise concerns about potential and perceived improprieties. Provided it is appropriate to do so, the process is managed by the Company Secretary in conjunction with Human Resources. The outcomes of any investigations carried out in accordance with the policy are reported to the Committee.

Internal audit function

The Committee accelerated plans for the establishment of an internal audit function to strengthen our internal audit capabilities following feedback from our auditors during the FY 2023 audit. As at the date of this report, we are in the final stages of recruitment of the Head of Internal Audit who will report directly to the Chair of the Committee. The Head of Internal Audit will ensure that the risk management and controls are tested with outcomes, findings and recommendations reported to the Committee and is expected to be fully established in H2 2025.

Activities of the Committee continued

Areas of focus	Key duties and responsibilities	Activities of the Committee
Review of external auditor	The policy to control engagement of the external auditor to supply non-audit services	› Review of the scope and strategy for the 2024 external audit. › Review of the external auditor's performance, independence, and objectivity; meetings with the external auditor without management to consider any potential areas of concern. › Review and consideration of the external auditor's findings and recommendations and management's response from the audit of the years ended 31 December 2023 and 2024.
	External auditor's independence and objectivity and the effectiveness of the audit process	› Meetings with the external auditor without management to consider any potential areas of concern. › Review and consideration of the external auditor's findings; and recommendations and response from the audit for the years ended 31 December 2023 and 2024.
Terms of Reference	Reporting to the Board on how the Committee has discharged its responsibilities	› The Committee reviewed its own Terms of Reference, which are satisfactory. The Committee and Board were satisfied that the Committee and its members continue to operate effectively individually and collectively and had discharged all the duties within its remit.

External auditor

Audit process

Each year, the Committee assesses the proposed audit plan for the external auditor's review of the Company's full-year financial statements. This plan sets out the scope of the audit, areas of significant risk of material misstatement, timetable, and fees. Deloitte formally presented their findings to the Committee but throughout the auditing process there is regular dialogue and engagement with management with any significant matters or risks being communicated.

Prior to the Board's approval of the Annual Report and Accounts, the Committee reviews with the auditor the representations set out in the management representation letter and reports to the Board. The auditor presents the Board with a management representation letter which the Committee will have reviewed and discussed with the auditor as part of its year-end meetings.

Audit Quality Review

The FRC's Audit Quality Review team ("AQRT") selected Deloitte's audit of the Company's 2022 financial statements for review, as part of its annual programme of promoting improvement in the overall quality of auditing in the UK and then also conducted a high-level review of the 2023 audit process.

The Committee was pleased to learn that Audit Quality Review was fully concluded in respect of the 2022 and 2023 external audits and the review closed.

Effectiveness and independence of the external auditor

In 2024, to ensure objectivity and independence, there was a change in the Lead Audit Partner at Deloitte. The Committee is responsible for agreeing the terms of engagement with the Company's external auditor. The objectivity and independence of the external auditor is safeguarded by reviewing the auditor's formal declarations, monitoring relationships between key audit staff and the Company, and tracking the level of non-audit fees payable to the external auditor. The Committee annually reviews the scope and fees for the annual audit of the Company.

Reappointment of the external auditor

Deloitte took up office as the Company's external auditor in 2022. The auditor's reappointment requires the approval of shareholders at the AGM. However, if the recommended offer by DBAY Advisers Limited as announced on 10 January 2025 closes before the end of June 2025, the Company will not be calling an AGM and will instead work with DBAY to appoint the Company's auditor for the coming financial year.

ESG Committee Report

During 2024 we have continued to strengthen our sustainability agenda

COMMITTEE MEETINGS
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COMMITTEE MEMBERS
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Committee members

Eva-Lotta Sjöstedt (Chair)
Kristof Neirynck
Camillo Pane

Chair's statement

As Chair of the ESG Committee, it gives me great pleasure to introduce my first report from the ESG Committee ("the Committee") since becoming Chair of the Committee on 1 July 2024.

During 2024, we have continued to strengthen our sustainability agenda and responsible business practices as we focus on our Purpose, our People and the Planet. We have a strong focus on ethics and compliance, and we have introduced an anti-slavery strategy to address human rights in our supply chain. As part of our wider commitment to our communities, we encourage every colleague to take a day of paid leave to volunteer for a charity of their choosing.

Furthermore, our robust governance framework ensures transparency, accountability, and ethical decision-making, safeguarding the interests of our shareholders and stakeholders alike.

We have pursued initiatives aimed at minimising our environmental footprint, fostering positive social impact, and upholding the highest standards of corporate governance. The Committee continues to believe that, by operating our business in a responsible way, we can minimise our negative impacts and maximise our positive contribution while promoting the sustainability of our business for the longer term.

In alignment with our ESG objectives, we have implemented innovative sustainability measures across our operations, reducing carbon emissions, conserving resources, and promoting eco-friendly practices. We continued to work towards our target of achieving net zero Scope 1 and 2 emissions by 2030 and have now set a Scope 3 emissions target of net zero by 2044 (see pages 34 and 35). We are on track to meet our interim target of 65% reduction in Scope 1 and 2 emissions by 2025 (versus 2018 baseline).

Our commitment to sustainable practices is reflected in our decision to engage an external consultant to conduct a double materiality assessment, the results of which are expected in mid 2025. From this we will develop a comprehensive ESG strategy with associated, measurable key performance indicators ("KPIs"). Once appropriate KPIs have been identified, we intend to make a recommendation to the Remuneration Committee linking relevant KPIs to Executive performance criteria. As we embark on this transformative path, we recognise the importance of continuous improvement and collaboration. Together, we are committed to building a sustainable future that not only adds value to our business but also contributes positively to the world around us.

The following pages set out the Committee's responsibilities and activities the Committee discussed during the year. Additional information is also provided in our Sustainability section of this report on pages 28 and 29 and in the Sustainability section and Sustainability Report on the Company's website.

I would like to thank those shareholders who continue to work with us to help us better understand responsible investing.

Eva-Lotta Sjöstedt
ESG Committee Chair

7 April 2025

The role of the Committee

The ESG Committee's primary role is to review the overarching ESG vision for the Company, including climate change, and ensure that the priorities are anchored as an integral part of the Company's overall strategy attracting the right level of resource and investment.

The framework of duties is set out in its Terms of Reference, which are available on the Company's website.

ESG Committee Report continued

Duties of the Committee

The duties of the Committee include:

- To recommend the overarching ESG vision to the Board and ensure that ESG priorities are anchored at the top of the Company.
- To ensure ESG priorities are an integral part of the Company's overall strategy.
- To develop the short- and long-term strategy and framework for managing the risks and opportunities relating to ESG.
- To ensure that the views of stakeholder groups on ESG matters are solicited and understood to inform the Company's long-term strategic decisions.
- To identify the relevant ESG priorities that most significantly impact the Company and its stakeholders, its reputation and public interest role.
- To assist the Board in defining and executing the Company's strategy and agree the annual plan and targets relating to ESG matters.
- To review the Company's performance against its annual plan and ESG targets, initiatives, and commitments.
- To guide the Company's ESG communication strategy.
- To ensure that ESG priorities are reflected in the Company's culture through its Purpose, Vision, Values, and behaviours, as well as its Partner Code of Conduct.
- To oversee and review the charitable activities of the Company.
- To monitor, track and make recommendations to other Committees of the Board on matters relating to governance.

Membership and meeting attendance

Three Independent Non-Executive Directors currently serve on the ESG Committee.

The CEO, Chair and Head of IR are invited to attend the Committee as observers. Others are invited to attend as appropriate to support the Committee with its discussions and decision-making. During the year, the Committee also invited ESG consultants to present on net-zero carbon strategy, understanding the Company's Scope 1, 2 and 3 emissions and setting the carbon action plan and climate change risks.

During the year, the Committee held five scheduled meetings and reported on its activities to the Board.

Member	Role	Status	Attendance
Eva-Lotta Sjöstedt[1]	Chair	Independent	4/5
Kristof Neirynck	NED	Independent	5/5
Camillo Pane[2]	NED	Independent	4/4
Jo LeCouilliard[3]	NED	Independent	1/1

1. Eva-Lotta Sjöstedt took over as Chair of the Committee from Kristof Neirynck on 1 July 2024.
2. Camillo Pane joined the Committee with effect from the 1 July 2024.
3. Jo LeCouilliard resigned from the Board on 19 February 2024.

Activities of the Committee

An overview of our approach and sustainability framework can be found on pages 26 and 27 and in our Sustainability Report on our website.

Committee meetings focused on six key workstreams agreed as part of the 2024 plan. Progress is being made against these areas with activities being focused on scope and resourcing in the areas of net-zero strategy and roadmap, voluntarily reporting under the Task Force on Climate-Related Disclosures ("TCFD"), carbon action planning, sustainable packaging, EDI strategy and KPIs, human rights in the supply chain and responsible partnering. Below sets out some of the key activities undertaken by the Committee:

- Received regular updates from the Chief People Officer on EDI strategy and plans and the progress being made on a gender pay gap review, diversity initiatives, the establishment of an EDI working group, talent review, HR resource and general workstreams; the Committee sought to understand good practice in the UK and in other jurisdictions.
- The development and implementation of a human rights strategy enhancing work done in relation to the anti-slavery strategy, the Slave Free Alliance (SFA) gap analysis, and the three-year anti-slavery action plan. This included the development of KPIs and training for employees.
- Received updates of a comprehensive risk-based audit of CMOs to ensure the integrity and reliability of our supply chain. The identification of high-risk partners is crucial to mitigating potential threats to our business. Risks may emerge in various areas such as compliance with regulatory standards, financial stability, ethical practices, and operational resilience. It is essential to scrutinise each partner's adherence to quality control measures, environmental and social responsibility, and cyber-security protocols. This proactive approach to supplier risk management enables the business to strengthen its supply chain resilience and safeguard the continuity of its operations.
- Reviewed progress being made against our Net-Zero Roadmap including Scope 1 and 2 emissions, reviewing updated Scope 3 targets to achieve 25% reduction by 2030 and a net-zero goal by 2044; highlighting the Company's continued commitment to sustainability through four key areas: sites and operations, product-related strategies, logistics, and people, each contributing varying percentages to the total emissions. The Committee also approved the publication of the PPN 06/21 Carbon Action Plan on the Company's website.
- Received updates on sustainable packaging and the engagement of external support to assist the business response to regulatory obligations under Extended Producer Responsibility ("EPR"). Data continues to be gathered by the business on its packaging as the business seeks to define its approach to targets in sustainable packaging across the product base from a recyclability, post-consumer recycled ("PCR") materials and overall plastic use perspective leading to clear KPIs.
- Reviewing and approving our voluntary 2022 and 2023 Task Force on TCFD for reporting in both the Annual Report and Accounts and on the Company's website.
- Horizon scanning to ensure the Committee is kept up to date and informed on the changing regulatory landscape and reporting requirements.
- Receiving reports on joining the UN Global Compact and our commitment to uphold the ten principles in the area of human rights, labour, environment and anti-corruption.
- Reviewing key metrics to help inform the Remuneration Committee in setting ESG-related objectives.
- Reviewing and supporting the use of advisers to support the Company's ESG strategy and also agreeing to undertake a double materiality assessment to help inform future ESG and sustainability strategies into 2025 and 2026.

Remuneration Committee Report

The Committee has continued to align remuneration and incentives to strategy

COMMITTEE MEETINGS
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COMMITTEE MEMBERS
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Committee members

Martin Sutherland (Chair)
Camillo Pane
Richard McKenzie
Eva-Lotta Sjöstedt

As a Company admitted to AIM, we are guided by the QCA's Remuneration Committee Guide and, when appropriate to do so, look to investor guidelines for best practice.

Activities of the Committee during the year included:

- Monitoring and making recommendations with respect to the level and structure of remuneration for senior management.
- Reviewing the 2024 annual corporate bonus scheme to ensure it is appropriate across all levels in the organisation.
- Reviewing data to support the appropriate level of remuneration following changes to roles and responsibilities of Directors during the year.
- Assessing the achievement of performance conditions and extent of vesting relating to share awards which matured in 2024.
- Reviewing the holding requirements and level of holdings under the Company's Share Ownership Policy.

On 1 July 2024, Kristof Neirynck stepped down as a member of the Committee and we were pleased to welcome Camillo Pane and Eva-Lotta Sjöstedt as members of the Committee.

The Committee continues to monitor trends and developments in relation to remuneration market practices and corporate governance and welcomes views from its shareholders.

I would like to thank our shareholders for their continued support.

Martin Sutherland
Remuneration Committee Chair

7 April 2025

Remuneration Committee Report continued

The role of the Remuneration Committee

The role of the Committee is to ensure there is a formal process for considering Executive remuneration. On behalf of the Board, it reviews the pay, benefits, and other terms of service of the Executive Directors of the Company and the broad pay strategy with respect to other senior Executives. The framework of duties is set out in its Terms of Reference which are available on the Company's website.

Each year, the Committee reviews its own performance and its Terms of Reference. Members of the Committee have access to the Company Secretary who attends and minutes all meetings. To enable the Committee to discharge its duties effectively, the Company Secretary is responsible for ensuring the Committee receives high-quality, timely information.

The Chair of the Committee reports to the Board on its proceedings after each meeting and will make any recommendations to the Board it deems appropriate. The Committee will also engage with the Nomination Committee when considering, for example, the appointment of Directors or contractual terms on termination.

Membership and meeting attendance

Appointments to the Committee are made by the Board following recommendations from the Nomination Committee. Only members of the Committee have the right to attend meetings. However, where appropriate, the CEO, CFO and the Chief People Officer are also invited to attend certain meetings of the Remuneration Committee.

The Committee comprised the following Independent Non-Executive Directors and their attendance was as below. In the year the Committee held five meetings and reported on its activities to the Board.

Member	Status	Attendance
Martin Sutherland	Independent	5/5
Richard McKenzie	Independent	5/5
Eva-Lotta Sjöstedt[1]	Independent	3/3
Camillo Pane[1]	Independent	3/3
Kristof Neirynk[2]	Independent	3/3
Jo LeCouilliard[3]	Independent	1/1

1. Camillo Pane and Eva-Lotta Sjöstedt were appointed to the Committee with effect from 19 February 2024 and 1 July 2024 respectively.
2. Kristof Neirynck stepped down from the Committee with effect from 1 July 2024.
3. Jo LeCouilliard stepped down as Chair of the Committee but continued to remain a member of the Committee until her resignation from the Board on 19 February 2024.

Activities of the Committee

Matters considered by the Remuneration Committee include reviewing policies on remuneration, the external environment, market comparators, increases to annual base salaries, short-term and long-term reward structures, and assessing the extent to which targets have been achieved under the performance-related incentive schemes. When appropriate to do so, the Committee seeks the support of its independent external advisors. This advisor provides no other services to the Company and the Committee is satisfied that the advice received is objective and independent.

No Directors or senior managers are involved in any decisions as to their own remuneration.

Remuneration policy

Advisory vote

In keeping with good practice, shareholders will be given a 'say on pay' on the Remuneration Report by virtue of an advisory vote at the AGM. If the offer from DBAY does not close before the end of June 2025, the Company will hold its AGM to provide this opportunity to shareholders.

Remuneration policy tables

As the Company is admitted to AIM, it is not required to produce a formal remuneration policy or seek shareholder approval of that policy. However, we set out below additional information that the Committee believes will be most useful to shareholders and reflects remuneration practices that are appropriate for an AIM Company of our size. The policy is designed to ensure our Executive Director pay arrangements remain supportive of and drive the strategy of the Company.

Remuneration Committee Report continued

Element	Policy
Base salary	Base salaries are reviewed annually to ensure they remain in line with other pharmaceutical/healthcare and other AIM Companies and reflect the size and scope of the individual's role. Within that frame of reference, the Company aims to be at or near the median level. Annual base salaries increase from May each year. The Committee is committed to ensuring that salaries remain competitive relative to the AIM 100. Levels are set to attract and retain individuals to lead and drive forward the agreed strategy for the Company.
Pension and other benefits	Executive Directors can participate in the Company's defined contribution pension scheme. In line with all employees, only their base salaries are pensionable. The Company contributes twice the amount contributed by the employee up to a maximum of 10% of salary. When appropriate to do so, Executive Directors may take benefits as a salary cash supplement (which will ordinarily be reduced to take account of the employer National Insurance Contributions). Other benefits in kind include life assurance, healthcare, and the provision of a cash allowance in lieu of a Company car.
Annual bonus	Executive Directors are eligible to participate in the all-employee cash-settled Annual Bonus scheme which reinforces the delivery of the Group's short-term corporate goals, typically linked to two factors: › the achievement of budgeted levels of underlying profit before tax, which is the key metric the Board considers in monitoring corporate performance; and › personal performance of each Executive. The level of bonus is determined by first assessing the level of financial performance, and then applying a further multiplier which is determined by assessment of the Executive's personal performance for the year. Targets are set at the start of each financial year and are determined with the approval of the Remuneration Committee to ensure they incentivise the Executives and align with delivery of the Group's strategy. Personal performance is measured using various factors, including delivery of pre-set personal targets. The Annual Bonus that each of the Executives can earn is as follows: **Chief Executive Officer** A bonus of 14% of base salary, increasing on a sliding scale up to a maximum of 100% of base salary, is payable upon the achievement of financial performance targets. The bonus payable can be increased further by applying a personal performance multiplier. The maximum personal performance multiplier is 1.5x (i.e. up to an additional 50% of salary). The CEO's potential maximum Annual Bonus opportunity is therefore 150% of base salary. **Chief Financial Officer** A bonus of 11% of base salary, increasing on a sliding scale up to a maximum of 80% of base salary, is payable upon the achievement of financial performance targets. The bonus can be increased further by applying a personal performance multiplier. The maximum personal performance-related multiplier is 1.5x (up to an additional 40% of salary). The potential maximum Annual Bonus opportunity is therefore 120% of base salary for the CFO.
Share incentive schemes	The Company operates share-based incentive schemes to encourage a culture of long-term growth and performance that aligns with shareholders. In recent years, the Executive Directors have participated in both a market value Company Share Option Plan ("CSOP"), and a nil-cost Long-Term Incentive Plan ("LTIP"). However, as set out on page 76, no further awards will be granted under the CSOP and the LTIP will be the sole long-term incentive vehicle going forward. LTIP awards granted to the Executive Directors are subject to performance metrics assessed over a three-year performance period and typically include Earnings Per Share ("EPS"), Total Shareholder Return ("TSR") and Return on Capital Employed ("ROCE"). The maximum market value of shares over which LTIP awards may be granted to any participant during any financial year is 150% of the participant's salary but with the intention that annual awards will not normally exceed 120% of the participant's salary. However, in exceptional circumstances, the Committee may, at its absolute discretion, grant a higher amount. Award levels are reviewed regularly by the Committee to ensure that aggregate remuneration levels remain competitive. Further information about the Company's share incentive plans is set out on page 76.
Share ownership	To align Directors' and senior management's interests with those of our shareholders, the Company operates a Share Ownership Policy. Relevant employees are required to build a qualifying interest in shares or vested options capable of exercise that is equal to a percentage of their base salary. Ordinary shares are valued at their market value at the time of any calculation carried out to determine whether a qualifying interest has been established or needs to be increased. Vested but unexercised options are included based on the implied net-of-tax gain. The CEO is required to build a qualifying interest equal to 200% of his base salary, while the CFO is required to build an interest equal to 150% of his salary. Further information can be found on page 73 of this report.

Remuneration Committee Report continued

Policy table in respect of Non-Executive remuneration

Remuneration/Benefit	Application
Fees	Non-Executive Directors of the Company receive a basic fee for their services provided to the Company. These are reviewed by the Board from time to time to ensure levels remain in line with comparable Companies. There are no performance measures in relation to fees paid to Non-Executive Directors.

	Salary or fees		Other[10]		Pension		Bonus		Total remuneration, excluding share options		Exercised share option gains		Total remuneration, including share options	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	**2023**	**2024**	2023	**2024**	2023	**2024**	2023
Camillo Pane[1]	103,969	–	2,184	–	–	–	–	–	106,153	–	–	–	106,153	–
Nick Sedgwick[2]	235,840	–	7,266	–	20,724	–	58,036	–	321,866	–	–	–	321,866	–
Peter Butterfield[3]	204,154	377,167	459,748	12,369	18,314	31,725	–	–	682,216	421,261	–	37,386	682,216	458,647
Andrew Franklin[4]	287,221	256,194	12,216	11,663	26,600	21,191	41,111	–	367,148	289,048	–	21,134	367,148	310,182
Jeyan Heper[5]	186,083	251,731	290,799	9,337	18,608	25,173	–	–	495,490	286,241	–	–	495,490	286,241
Richard Jones	59,400	57,246	547	1,589	–	–	–	_	59,947	58,835	–	–	59,947	58,835
Jo LeCouilliard[6]	12,985	76,920	47,454	899	–	–	–	_	60,439	77,819	–	–	60,439	77,819
Richard McKenzie[7]	49,400	7,265	1,397	–	–	–	–	–	50,797	7,265	–	–	50,797	7,265
Kristof Neirynck	54,400	51,951	1,147	847	–	–	–	_	55,547	52,798	–	–	55,547	52,798
Eva-Lotta Sjöstedt[7]	49,400	7,265	1,654	–	–	–	–	–	51,054	7,265	–	–	51,054	7,265
Martin Sutherland[8]	54,400	47,510	1,436	706	–	–	–	–	55,836	48,216	–	–	55,836	48,216
David Cook[9]	–	36,000	–	1,359	–	–	–	–	–	37,359	–	–	–	37,359
	1,297,252	1,169,249	**825,848**	38,769	**84,246**	78,089	**99,147**	–	**2,306,493**	1,286,107	–	58,520	**2,306,493**	1,344,627

1. Camillo Pane was appointed to the Board on the 19 February 2024.
2. Nick Sedgwick was appointed to the Board on the 13 May 2024.
3. Peter Butterfield resigned from the Board on the 30 June 2024. The figures shown above relate to the period 1 January 2024 to 30 June 2024. Details of Peter's other remuneration in connection with his cessation of employment can be found on **page 74**.
4. In FY2023, Andrew Franklin was paid an uplift of £7,000 per month whilst he was acting as CEO. Peter Butterfield returned to work in March 2023 and earned his fixed pay since taking a leave of absence in November 2022 and then resumed his duties as full time CEO from 1 July 2023.
5. Jeyan Heper resigned from the Board on the 31 August 2024. The figures shown above relate to the period 1 January 2024 to 31 August 2024. Details of Jeyan's other remuneration in connection with his cessation of employment can be found on **page 74**.
6. Jo LeCouilliard resigned from the Board on the 19 February 2024. The figures shown above relate to the period 1 January 2024 to 19 February 2024. Details of Jo's other remuneration in connection with her cessation of employment can be found on **page 74.**
7. Eva-Lotta Sjöstedt and Richard McKenzie joined the Board on 6 November 2023.
8. Martin Sutherland joined the Board on 1 February 2023.
9. David Cook resigned from the Board as Non-Executive Director and Chair on 25 May 2023.
10. 'Other' includes settlement payments made to Directors. Details of these are included on **page 74** under 'Payments for loss of office'.

No Director received any remuneration from a third party in respect of their service as a Director of the Company.

Remuneration Committee Report continued

Base salary

During the year, the Committee undertook a review of market benchmarks, including Companies of similar size and sector, to gauge the pay positioning of the Executive Directors and other senior management; the review concluded that our total remuneration levels remained at the median level. Ellason assisted the Committee with benchmarking of roles and discussed with the Committee the market data and pay gaps, market sentiment, and the macro economic environment.

The base salaries for the COO and CFO were increased by 3%, from to £275,000 to £283,250 for the COO (Jeyan Heper) and from £281,589 to £290,036 for the CFO; these increases took effect on 1 May 2024 and were in line with the average increase for other UK employees. There was no increase in salary to Peter Butterfield.

Nick Sedgwick was appointed CEO on 13 May 2024, on an annual base salary of £370,000.

Pension and benefits

The CEO and CFO both received a pension allowance of 10% of basic salary net of employer's national insurance contribution and the COO participated in the Company's salary sacrifice pension scheme and received an employer's contribution of up to a maximum of 10% of salary.

The column headed 'Other' in the table above shows the value of benefits provided to each Executive Director, including car and healthcare allowances. The Executive Directors accrue retirement benefits through defined contribution pension schemes. The Company does not operate a defined benefit pension scheme. No Director or former Director received any benefits from a retirement benefits scheme that were not otherwise available to all members of the scheme.

Annual bonus

For the year ending 31 December 2024, the Committee reviewed the achievement of actual underlying profit before tax (PBT) against budgeted levels of underlying PBT — the key metric for monitoring corporate performance. In addition, the Committee considered the personal performance of the Executive Directors as measured against various factors including pre-set personal objectives. For the Executive Directors this resulted in the following payable amounts:

	2024 £	2023 £	2024 % Salary	2023 % Salary
Nick Sedgwick	58,036	Nil	24.6%	–
Andrew Franklin	41,111	Nil	14.3%	–

No annual bonus payments were paid to the Executive Directors in respect of the year ending 31 December 2023, as the required threshold level of PBT was not achieved.

Non-Executive Directors' fees

A 3% increase to Non-Executive Directors' fees was approved during the year and took effect on 1 May 2024 except for those of Camillo Pane who was appointed in the year.

The annual fee payable to Jo LeCouilliard as Chair of the Board was £94,500, pro rata to her tenure during the year. Camillo Pane was appointed Chair of the Board with effect from 19 February 2024 with a contractual fee of £120,000. The Chair and Non-Executive Directors may be reimbursed for any reasonable business expenses, including any taxes payable thereon.

Each Non-Executive Director is paid an annual base Board fee of £49,884. An additional £5,000 annual Committee Allowance is paid to a Non-Executive Director for chairing the Audit and Risk, ESG and Remuneration Committees. No Committee Allowance is paid for the chairing of the Nomination Committee. Richard Jones is the appointed Senior Independent Director for which he receives an additional annual allowance of £5,000.

Company Share Plans

The Company operates two share incentive schemes under which shares can be awarded to Executive Directors and senior management. More details on our share plans can be found in the Directors' Report on page 76.

No awards were granted in 2024 under the CSOP.

Awards under the Alliance Long-Term Incentive Plan 2019 ("LTIP")

During the year, the Committee approved awards granted under the Company's LTIP in the form of nil-cost options to Nick Sedgwick. These were granted on 24 June 2024 with a face value of 100% of base salary, equal to 906,862 nil-cost options to the CEO. The share price used to calculate the number of shares awarded was 40.8p (being the closing mid-market price on 23 June 2024). The award level was set below the policy maximum of 120% of salary. This award will vest on the third anniversary from the date of grant, being 24 June 2027, subject to meeting the EPS, TSR and ROCE performance targets set out below.

No further awards were made under the LTIP in 2024.

Malus and clawback

All LTIP awards are subject to standard malus and clawback provisions which allow the Company, in certain circumstances, to either (i) terminate outstanding options, or (ii) seek repayment of after-tax value of options which have been exercised by an Executive who has been dismissed as a result of a set of prescribed irregularities including the discovery of material misstatement of results of the Company or Group; or a serious breach of the Company's code of ethics has arisen; or a serious regulatory, or health and safety issue has occurred.

Remuneration Committee Report continued

Performance conditions

The vesting of LTIP awards granted in 2024 to Nick Sedgwick is based 40% on EPS, 40% on TSR and 20% on ROCE.

Underlying earnings per share

EPS	% of award that vests (40% of overall award)
< 5% CAGR	0%
5% –10% CAGR	Calculated on a straight-line basis between 25% and 100%
> 10% CAGR	100%

CAGR: means compound annual growth rate.

EPS: means the underlying diluted earnings per share as presented in the Company's published Annual Reports.

EPS Compound Annual Growth Rate: means the percentage of increase in the EPS of the Company calculated by reference to the difference between (i) the EPS as presented in the published Annual Report for the financial year ending 31 December 2023, to (ii) the EPS as presented in the published Annual Report for the financial year ending 31 December 2026.

EPS Performance Period: means the period from 1 January 2024 to 31 December 2026 (inclusive).

Total shareholder return

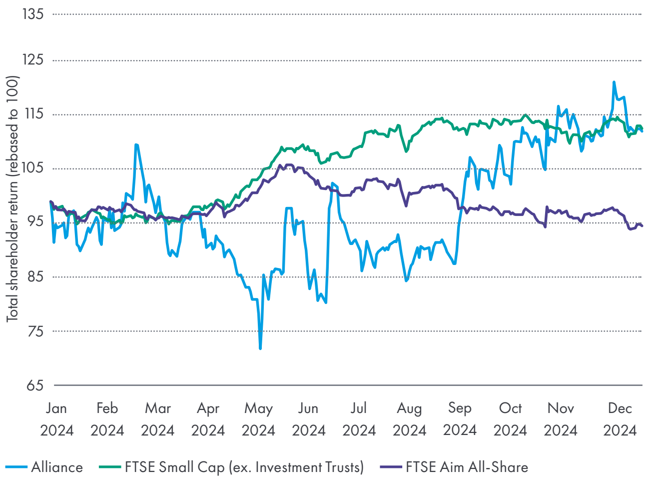
TSR	% of award that vests (40% of overall award)
Less than the index	0%
Equal to the index	25%
Between the index but less than 15% out-performance of the index on a cumulative basis over the TSR performance period	Calculated on a straight-line basis between 25% and 100%
Equal to or greater than 15% out-performance of the index on a cumulative basis over the TSR performance period	100%

Index: means the AIM All-Share Index.

TSR: means total shareholder return calculated by reference to the Company's share price appreciation plus all dividend per share paid (based on the ex-dividend date) during the TSR Performance Period, and as determined by the Company's Nominated Adviser at the end of the TSR Performance Period.

TSR Performance Period: means the period starting on the Grant Date and ending on the third anniversary of the Grant Date.

Total Shareholder Return
3 January 2024 to 29 December 2024



Underlying return on capital employed

ROCE	% of award that vests (20% of overall award)
Equal to 90% of Target ROCE	25%
90% Target ROCE < Vesting ROCE ≤ 125% of Target ROCE	Calculated on a straight-line basis between 25% and 100%
Vesting ROCE > 125% Target ROCE	100%

Target ROCE: 10.6%, calculated on the basis of the five-year average ROCE up to and including 31 December 2023 (taken from the audited and published accounts for those five accounting periods).

ROCE: is calculated by dividing underlying operating profit before tax by capital employed (the aggregate of shareholders' equity and interest-bearing debt).

Underlying operating profit before tax: profit before tax, interest and non-underlying items, as set out in the audited accounts for the relevant period/s.

Shareholders' equity: total equity at the relevant balance sheet date (equal to total assets less total liabilities), which is to be defined as net of non-underlying items (e.g. amortisation and impairments).

Interest-bearing debt: bank loan drawn at the relevant balance sheet date.

Awards under the Alliance Company Share Option Plan 2015 ("CSOP")

No awards were granted to employees under the CSOP in the year under review. In previous years, market value CSOP share options have been granted to the Executive Directors and members of the Senior Leadership Team ("SLT") and, where appropriate, may attract HMRC tax advantages. Details of CSOP awards granted to the Executive Directors can be found on pages 71 and 72.

Awards vesting during the year

All awards granted under the CSOP and the LTIP to Peter Butterfield and Andrew Franklin on the 29 September 2021 lapsed in full, as neither the EPS nor TSR targets were met.

Details of the number of shares vesting and the relevant exercise prices for option awards is set out in the tables on pages 71 and 72. The closing mid-market price of Ordinary shares on 31 December 2024 (being the last dealing day in the calendar year) was 45.8p and the range during the year was from 29.4p to 49.6p.

Remuneration Committee Report continued

Share incentive awards

Executive Directors hold options through the Company's share option and LTIP. Details of all options held under the Company's employee share schemes by the Directors as at 31 December 2024 and who served during the year are shown on pages 71 and 72. Shares are retained as required to comply with the Company's Share Ownership Policy for which details are provided on page 73.

Peter Butterfield

Type of award	Date of grant	Exercise price (p)	Performance condition	No. of options granted	Vested	Exercised during the financial year	Lapsed	Number of options capable of exercise	Exercisable from	Exercisable to
CSOP Unapproved	27-Oct-16	47.50	EPS	1,000,000	1,000,000	–	–	500,000	27-Oct-21	08-Oct-25
CSOP Unapproved	05-Oct-18	81.60	EPS	1,250,000	1,250,000	–	–	1,250,000	05-Oct-21	08-Oct-25
CSOP Unapproved	05-Dec-19	76.90	EPS & TSR	137,500	68,750	–	68,750	68,750	05-Dec-22	08-Oct-25
LTIP	05-Dec-19	Nil	EPS & TSR	196,684	98,342	–	98,342	–	–	–
CSOP Unapproved	23-Sep-20	73.70	EPS & TSR	165,000	–	–	165,000	–	–	–
LTIP	23-Sep-20	Nil	EPS & TSR	246,269	–	–	246,269	–	–	–
CSOP Unapproved	29-Sep-21	102.80	EPS & TSR	139,943	–	–	139,943	–	–	–
CSOP Approved	29-Sep-21	102.80	EPS & TSR	29,182	–	–	29,182	–	–	–
LTIP	29-Sep-21	Nil	EPS & TSR	180,970	–	–	180,970	–	–	–
CSOP Approved	29-Sep-22	58.20	EPS & TSR	1	–	–	1	–	–	–
CSOP Unapproved	29-Sep-22	58.20	EPS & TSR	182,499	–	–	182,499	–	–	–
LTIP	29-Sep-22	Nil	EPS & TSR	344,931	–	–	344,931	–	–	–
LTIP	04-Oct-23	Nil	EPS, TSR, ROCE	851,666	–	–	851,666	–	–	–
				4,724,645	**2,417,092**	–	**2,307,553**	**1,818,750**		

Remuneration Committee Report continued

Andrew Franklin

Type of award	Date of grant	Exercise price (p)	Performance condition	No. of options granted	Vested	Exercised during the financial year	Lapsed	Number of options capable of exercise	Exercisable from	Exercisable to
CSOP Unapproved	04-Dec-15	46.75	None	1,935,829	1,935,829		–	500,000	04-Dec-18	04-Dec-25
CSOP Unapproved	27-Oct-16	47.50	EPS	155,000	155,000	–	–	155,000	27-Oct-19	27-Oct-26
CSOP Unapproved	27-Oct-16	47.50	EPS	400,000	400,000	–	–	400,000	27-Oct-21	27-Oct-26
CSOP Unapproved	15-Sep-17	53.00	EPS	170,000	170,000	–	–	170,000	15-Sep-20	15-Sep-27
CSOP Unapproved	05-Oct-18	81.60	EPS	178,000	178,000	–	–	178,000	05-Oct-21	05-Oct-28
CSOP Approved	05-Dec-19	76.90	EPS & TSR	39,011	19,505	–	19,505	19,505	05-Dec-22	05-Dec-29
CSOP Unapproved	05-Dec-19	76.90	EPS & TSR	55,989	27,994	–	27,994	27,994	05-Dec-22	05-Dec-29
LTIP	05-Dec-19	Nil	EPS & TSR	111,183	55,592	–	55,592	–	–	–
CSOP Unapproved	23-Sep-20	73.70	EPS & TSR	110,000	–	–	110,000	–	–	–
LTIP	23-Sep-20	Nil	EPS & TSR	134,328	–	–	134,328	–	–	–
CSOP Unapproved	29-Sep-21	102.80	EPS & TSR	115,000	–	–	115,000	–	–	–
LTIP	29-Sep-21	Nil	EPS & TSR	100,681	–	–	100,681	–	–	–
CSOP Unapproved	29-Sep-22	58.20	EPS & TSR	121,900	–	–	–	–	29-Sep-25	29-Sep-32
LTIP	29-Sep-22	Nil	EPS & TSR	188,505	–	–	–	–	29-Sep-25	29-Sep-26
LTIP	04-Oct-23	Nil	EPS, TSR, ROCE	568,866	–	–	–	–	04-Oct-26	04-Oct-27
				4,384,292	**2,941,920**	**–**	**563,100**	**1,450,499**		

Jeyan Heper

Type of award	Date of grant	Exercise price (p)	Performance condition	No. of options granted	Vested	Exercised during the financial year	Lapsed	Number of options capable of exercise	Exercisable from	Exercisable to
LTIP	04-Oct-23	Nil	EPS, TSR, ROCE	861,111	261,086			261,086	04-Oct-26	04-Apr-27
				861,111	**261,086**	**–**	**–**	**261,086**		

Nick Sedgwick

Type of award	Date of grant	Exercise price (p)	Performance condition	No. of options granted	Vested	Exercised during the financial year	Lapsed	Number of options capable of exercise	Exercisable from	Exercisable to
LTIP	24-Jun-24	Nil	EPS, TSR, ROCE	906,862	–	–	–	–	24-Jun-27	24-Jun-28
				906,862	**–**	**–**	**–**	**–**		

Remuneration Committee Report continued

Directors' interests, shareholdings & Share Ownership Policy

The Company operates a Share Ownership Policy under which the Executive Directors and certain other employees are required, when exercising options, to acquire and maintain an interest in Alliance Pharma shares up to a percentage of base salary. The policy requires Executive Directors, when they exercise options, to retain shares in the Company with a value equal to 50% of the net gain (post costs and settlement of tax liabilities) until such time as the required level of shareholding is achieved.

Once an Executive Director has built a stake in the Company equal to the required level, they are free to exercise without having to retain shares. Interests may also be maintained as a result of a Director acquiring Ordinary shares in the open market. The Company Secretary maintains a record of individual required levels and qualifying interests, based on notified information, and reports periodically to the Remuneration Committee regarding compliance. Pursuant to the policy, 50% of the value of any vested but unexercised awards count towards the holding requirements. Ordinary shares are valued at their market value at the time of any calculation carried out using the previous day's closing middle market quotation.

Directors' interests, shareholdings & Share Ownership Policy

As at 31 December 2024, the Executive Directors hold the following interests in Ordinary shares of the Company:

Director		Ownership requirement (% of salary)	Base salary	Shareholding (no. of shares)	Vested but unexercised awards (no. of shares)	Value of holdings*	Ownership level (% of salary)
Nick Sedgwick	CEO	200%	£370,000	–	–	£Nil	–
Andrew Franklin	CFO	150%	£290,036	192,911	1,450,499	£88,257	30%

* At the closing market price on 31 December 2024: 45.8p.

The following table shows the interests of the Directors (and their spouses and dependent children) in the shares of the Company.

	At 31 December 2023			At 31 December 2024		
Director	Beneficial	Non- beneficial	Total	Beneficial	Non- beneficial	Total
Camillo Pane	–	–	–	–	–	–
Nick Sedgwick	–	–	–	–	–	–
Peter Butterfield[1]	466,103	–	466,103	**466,103**	–	**466,103**
Andrew Franklin	192,911	–	192,911	**192,911**	–	**192,911**
Jeyan Heper[2]	–	–	–	–	–	–
Richard Jones	68,000	–	68,000	**68,000**	–	**68,000**
Jo LeCouilliard[3]	40,957	–	40,957	–	–	–
Kristof Neirynck	–	–	–	–	–	–
Martin Sutherland	–	–	–	–	–	–
Eva-Lotta Sjöstedt	–	–	–	–	–	–
Richard McKenzie	–	–	–	–	–	–

1. Peter Butterfield resigned from the Board on 30 June 2024 at which point his shareholdings in the Company totalled 466,103 Ordinary shares.
2. Jeyan Heper resigned from the Board on 31 August 2024 at which point he held no shares in the Company.
3. Jo LeCouilliard resigned from the Board on 19 February 2024 at which point her shareholdings in the Company totalled 40,957 Ordinary shares.

Remuneration Committee Report continued

Payments for loss of office

Jo LeCouilliard

Jo LeCouilliard stepped down as Chair and from the Board on 19 February 2024. In accordance with her letter of appointment, Jo received a payment of £47,250 in lieu of her six-month notice period.

Peter Butterfield

Peter Butterfield stepped down as CEO in May 2024 and resigned from the Board on 30 June 2024. In accordance with Peter's service contract, he received a payment of £383,250 in lieu of his 12-month notice period. In addition, he received a severance payment of £70,000. Peter received a contribution of £2,500 (plus VAT) towards legal fees incurred in connection with his departure and the Company agreed to pay a contribution towards outplacement assistance up to a maximum of £10,000 (plus VAT).

At the discretion of the Committee, Peter's exercise window for 2016, 2018 and 2019 vested but unexercised awards under the Company Share Option Plan ("CSOP") was extended until the 8 October 2025. All other awards under both the CSOP and Long-Term Incentive Plan ("LTIP") lapsed.

Jeyan Heper

Jeyan Heper resigned from the Board on 31 August 2024. In accordance with Jeyan's service contract, he received a payment of £283,250 in lieu of his 12-month notice period. Jeyan received a contribution of £2,500 (plus VAT) towards legal fees incurred in connection with his departure and the Company agreed to pay a contribution towards outplacement assistance up to a maximum of £7,500 (plus VAT).

Jeyan was treated as a 'good leaver' by the Committee under the Company's LTIP. Accordingly, his 2023 award was time pro-rated to reflect the period lapsed from the date of grant to 31 August 2024 with the resulting number of outstanding awards shown in the table on page 72. The LTIP award remain subject to the original performance conditions, the vesting date and to all provisions of the plan rules.

Directors' service contracts

All Executive Directors are employed under a service contract. The services of all Executive Directors may be terminated (i) by the Company or individual giving the applicable notice or (ii) immediately in the event that the Director is not re-elected by shareholders at an AGM.

Executive Director		Date of appointment	Date of current contract	Notice period (Company)	Notice period (Director)
Nick Sedgwick[1]	CEO	13/05/2024	07/05/2024	6 months	6 months
Andrew Franklin	CFO	28/09/2015	25/06/2015	12 months	12 months

1. Nick Sedgwick joined the Board as CEO with effect from 13 May 2024.

The Non-Executive Directors are employed under letters of engagement which may be terminated by the Company by (i) giving the appropriate notice, or (ii) immediately in the event that the Director is not re-elected by shareholders at an AGM.

Non-Executive Director		First date of appointment	Current term	Unexpired term
Camillo Pane	Chair & Independent NED	19/02/2024	5 years	50 months
Richard Jones[1]	Independent NED	01/01/2019	4 years	36 months
Kristof Neirynck	Independent NED	01/12/2021	5 years	23 months
Martin Sutherland	Independent NED	01/02/2023	5 years	37 months
Eva-Lotta Sjöstedt	Independent NED	06/11/2023	5 years	46 months
Richard McKenzie	Independent NED	06/11/2023	5 years	46 months

The Executive Directors' service contracts and Chair and Non-Executive Directors' letters of appointment are available for inspection by shareholders at the Company's registered office or by emailing the Company Secretary at Company.Secretary@AlliancePharma.co.uk.

1. Richard Jones entered terms of appointment for an initial term of five years starting from 1 January 2019. In November 2023, the Board approved the extension of his term of appointment by a further four years to 31 December 2027.

Directors' Report

Scope of this Report

The Directors present their Annual Report, together with the audited financial statements of the Company and the Group, for the year ended 31 December 2024.

The Directors' Report, required under the Companies Act 2006, includes and comprises the Strategic Report on pages 8 to 46, the Governance section including the Directors' biographies and the Remuneration Committee Report on pages 65 to 74.

Principal activities

The principal activity of the Company is to act as a Holding Company. The principal activity of the Group is the acquisition, marketing and distribution of consumer healthcare and pharmaceutical products.

Branches

A list of the Group's subsidiaries and associated undertakings can be found on pages 134 to 135 under note c to the Company financial statements. There are no branches of the Company outside the UK, however, Alliance Pharmaceuticals GmbH, a Company within the Alliance Group, has a Swiss branch which operates under the name Alliance Pharmaceuticals GmbH Düsseldorf, Zweigniederlassung Uster.

Directors

Names and biographical details of the Directors of the Company at the date of this report are shown on pages 49 to 50. The rules setting out the powers of Directors, their appointment and replacement are set out in the Company's Articles of Association. Further information on the associated processes can be found on page 57 of the Nomination Committee Report.

Details of Executive Directors' service contracts and letters of appointment for Non-Executive Directors can be found in the Remuneration Report on pages 74. All Directors put themselves forward for annual re-election at the Company's AGM.

Directors' indemnities

The Company's Articles of Association contain provisions for Directors to be indemnified (including the funding of defence costs) to the extent permitted by the Companies Act 2006.

This indemnity would only be available if judgement was given in the individual's favour, they were acquitted, or relief was granted under the Companies Act 2006 was granted by the Court. There were no qualifying pension scheme indemnity provisions in force during the year.

Share capital and shareholders' rights

The Company's issued share capital as at 12 March 2025 is 541,372,959 Ordinary shares of 1p each. Each Ordinary share carries one vote at general meetings of the Company. There are no restrictions on the transfer of Ordinary shares other than restrictions which may from time to time be imposed by law. The Company is not aware of any agreements between shareholders that may restrict transfer of securities or voting rights.

The Company has no shareholder authority to acquire its own shares.

Dividends

As detailed in the interim statement on 26 September 2023, the dividend was paused to allow the Board to develop a new dividend policy with greater emphasis on reinvestment in the business to drive growth. Taking account of shareholder feedback, the Board has decided that no dividend will be declared for 2024 with cash prioritised for investment in innovation, development, brand marketing and reducing debt, and expects to provide an update on dividend policy at some point in the future.

Substantial shareholdings

As at 12 March 2025, as required under AIM and certain disclosure rules, the Company has been notified of the major shareholdings in the table below. Both the number of shares held, and the percentage holding, are stated as at the latest date of notification to the Company. Details of all major shareholdings can also be found in the Investor section of the Company's website.

Shareholder	Number of shares held	Percentage of issued share capital
DBAY Advisors Limited	151,076,240	27.9%
Slater Investment	72,025,658	13.3%
Sand Gove Capital	37,838,058	7.0%
Syquant Capital	25,983,134	4.8%
Artemis Investment Mgt	25,524,343	4.7%

Directors' Report continued

Company Share Incentive Plans

The Company operates two incentive share plans.

The Alliance Company Share Option Plan 2015 ("CSOP")

For many years, the Company has operated a CSOP under which all employees are eligible to receive awards in the form of market value options. At the discretion of the Remuneration Committee, awards are typically granted subject to a three-year vesting period. On maturity, participants have a seven-year period in which to exercise their options. Historically, these options were awarded based on one share for every £2 of salary and, where appropriate, may attract HMRC tax advantages. Employees based outside of the UK receive non-tax advantaged share option awards and, where this is not possible, the Committee considers awards in the form of share appreciation rights.

There were no awards granted under this plan in 2024 and the Company does not currently have any intention of granting further options pursuant to the CSOP.

The Alliance Long-Term Incentive Plan 2019 ("LTIP")

In 2019, the Company introduced the LTIP which, up until 2023, was utilised as part of the remuneration strategy for the Executive Directors and members of the leadership team only. In 2023, as part of proposals to widen remuneration strategy across the Group and to help manage dilution levels, and following consultation with various shareholders, awards were granted to all employees in the form of nil-cost share options based on a percentage of base salary.

All awards granted to Executive Directors and other senior employees under the LTIP are subject to performance conditions and malus and clawback provisions. Subject to achieving the performance conditions set by the Committee, all awards will vest three years from the date of grant and participants will have 12 months in which to exercise any vested award.

Employees based outside of the UK also receive nil-cost options and, where this is not possible, the Remuneration Committee considers awards in the form of share appreciation rights, also granted on a nil-cost basis.

There were no awards granted under this plan in 2024, with the exception of the CEO, Nick Sedgwick. Further details are provided on page 69.

Further information on the Company's share incentive plans and on awards granted to the Executive Directors can be found in the Remuneration Committee Report on pages 71 to 72.

Employee Benefit Trust ("EBT"/"Trust") and management of dilution

The Company manages dilution rates within the standard guidelines. In 2017, the Group established the Alliance Pharma Employee Benefit Trust to facilitate the acquisition of Ordinary shares in the Company for the purpose of satisfying awards granted under share option schemes. The Group has been operating the Trust to help manage dilution limits in line with good practice.

The Trust is administered by an independent Trustee, operating the Trust independently of the Group.

The EBT is a discretionary trust, the sole beneficiaries being employees (including Executive Directors) of the Group who have received applicable awards.

The Trustees must act in the best interests of the beneficiaries as a whole and will exercise their discretion in deciding whether or not to act on any recommendations proposed by the Company. Any assets held by the Trust would be consolidated into the Group's financial statements.

The Company may grant awards on the basis that it is the Company's intention to settle the exercise of awards through shares purchased in the open market on an arm's length basis. Awards granted and settled in this way are not included in the Company's headroom and dilution calculation.

The Company may fund the EBT to purchase, on the EBT's own account, shares in the Company on the open market, however, to date the Company has not needed to. This is in return for the EBT agreeing to use the shares in the Company that it holds to satisfy certain outstanding awards made under the Company's share option schemes. The purchasing of shares in the market to satisfy the exercise of options places a cash requirement on the business. To date, no shares have been purchased by the Trust for satisfaction of outstanding or future share option awards.

To further help manage dilution limits, and where appropriate, permitted and agreed with the Committee, share options are net settled upon exercise.

Employee share dealing and share ownership

In accordance with AIM Rule 21, all employees are made aware of, and are required to comply with, the Company's Share Dealing Policy when dealing in the Company's shares or exercising options over shares. The Dealing Code sets out the rules relating to close periods, clearance procedures, time frames and disclosure requirements.

The Company operates a Share Ownership Policy under which the Executive Directors and certain other employees are required, when exercising options, to acquire and maintain an interest in Alliance Pharma shares up to a percentage of base salary; details of which in relation to the Executives can be found on page 73.

Stakeholder engagement

Details of how we engage with our stakeholders can be found on pages 24 to 25.

Accounting policies, financial instruments and risks

Details of the Group's financial instruments and financial risk management disclosures can be found in note 20 of the Group financial statements on pages 117 to 122.

Charitable donations

During the year ended 31 December 2024, the Group contributed £454 (2023: £9,478) to charitable causes and encouraged employees to use their one day of paid leave to support a charity of their choosing through volunteer work.

Directors' Report continued

Political donations

No political donations or contributions were made, or political expenditures incurred, during the period.

Research and development activities ("R&D")

Alliance does not directly undertake pharmaceutical R&D. The innovation and development team in the UK undertakes the development of new products and line extensions, as requested by the commercial teams, as well as generating new product ideas for commercial evaluation.

Likely future developments of the business

Details of the likely future developments of the business are contained in the Strategic Report on pages 15 to 17.

Post balance sheet events

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, at the value of 62.5 pence per share (representing a £349.7m total cash offer). This offer was increased to 64.75 pence per share (representing a £362.0m total cash offer) on 10 March 2025 and was accepted by the requisite number of shareholders at a meeting on 13 March 2025. Further details of this are discussed in note 31 of the financial statements.

There were no other material events subsequent to 31 December 2024 and up until the authorisation of the financial statements for issue, that have not been disclosed elsewhere in the annual report.

Directors' obligations to the auditor

The Directors confirm that: (a) insofar as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and (b) they have each taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. This statement is given in accordance with section 418 of the Companies Act 2006.

Company's auditor

Deloitte LLP has expressed its willingness to be formally reappointed as the Company's auditor and a resolution will be proposed at the AGM. In the event that the acquisition by DBAY completes before the end of June 2025, we will not be calling an AGM and will instead work with DBAY to appoint the Company's auditor for the coming financial year. Further information on the Company's Auditor can be found in the Audit and Risk Committee Report on page 62.

Annual General Meeting

As announced on 20 March 2025, the Sanction Hearing to approve the offer made by DBAY is now scheduled for 12 May 2025, and the Effective Date of the Scheme is expected to be 14 May 2025. As such, we do not intend to call an AGM for 2025.

Electronic communications

Shareholders are encouraged to move away from hard copy Company communications. This means that, instead of being obliged to send Annual Reports, notices of shareholder meetings and other documents to shareholders in hard copy by post, the Company can instead elect to publish them on its website. Using email and the website allows us to reduce printing and postage costs whist minimising our impact on the environment; it is also better for many shareholders who can elect to access just the information they need, from the website, at any time.

Shareholders still have the right to ask for paper versions of shareholder information, but we strongly encourage all shareholders to consider the electronic option.

Shareholders can also vote electronically using the following link, www.signalshares.com. Registering your details on MUFG Corporate Markets' share portal also gives shareholders easy access to information about their shareholdings and the ability to vote at general meetings or appoint a proxy to vote.

COMPLIANCE WITH THE STREAMLINED ENERGY AND CARBON REPORTING REQUIREMENTS

Consumption (kWh) and greenhouse gas emissions (tCO_2e) totals

The following figures show the consumption and associated emissions for this reporting year for our operations, with figures from the previous reporting period included for comparison.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as Company vehicle fleets.

Scope 2 consumption and emissions relate to indirect emissions resulting from consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions relate to emissions resulting from sources not directly owned by us. This relates to grey fleet (business travel undertaken in employee-owned vehicles) only.

Totals

The total location-based consumption (kWh) figures for reportable energy supplies are shown as follows:

Utility and Scope	2024 Consumption (kWh)	2023 Consumption (kWh)
Grid-supplied electricity (Scope 2)	219,755	220,105
Gaseous and other fuels (Scope 1)	0	0
Transportation (Scope 1 and 3)	240,675	239,614
Total	**460,430**	**459,719**

Directors' Report continued

The total location-based emission (tCO_2e) figures for reportable energy supplies are set out below. Conversion factors utilised in these calculations are detailed in the Reporting methodology section on page 79:

Utility and Scope	2024 Consumption (tCO_2e)	2023 Consumption (tCO_2e)
Grid-supplied electricity (Scope 2)	45.50	45.58
Gaseous and other fuels (Scope 1)	0.00	0.00
Transportation (Scope 1 and 3)	55.49	55.47
Total	**100.99**	**101.05**

Intensity metric

An intensity metric of tCO_2e per £m turnover has been applied for our annual total location-based emissions. The methodology of the intensity metric calculations are detailed in the right hand column on this page, and the results of this analysis are shown as follows:

Intensity metric	2024 intensity metric	2023 intensity metric
tCO_2e/£m turnover	0.81	0.81
tCO_2e/£m headcount	0.49	0.50

Voluntary market-based emissions

Alliance dual-report on location-based and market-based emissions factors. Market-based emissions demonstrate the carbon reduction achieved by renewable electricity procurement. Market-based emissions from grid-supplied electricity are reported in tCO_2 only, and reflect the specific emissions associated with a supplier-specific fuel mix or residual grid factor Alliance procures 100% renewable electricity for all UK sites and the site in Düsseldorf (Germany), as confirmed by invoices from suppliers.

Utility and Scope	2024 Consumption (kWh)	2023 Consumption (kWh)
Grid-supplied electricity (Scope 2)	0.00	0.00
Total Scope 2	0.00	0.00

Energy efficiency improvements

We are committed to year-on-year improvements in our operational energy efficiency. As such, a register of energy efficiency measures available to us has been compiled, with a view to implementing these measures in the next five years.

In FY24, Alliance's operational emissions reduced by 0.08 tCO_2e. Operational behaviour and building consumption remained consistent year on year with a marginal reduction overall.

Transport emissions this year have been calculated based on the same data set used in the FY23 SECR report. The emissions figure has increased slightly this year (by 0.02 tCO_2e) due to a small increase in the emissions factors published by DESNZ.

Alliance UK headcount increased 3% in FY24. This has led to a 2% reduction of the overall intensity metric.

Year-on-year Changes

Natural Gas

Natural Gas emissions have remained zero, in-line with the previous reporting year.

Electricity

Electricity emissions have decreased in 2024 by 0.17% compared to the previous reporting year.

Transport

Transport emissions have increased in 2024 by 0.03% compared to the previous reporting year.

Energy Saving Projects: Highlights

Usage of LED Lighting

Green Energy Procurement

Directors' Report continued

Measures implemented in 2024

Alliance is dedicated to continuing its commitments to achieving its net-zero targets. Alongside procuring renewable energy tariffs, we are regularly reviewing new methods by which energy efficiency and consumption can be improved.

Current energy efficiency measures employed include:

- No on-site gas consumption.
- Motion-sensor lighting system in our office spaces.
- Procurement of REGO-backed 100% renewable electricity contracts for our UK and German sites despite increasing electricity consumption.

Measures prioritised for future implementation

Alliance Pharma is proud to report zero market-based emissions and will seek to lower electricity consumption over FY25.

Activation of PV panels

We completed the installation of solar PV panels on the roof on our UK site in February 2024. This initiative will help us generate 25% of our electricity needs when it is in operation. The addition of on-site generation in the UK will help to provide an ongoing source of renewable electricity for our operations that will also help to reduce reliance on electricity generated off-site.

Installation of new substation and EV charging points

Alongside the PV panel project, we are awaiting planning permission to install a new substation and EV charging points. The objective of this project is to support and encourage employees to purchase electric vehicles, hence reducing the grey fleet dependency on petrol and diesel by employees using their own vehicles for business travel.

Developing a travel policy

We are developing a travel policy that encourages virtual meetings over in-person or face-to-face meetings. This policy also intends to prioritise rail travel over car and air travel.

Appendix to SECR

Reporting methodology

This report (including the Scope 1, 2 and 3 kWh consumption and tCO_2e emissions data) has been developed and calculated using the *GHG Protocol – A Corporate Accounting and Reporting Standard* (World Resources Institute and World Business Council for Sustainable Development, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); *ISO 14064-1 and ISO 14064-2* (ISO, 2018; ISO, 2019); *Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance* (HM Government, 2019).

Government Emissions Factor Database 2024 version 1.1 has been used, utilising the published kWh gross calorific value (CV) and $kgCO_2e$ emissions factors relevant for the reporting period 01/01/2024 – 31/12/2024.

Only sites within Alliance Pharma's UK operations were included in the SECR calculations. International sites are accounted for within the Scope 3 footprint (Category 8 – Upstream Leased Assets).

Estimations were undertaken to cover missing billing periods for properties directly invoiced to Alliance Pharmaceuticals Limited. These were calculated on a kWh/day pro rata basis at the meter level.

These estimations were applied to four electricity supplies. All estimations equated to 13.28% of reported consumption. To reduce estimations, we recommend working closely with the energy provider to ensure that the energy consumption for the full year has been reported.

For the market-based emissions reporting methodology, an emissions factor of 0 tCO_2/kWh was applied to all electricity supplied to Alliance Pharma from renewable energy contracts.

Intensity metrics have been calculated using total tCO_2e figures, and the selected performance indicator agreed with Alliance for the relevant report period:

- Total UK turnover in 2024: £125.1m (2023: £125.2m).
- Total UK headcount in 2024: 208 (2023: 202).

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange, they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law. The Parent Company financial statements have been prepared on a different basis under FRS 101.

Under the Companies Act 2006, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

› select suitable accounting policies and then apply them consistently;
› make judgements and estimates that are reasonable, relevant and reliable;
› state whether they have been prepared in accordance with UK-adopted international accounting standards;
› assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
› use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

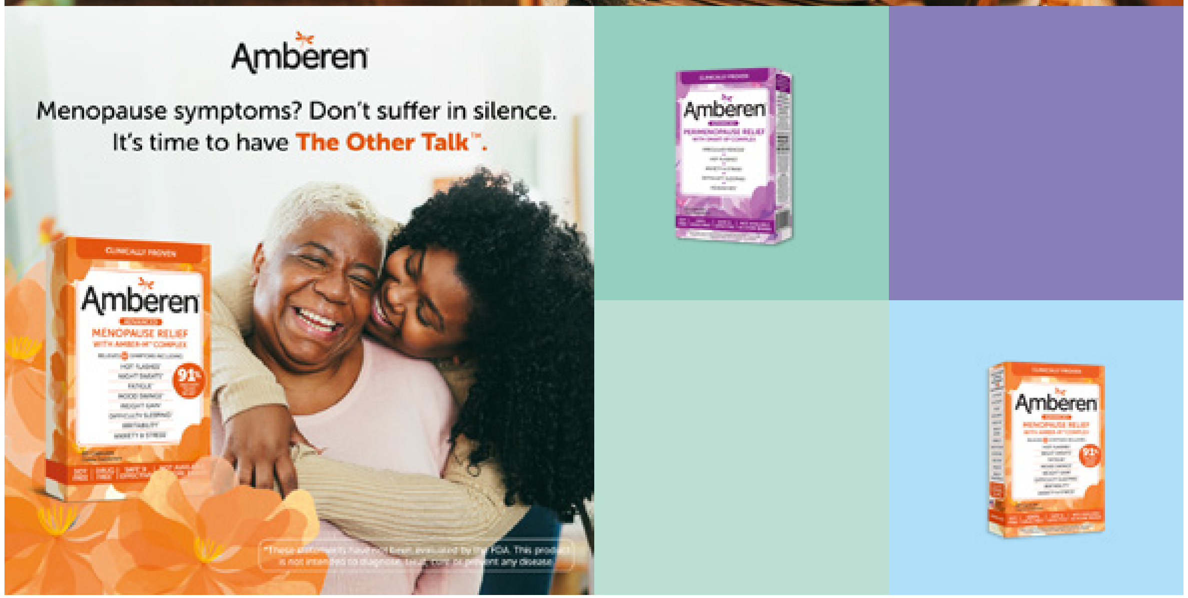
We confirm that to the best of our knowledge:

› the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
› the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
› the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position, performance, business model and strategy.

BY ORDER OF THE BOARD

Chris Chrysanthou
Group General Counsel & Company Secretary

7 April 2025



Financial Statements

Independent Auditor's Report

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Alliance Pharma plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 31 of the group financial statements and notes a to f of the company financial statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: › Carrying value of the Amberen® cash generating unit (CGU). › Carrying value of the Nizoral™ brand intangible asset. Within this report, key audit matters are identified as follows: Similar level of risk
Materiality	The materiality that we used for the group financial statements was £2,000,000 (2023: £1,190,000). See section 6.1 for further details on materiality.
Scoping	Our group scoping results in 89% (2023: 95%) of group revenues, 88% of absolute group profit before tax adjusted for non-underlying items (2023: 95%) and 92% (2023: 96%) of group net assets being subject to full audit procedures.
Significant changes in our approach	We have continued to identify key audit matters in relation to the carrying value of the Amberen® CGU and the carrying value of the Nizoral™ brand intangible asset. In relation to the Amberen® CGU, the accuracy of the prior year restatement is no longer relevant. No new key audit matters have been identified in the current year.

Independent Auditor's Report continued

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- assessing the financing facilities available to the group, including the nature of available facilities, repayment terms and required covenants;
- assessing the assumptions and sensitivity scenarios used in the forecasts;
- performing independent sensitivity analysis on management's forecasts and assessing the consistency of assumptions and forecasts used against those in the impairment models;
- assessing management's identified potential mitigating actions and the appropriateness of the inclusion of these in the going concern assessment;
- assessing the historical accuracy of forecasts prepared by management;
- testing the clerical accuracy and appropriateness of the model used to prepare the forecasts;
- assessing the impact of the potential acquisition of the business by DBAY Advisors, including the directors' evaluation of DBAY's financing arrangements and intentions for the business;
- reading analyst reports and other external information to determine if it provided corroborative or contradictory evidence in relation to assumptions used; and
- evaluating the disclosures made within the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Carrying value of the Amberen® cash generating unit (CGU)

Key audit matter description	The group holds an Amberen® indefinite life brand intangible asset with a carrying value as at 31 December 2024 of £12.1m, £8.6m net of deferred tax which is subject to an annual impairment review. Management assessed the recoverable amount of the Amberen® CGU by reference to a fair value less costs of disposal calculation. The valuation model is dependent upon a number of key estimates, including short-term base capsule revenue growth assumptions, long term marketing spend assumption within the terminal value calculation, determination of operating costs and discount rate. Therefore, we have assessed this to be a key audit matter. Management's valuation model showed the recoverable amount for the Amberen® CGU is lower than the carrying value. 'As a result an impairment charge of £23.5m, £16.7m net of deferred tax, has been recorded against the brand intangible assets relating to Amberen® for the year ended 31 December 2024. There was an impairment charge of £46.4m, £32.9m net of deferred tax recorded relating to Amberen® in the year ended 31 December 2023. Note 2.3 to the financial statements provides details of the key sources of estimation uncertainty and the key assumptions used in discounted cash flow projections for impairment testing of Amberen® intangible assets. Note 2.10 to the financial statements sets out the group's accounting policy. Note 11 to the financial statements outlines sensitivity analysis for reasonably possible changes in the key assumptions used in the discounted cash flow projections for impairment testing of Amberen® intangible assets which could cause further impairment. The Financial Review on page 21 provides information on the impairment of the Amberen® brand and the commercial background including challenging market conditions.

Independent Auditor's Report continued

5. Key audit matters continued

5.1. Carrying value of the Amberen® cash generating unit (CGU) continued

How the scope of our audit responded to the key audit matter	We completed the following audit procedures: › obtained an understanding of the key controls in the impairment process, including the review controls performed by the group; › assessed that the fair value less costs to dispose was higher than the value in use and therefore was determined to be the recoverable amount; › assessed the mechanical accuracy of the impairment models; › evaluated and challenged underlying assumptions relating to short-term base capsule revenue growth and margins through comparison to independent market forecasts, historical trading trends and through inspection of post year-end trading; › reviewed third party evidence in order to assess the e-commerce capsule revenue assumptions; › assessed warehousing and distribution costs by comparison to historical evidence, current run rates and known contracted rates, determining whether the allocated costs were directly attributable to the Amberen® CGU; › evaluated and challenged underlying assumptions relating to short-term and long-term marketing spend by comparison to market benchmarking, historical spend and comparison to alternative similar products; › with involvement of our valuation specialists assessed the discount rate and long-term growth rate; › assessed consistency of assumptions used to determine the impact of tax amortisation benefit with those used in the prior year; › evaluated underlying assumptions relating to the allocation of overheads within the impairment model; › performed a 'stand back' assessment, including consideration of the group's enterprise value utilising the DBAY offer price compared to management's assessment of the fair value less costs to dispose; › performed an assessment of indicators of management bias; › assessed the impact of events after the reporting period up to and including the date of approval of the financial statements; › assessed sensitivities to calculations prepared by management for contradictory and confirmatory evidence, to determine the impact of reasonably possible changes in the key assumptions; and › assessed the completeness and accuracy of disclosures in the financial statements.
Key observations	Our work highlighted that there was an improvement in the process of the internal review of significant assumptions, data, estimation uncertainty and model used by management in forming their estimate as to the valuation of the Amberen® CGU. For the year ended 31 December 2024 a further impairment of £23.5m, £16.7m net of deferred tax, was recorded against Amberen® intangible assets and we are satisfied that the judgements applied, impairment charges recorded and the disclosures within the financial statements are appropriate.

5.2. Carrying value of the Nizoral™ brand intangible asset

Key audit matter description	The group holds a Nizoral™ indefinite life brand intangible asset with a carrying value of £50.0m which is subject to an annual impairment review. Management has assessed the recoverable amount of the Nizoral™ brand intangible asset by reference to a fair value less costs of disposal calculation, consistent with prior year. The valuation model is dependent upon a number of key estimates, including short-term China revenue growth assumptions, short-term China cost of sales growth assumptions, marketing spend assumptions, determination of operating costs and discount rate. Therefore, we have assessed this to be a key audit matter. Management's valuation model shows the recoverable amount for the Nizoral™ brand intangible asset is similar to the carrying value. As a result no impairment charge has been recorded against the brand intangible assets relating to Nizoral™ for the year ended 31 December 2024. Note 2.3 to the financial statements provides details of the key sources of estimation uncertainty and the key assumptions used in discounted cash flow projections for impairment testing of Nizoral™ intangible assets. Note 2.10 to the financial statements sets out the group's accounting policy. Note 11 to the financial statements outlines sensitivity analysis for reasonably possible changes in the key assumptions used in the discounted cash flow projections for impairment testing of Nizoral™ brand intangible assets which could cause further impairment. The Financial Review on page 21 provides details on the performance of the Nizoral™ brand.

Independent Auditor's Report continued

5. Key audit matters continued

5.2. Carrying value of the Nizoral™ brand intangible asset continued

How the scope of our audit responded to the key audit matter	We completed the following audit procedures: › obtained an understanding of the key controls in the impairment process, including the review controls performed by the group; › assessed that the fair value less costs to dispose was higher than the value in use and therefore was determined to be the recoverable amount; › assessed the mechanical accuracy of the impairment model; › evaluated and challenged underlying assumptions related to short-term China revenue growth and margins by comparing them to independent market forecasts and historical trading trends; › inspected post year end run rate of China revenue performance and the distributor agreement to assess price and volumes assumptions; › assessed short-term China cost of sales growth assumptions, including warehousing and distribution costs by comparison to historical evidence, current run rates and known contracted rates, determining whether the allocated costs were directly attributable to the Nizoral™ brand intangible asset; › evaluated and challenged underlying assumptions relating to marketing spend by comparison to market benchmarking and historical spending; › with involvement of our valuation specialist assessed the discount rate and long-term growth rate; › assessed consistency of assumptions used to determine the impact of tax amortisation benefit with those used in the prior year; › evaluated underlying assumptions relating to the allocation of overheads within the impairment model; › performed a 'stand back' assessment, including consideration of enterprise value utilising the DBAY offer price compared to management's assessment of the fair value less costs to dispose; › performed an assessment of indicators of management bias; › assessed the impact of events after the reporting period up to and including the date of approval of the financial statements; › assessed sensitivities to calculations prepared by management for contradictory and confirmatory evidence, to determine the impact of reasonably possible changes in the key assumptions; and › assessed the completeness and accuracy of disclosures in the financial statements.
Key observations	Our work highlighted that there was an improvement in the process of the internal review of significant assumptions, data, estimation uncertainty and model used by management in forming their estimate as to the valuation of the Nizoral™ brand intangible. For the year ended 31 December 2024 no further impairment is being recorded against Nizoral™ acquired brand intangible assets and we are satisfied that the judgements applied, impairment charges recorded and the disclosures within the financial statements are appropriate.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£2.0m (2023: £1.2m)	£1.1m (2023: £0.7m)
Basis for determining materiality	Materiality has been determined by considering a range of possible benchmarks used by investors and other readers of the financial statements. In particular, we considered revenue, net assets, underlying EBITDA, and profit before tax adjusted for non-underlying items as defined in note 5. Our materiality represents:	Parent company materiality equates to 0.6% (2023: 0.5%) of net assets, which is capped at 55% (2023: 58%) of group materiality.

Metric	2024
Profit before tax adjusted for non-underlying items	6.3%
Revenue	1.1%
Underlying EBITDA	4.6%
Net Assets	1.0%
Profit before tax adjusted for impairment	7.0%

Independent Auditor's Report continued

6. Our application of materiality continued

6.1. Materiality continued

Rationale for the benchmark applied	In the prior year, materiality was determined to be £1.2m and represented 3.9% of profit before tax adjusted for impairment, which was considered to be the most relevant benchmark for investors. However, in the current year, we determined that in light of the changes in the business' strategy and focus, during this transition, using a range of benchmarks was more appropriate.	The company is non-trading and operates primarily as a holding company. As such, we determine the net assets position is the most appropriate benchmark to use.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	65% (2023: 65%) of group materiality	65% (2023: 65%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. our understanding of the group and its environment, together with changes in the business; b. the overall quality of the control environment; and c. the nature, volume and size of uncorrected misstatements identified in the previous audits.	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £100,000 (2023: £59,500), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

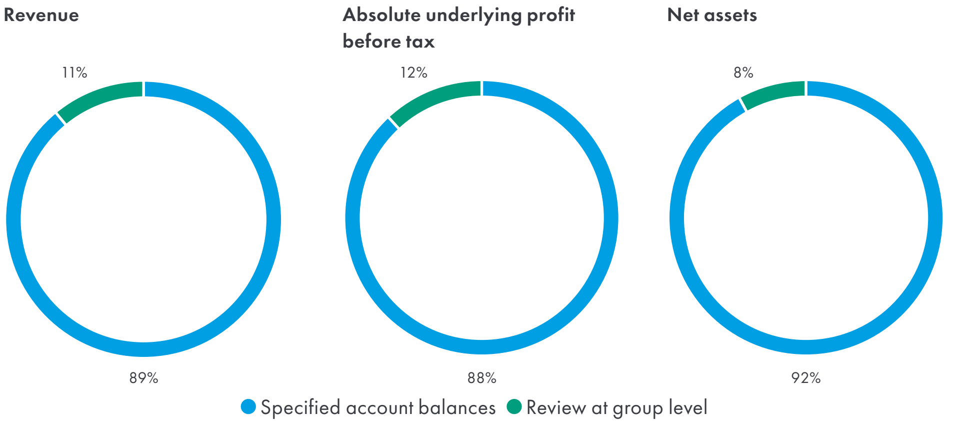
7.1. Identification and scoping of components

Our audit scoping considered the nature of the group and its environment and an assessment of the risks of material misstatement across the group.

The group is headquartered in Chippenham, UK and operates in UK, US, France, Italy, China, Spain, Thailand, Philippines, India, Republic of Ireland, Germany, Switzerland, Singapore and Hong Kong. Based on our assessment, we focused our group audit scope on five components, including the parent company. For these components, we applied specified account balance procedures, with the extent of our testing determined by our assessment of the risks of material misstatement and the materiality of the group's operations at these components. This is consistent with our scoping in the previous year, with a reduction of one in the number of components being subject to specified account balance testing.

The five components represent the principal business units within the group's reportable segments and account for 89% of the group's revenue (2023: 95%), 88% of the group's absolute profit before tax adjusted for non-underlying items (2023: 95%) and 92% of the group's net assets (2023: 96%). They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. Our audit work at these components was executed at levels of performance materiality applicable to each individual entity, which were lower than group materiality ranging from £0.7m to £1.0m (FY23: £0.3m to £0.7m). At the parent company level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audits of specified account balances.

The group is audited by one audit team, led by the senior statutory auditor.



Independent Auditor's Report continued

7. An overview of the scope of our audit continued

7.2. Our consideration of the control environment

For all in scope components we obtained an understanding of the relevant controls associated with the financial reporting process, accounting estimates and revenue recognition.

With the involvement of our IT specialists, we obtained an understanding of the relevant IT environment and key General IT Controls ("GITC"). In the prior year audit we identified a number of control deficiencies and reported these to those charged with governance. Since then, management have implemented a number of controls, specifically to address some of the deficiencies previously identified in relation to GITC.

As reported at Sections 5.1 and 5.2 above, we have noted an improvement in the process in relation to impairment where there was previously insufficient appropriate audit evidence to support significant assumptions and a lack of review and challenge.

Whilst we have observed improvements, management are still in the process of implementing a formal controls framework and designing controls that address risks appropriately. The improvements noted in processes has resulted in fewer deficiencies and misstatements identified in the current year.

As noted above, the group is in the process of updating its controls and processes. In planning our audit our expectation was that there would be deficiencies in the group's control environment and therefore this was reflected in the nature, timing and extent of our audit procedures. The control environment will continue to be a significant area of focus of the Audit and Risk Committee in the forthcoming year as discussed in its Report on page 59.

7.3. Our consideration of climate-related risks

The group has assessed that climate did not have a material impact on the group's carrying value of assets and liabilities at the balance sheet date. Refer to the Notes to the Financial Statements on page 95.

We assessed the climate related risk of material misstatement and concur with management's assessment. With support from our climate specialists we read the related narrative in the annual report to consider whether it is materially consistent with the financial statements and our knowledge obtained in the audit.

While management has acknowledged that the transition and physical risks posed by climate change have the potential to impact the medium to long term success of the business, they have assessed that there is no material impact arising from climate change on the judgements and estimates determining the valuations within the financial statements as at 31 December 2024 as explained in note 2.

8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report continued

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, IT, climate, analytics, modelling and impairment specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Carrying value of the Amberen® cash generating unit (CGU)
- Carrying value of the Nizoral™ brand intangible asset

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the AIM rules, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified the carrying value of the Amberen® cash generating unit (CGU) and the carrying value of the Nizoral™ brand intangible asset as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent Auditor's Report continued

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Opinion on other matter prescribed by our engagement letter

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the provisions of the Companies Act 2006 that would have applied were the company a quoted company.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

15. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dawn Harris, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom

7 April 2025

Consolidated Income Statement

	Note	Year ended 31 December 2024 Underlying £000s	Year ended 31 December 2024 Non-underlying £000s (Note 5)	Year ended 31 December 2024 Total £000s	Year ended 31 December 2023 Underlying £000s	Year ended 31 December 2023 Non-underlying £000s (Note 5)	Year ended 31 December 2023 Total £000s
Revenue	3, 30	**178,836**	–	**178,836**	180,680	–	180,680
Cost of sales		**(69,550)**	–	**(69,550)**	(75,661)	–	(75,661)
Gross profit		**109,286**	–	**109,286**	105,019	–	105,019
Operating income/(expenses)							
Administration and marketing expenses	5	**(65,839)**	**(5,009)**	**(70,848)**	(60,366)	6,147	(54,219)
Amortisation of intangible assets	5, 11	**(1,908)**	**(6,469)**	**(8,377)**	(1,903)	(7,198)	(9,101)
Impairment of goodwill and intangible assets	5, 11	–	**(38,896)**	**(38,896)**	–	(79,252)	(79,252)
Impairment reversals of goodwill and intangible assets	5, 11	–	**2,383**	**2,383**	–	–	–
Share-based employee remuneration	23	**(1,646)**	–	**(1,646)**	(889)	–	(889)
Operating profit/(loss)		**39,893**	**(47,991)**	**(8,098)**	41,861	(80,303)	(38,442)
Finance expense	6	**(9,225)**	–	**(9,225)**	(10,471)	–	(10,471)
Finance income	6	**837**	–	**837**	113	–	113
Net finance expense		**(8,388)**	–	**(8,388)**	(10,358)	–	(10,358)
Profit on disposal of intangible assets	5	–	**2,026**	**2,026**	–	–	–
Profit/(loss) before taxation	4	**31,505**	**(45,965)**	**(14,460)**	31,503	(80,303)	(48,800)
Taxation	8	**(7,925)**	**11,656**	**3,731**	(6,915)	22,579	15,664
Loss for the period attributable to equity shareholders		**23,580**	**(34,309)**	**(10,729)**	24,588	(57,724)	(33,136)
Earnings per share							
Basic (pence)	10	**4.36**		**(1.99)**	4.55		(6.13)
Diluted (pence)	10	**4.32**		**(1.99)**	4.54		(6.13)

All of the activities of the Group are classed as 'continuing'.

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Loss for the year	**(10,729)**	(33,136)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign exchange translation differences (gross)	**(1,177)**	(6,221)
Foreign exchange translation differences (deferred tax)	**319**	1,202
Interest rate swaps – cash flow hedge (gross)	**1,116**	(1,771)
Interest rate swaps – cash flow hedge (deferred tax)	**(279)**	443
Foreign exchange forward contracts – cash flow hedge (gross)	**(1,580)**	497
Foreign exchange forward contracts – cash flow hedge (deferred tax)	**395**	(122)
Total comprehensive deficit for the year	**(11,935)**	(39,108)

Consolidated Balance Sheet

	Note	31 December 2024 £000s	31 December 2023 £000s
Assets			
Non-current assets			
Goodwill and intangible assets	11	**253,608**	299,978
Property, plant and equipment	12	**5,436**	5,721
Deferred tax asset	21	**5,645**	4,648
Derivative financial instruments	20	**–**	77
Other non-current assets		**122**	404
		264,811	310,828
Current assets			
Inventories	13	**22,519**	25,711
Trade and other receivables	14	**49,380**	54,716
Derivative financial instruments	20	**69**	1,232
Cash and cash equivalents	15	**32,360**	22,436
		104,328	104,095
Total assets		**369,139**	414,923
Equity			
Ordinary share capital	22	**5,406**	5,404
Share premium account		**151,703**	151,684
Share option reserve		**12,844**	11,159
Other reserve		**(329)**	(329)
Cash flow hedging reserve		**(1,170)**	(822)
Translation reserve		**6,553**	7,411
Retained earnings		**32,637**	43,366
Total equity		**207,644**	217,873

	Note	31 December 2024 £000s	31 December 2023 £000s
Liabilities			
Non-current liabilities			
Loans and borrowings	17	**92,477**	113,646
Derivative financial instruments	20	**759**	1,771
Other liabilities	18	**2,822**	3,200
Deferred tax liability	21	**28,746**	37,863
		124,804	156,480
Current liabilities			
Corporation tax		**2,738**	2,454
Trade and other payables	16	**31,844**	37,066
Derivative financial instruments	20	**1,130**	413
Provisions	19	**979**	637
		36,691	40,570
Total liabilities		**161,495**	197,050
Total equity and liabilities		**369,139**	414,923

The financial statements were approved by the Board of Directors on 7 April 2025.

Nick Sedgwick
Director

Andrew Franklin
Director

The accompanying accounting policies and notes form an integral part of these financial statements.
Company number 04241478

Consolidated Statement of Changes in Equity

	Note	Ordinary share capital £000s	Share premium account £000s	Other reserve £000s	Cash flow hedging reserve £000s	Translation reserve £000s	Share option reserve £000s	Retained earnings £000s	Total equity £000s
Balance 1 January 2023		5,400	151,650	(329)	131	12,430	10,141	86,094	265,517
Issue of shares	22	4	34	–	–	–	–	–	38
Dividend paid	9	–	–	–	–	–	–	(9,592)	(9,592)
Share options charge (including deferred tax)		–	–	–	–	–	1,018	–	1,018
Transactions with owners		4	34	–	–	–	1,018	(9,592)	(8,536)
Loss for the year		–	–	–	–	–	–	(33,136)	(33,136)
Other comprehensive income									
Interest rate swaps – cash flow hedge (net of deferred tax)		–	–	–	(1,328)	–	–	–	(1,328)
Foreign exchange forward contracts – cash flow hedge (net of deferred tax)		–	–	–	375	–	–	–	375
Foreign exchange translation differences (net of deferred tax)		–	–	–	–	(5,019)	–	–	(5,019)
Total comprehensive deficit for the year		–	–	–	(953)	(5,019)	–	(33,136)	(39,108)
Balance – 31 December 2023		5,404	151,684	(329)	(822)	7,411	11,159	43,366	217,873
Balance 1 January 2024		**5,404**	**151,684**	**(329)**	**(822)**	**7,411**	**11,159**	**43,366**	**217,873**
Issue of shares	22	**2**	**19**	–	–	–	–	–	**21**
Share options charge (including deferred tax)		–	–	–	–	–	**1,685**	–	**1,685**
Transactions with owners		**2**	**19**	–	–	–	**1,685**	–	**1,706**
Loss for the year		–	–	–	–	–	–	**(10,729)**	**(10,729)**
Other comprehensive income									
Interest rate swaps – cash flow hedge (net of deferred tax)		–	–	–	**837**	–	–	–	**837**
Foreign exchange forward contracts – cash flow hedge (net of deferred tax)		–	–	–	**(1,185)**	–	–	–	**(1,185)**
Foreign exchange translation differences (net of deferred tax)		–	–	–	–	**(858)**	–	–	**(858)**
Total comprehensive deficit for the year		–	–	–	**(348)**	**(858)**	–	**(10,729)**	**(11,935)**
Balance – 31 December 2024		**5,406**	**151,703**	**(329)**	**(1,170)**	**6,553**	**12,844**	**32,637**	**207,644**

Consolidated Cash Flow Statement

	Note	Group Year ended 31 December 2024 £000s	 Year ended 31 December 2023 £000s
Cash flows from operating activities			
Cash generated from operations	24	**44,291**	36,934
Tax paid		**(5,575)**	(5,524)
Cash flows from operating activities		**38,716**	31,410
Investing activities			
Interest received		**62**	–
Acquisitions and deferred consideration		**–**	(222)
Purchase of property, plant and equipment	12	**(841)**	(696)
Proceeds from the disposal of intangible assets	11	**2,835**	–
Net cash from/(used in) investing activities		**2,056**	(918)
Financing activities			
Interest paid and similar charges		**(8,798)**	(9,433)
Capital lease payments		**(853)**	(867)
Proceeds from exercise of share options		**21**	37
Dividend paid	9	**–**	(9,592)
Loan issue costs	17	**(19)**	(1,338)
Repayment of borrowings	17	**(21,235)**	(18,000)
Net cash used in financing activities		**(30,884)**	(39,193)
Net movement in cash and cash equivalents		**9,888**	(8,701)
Cash and cash equivalents at 1 January		**22,436**	31,714
Exchange losses on cash and cash equivalents		**36**	(577)
Cash and cash equivalents at 31 December	15	**32,360**	22,436

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Financial Statements

1. General information

Alliance Pharma plc ("the Company") and its subsidiaries (together "the Group") acquire, market and distribute consumer healthcare products and prescription medicines. The Company is a public limited Company, limited by shares, registered, incorporated and domiciled in England and Wales in the UK. The address of its registered office is Avonbridge House, Bath Road, Chippenham, Wiltshire, SN15 2BB. The Company is listed on the AIM Stock Exchange.

These consolidated financial statements have been approved for issue by the Board of Directors on 7 April 2025.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards ("UK-adopted IFRS").

The financial statements have been prepared under the historical cost convention, with the exception of derivatives which are included at fair value.

In the current year, the Group applied a number of new and amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 1 Presentation of Financial Statements.
- Amendments to IFRS 16 Leases —Lease Liability in a Sale and Leaseback.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements.

Further narrow scope amendments have been issued which are mandatory for periods commencing on or after 1 January 2025. The application of these amendments will not have any material impact on the disclosures, net assets or results of the Group.

2.2 Consolidation

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as "the Group"). The Parent Company financial statements present information about the Company as a separate entity and not about the Group.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated.

2.3 Judgements and estimates

The preparation of the consolidated financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the relevant circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by the Directors on an ongoing basis.

Judgements

The following are the critical judgements, apart from those involving estimates (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the Group's financial statements.

These are as follows:

- Identification and presentation of non-underlying items (note 5).

We have assessed that there is no material impact arising from climate change on the judgements and estimates determining the valuations within the Financial Statements as at 31 December 2024.

Identification and presentation of non-underlying items

Non-underlying items include all amortisation and impairment charges for acquired intangible assets, in line with the majority of peer companies of the Group. Significant restructuring costs (for example, relating to office or business closures), one-off project costs, and the revaluation of deferred tax balances following substantial tax legislation changes may also be included as non-underlying items.

The Directors believe that this classification of underlying and non-underlying items, when considered together with total statutory results, provides investors, analysts and other stakeholders with helpful complementary information to understand better the financial performance and position of the Group from period to period, and allows the Group's performance to be more easily compared against the majority of its peer Companies. These measures are also used by management for planning and reporting purposes.

Notes to the Financial Statements continued

2. Summary of significant accounting policies continued

2.3 Judgements and estimates continued

Estimates

IAS 1 requires the disclosure of assumptions and estimates at the end of the current reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Directors consider these estimates to be as follows:

› Key assumptions used in discounted cash flow projections for impairment testing of the Amberen® CGU, Nizoral™ and various other brand intangible assets (note 11).

2.4 Revenue recognition

Identification of performance obligations

Revenue comprises consideration received or receivable for the sale of goods in the ordinary course of the Group's activities, namely the distribution of pharmaceutical products. The Group has assessed the performance obligations as being each unit of goods sold by the Group.

The Group receives royalties in relation to certain agreements with distributors in exchange for the licensed use of intellectual property and trademarks owned by the Group, which are generally based on sales volumes. The Group also receives product margin generated by third parties on its behalf under certain transitional arrangements. The Group has assessed the performance obligations as being each unit of good sold by the third parties.

Transaction price

The transaction price for each performance obligation comprises the stand-alone selling price for the product excluding value-added tax and net of rebates and discounts.

Royalty income and the deductions relating to rebates and discounts are based on the Group's contractual obligations. Certain rebate arrangements also include elements of variable consideration. The Group does not consider these elements to be significant; however, an estimate of variable consideration is included where appropriate. The IFRS 15 exemption from estimating variable consideration has been applied to the Group's sales-based royalties.

The Group has considered whether it is an 'agent' or 'principal' under IFRS 15 for each commercial arrangement and accounted for these accordingly. The Group is considered the 'principal' for all key commercial relationships relating to sale of goods, except for the relationship with certain supply partners as described in full under 'Specific revenue streams'. This is because the Group controls each specified good before transfer to customers.

Where consideration is payable to a customer, this is evaluated by the Group to determine whether the amount represents a reduction of the transaction price, a payment for distinct goods or services or a combination of the two. The fair value of the good or service is also evaluated to assess whether the payment should be accounted for as a payment to suppliers or a reduction in transaction price.

Timing of recognition

Under IFRS 15, an entity recognises revenue when it satisfies a performance obligation by transferring a good to a customer. An entity transfers a good to a customer when the customer obtains control of that good. Control may be transferred either at a point in time or over time. For the Group, revenue is recognised at a point in time when customers have control of the sold goods, or on an appropriate basis where royalty or other arrangements are in place with third parties. To determine the point in time control is transferred for sale of goods, the Group considers all relevant indicators. Revenue is recognised net of a provision for the expected level of returns.

Specific revenue streams

The Group has the following recognition policies for different commercial arrangements:

(i) Product sales – ex-works terms: Recognition at a point in time when each unit of pharmaceutical product is available to the customer for collection. At this point in time, the customer has an obligation to pay for the goods, legal title and significant risks and rewards of ownership.

(ii) Product sales – delivery terms and delivery at place: Recognition at a point in time when each unit of pharmaceutical product is delivered to the customer or reaches the designated place. At this point in time, the customer has an obligation to pay for the goods, legal title and significant risks and rewards of ownership. This revenue recognition policy covers the cross-border ecommerce stream.

(iii) Product royalties receivable: Recognition at a point in time when the third party makes pharmaceutical product sales subject to a royalty agreement with the Group.

(iv) Product rebates, discounts and payments to customers: Recognition as a deduction from revenue when the third party makes pharmaceutical product sales subject to a rebate agreement with the Group, or when sales are made in the scope of the VPAS Voluntary Scheme.

VPAS applies to branded, licensed medicines which are available on NHS prescription. Under the scheme, a fixed percentage of measured sales is due to the Department of Health and Social Care and the rebate is calculated and paid on a quarterly basis. For medium-sized Companies, the VPAS scheme includes an exemption where total measured sales are less than £5.0m per year. As the Group's total measured sales in 2024 were under this threshold, the Group was exempt from any VPAS payments and, as a result, no amounts were deducted from revenue (2023: no deduction).

Notes to the Financial Statements continued

2. Summary of significant accounting policies continued

2.4 Revenue recognition continued

For transactions with variable consideration, such as coupons, this is recognised at the point of sale to the customer.

Payments to customers are accounted for as a reduction of revenue unless they are linked to a distinct service, in which case they are classified as an operating expense.

(v) Product agency agreements: Recognition at a point in time when the third party makes pharmaceutical product sales subject to an agency agreement with the Group.

The amounts recognised in statutory revenue represent the product margin generated by the third party on behalf of the Group. Related agency fees are recognised within administrative expenses.

This is relevant to Nizoral™ (note 30) where the Group has agency agreements with certain supply partners. Under the terms of the agreements, the Group receives the benefit of the net profit on sales of Nizoral™. The Group has determined it is an 'agent' in these relationships as it does not control the sale of goods to third-party customers.

The Group does not consider that judgements made in evaluating when customers obtain control of a promised good have significantly influenced the timing of revenue recognition in the year.

2.5 Other operating income

Other operating income is generated from activities outside of the Group's normal course of business, which includes the profit or loss on disposal from divestment of brands and other intangibles assets. Profit or loss on disposal is recognised as proceeds received, less cost-to-sell, less net book value of the asset.

2.6 Foreign currency

The consolidated financial statements are presented in Sterling, which is the presentational currency of the Group and the functional currency of the Company. Foreign currency transactions by Group Companies are booked at the exchange rate ruling on the date of the transaction. Foreign currency monetary assets and liabilities are retranslated into Sterling at the rate of exchange ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the Income Statement, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in other comprehensive income.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates' ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates' ruling at the dates of the transactions. Exchange differences arising from translation of foreign operations are reported in other comprehensive income and accumulated in the translation reserve. Foreign currency differences arising on the retranslation of a hedge of a net investment in a foreign operation are reported in other comprehensive income and accumulated in the translation reserve, to the extent that the hedge is effective.

2.7 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Chief Operating Decision-Maker ("CODM"). The Group's Board of Directors ("the Board") is the Group's Chief Operating Decision-Maker, as defined by IFRS 8, and all significant operating decisions are taken by the Board.

2.8 Property, plant and equipment

Computer equipment, fixtures, fittings and equipment and plant and machinery are stated at the cost of purchase less any provisions for depreciation and impairment. Depreciation of an asset starts when the asset is available for use. The rates generally applicable are:

Computer equipment
20% – 33.3% per annum, straight-line

Fixtures, fittings and equipment
12% – 25% per annum, straight-line

Plant and machinery
20% – 25% per annum, straight-line

2.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the Group's incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Income Statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

Notes to the Financial Statements continued

2. Summary of significant accounting policies continued

2.10 Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units ("CGUs") and is not amortised but is tested annually for impairment.

Acquired intangible assets

(i) Brands

Separately acquired brands are shown at cost less accumulated amortisation and impairment. Brands acquired as part of a business combination are recognised at fair value at the acquisition date, where they are separately identifiable. Brands are amortised over their useful economic life, except when their life is determined as being indefinite.

Applying indefinite lives to certain acquired brands is appropriate due to the stable long-term nature of the business and the enduring nature of the brands. Indefinite life brands are tested at least annually for impairment.

A review of the useful economic life of brands is performed annually, to ensure that these lives are still appropriate. If a brand is considered to have a finite life, its carrying value is amortised over that period.

(ii) Distribution rights

Payments made in respect of product registration and distribution rights are capitalised where the rights comply with the above requirements for recognition of acquired brands. If the registration or distribution rights are for a defined time period, the intangible asset is amortised over that period. If no time period is defined, the intangible asset is treated in the same way as acquired brands with an indefinite life. If the licence period can be extended, the useful life of the intangible asset shall include the renewal period only if there is evidence to support renewal by the entity without disproportionate cost.

(iii) Rights to royalties from intellectual property

Payments made in respect of rights to royalties from intellectual property are capitalised where the rights comply with the above requirements for recognition of acquired brands. If the rights to royalties are for a defined time period, the intangible asset is amortised over that period. If no time period is defined, the intangible asset is treated in the same way as acquired brands with an indefinite life.

(iv) Computer software

Computer software comprises software purchased from third parties, as well as the cost of internally developed software. Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and are probable of producing future economic benefits, are recognised as intangible assets. Direct costs of software development include employee costs and directly attributable overheads. Software integral to an item of hardware equipment is classified as property, plant and equipment. Costs associated with maintaining software programs are recognised as an expense when they are incurred. Amortisation is charged to the Income Statement on a straight-line basis over the estimated useful life from the date the software is available for use, generally eight years.

Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For intangible assets with an indefinite life, assets with a finite life that show indicators of impairment, and goodwill – this includes estimation of the recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The Directors have determined that the cash-generating units are at product-group level.

Notes to the Financial Statements continued

2. Summary of significant accounting policies continued

2.10 Intangible assets and goodwill continued

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.11 Inventories

Inventories are included at the lower of cost, less any provision for impairment, or net realisable value. Inventory cost for the Group is determined on a first-in, first-out basis. Inventory provisions have been made for slow-moving and obsolete stock. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

2.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement and through other comprehensive income except to the extent that it relates to items recognised directly in equity or through other comprehensive income, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investment and loans to subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2.13 Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss unless designated as cash flow hedges.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively.

When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging reserve and the costs of hedging reserve are immediately reclassified to profit or loss.

Notes to the Financial Statements continued

2. Summary of significant accounting policies continued

2.13 Derivative financial instruments and hedging activities continued

Translation risk

Exchange differences arising from the translation of the net investment in foreign operations are reported in other comprehensive income and accumulated in the translation reserve. Gains and losses on those hedging instruments designated as hedges of the net investment in foreign operations, are recognised to the extent that the hedging relationship is effective; these amounts are included in exchange differences on translation of foreign operations as stated in the Statement of Comprehensive Income.

Gains and losses relating to hedge ineffectiveness are recognised immediately in the Income Statement for the period. Gains and losses accumulated in the translation reserve are reclassified to the Income Statement when the foreign investment is disposed of. Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

2.14 Non-derivative financial instruments

Modifications of financial instruments (including loans and borrowings) are reviewed quantitatively and qualitatively to determine if the modification is 'substantial'. Substantial modification of a financial liability results in derecognition of the original balance, and recognition of a new financial liability at fair value. The difference between the carrying amount of the original financial liability and the fair value of the new financial liability is charged to the Income Statement. A non-substantial modification of financial liability does not result in the derecognition of the original balance, however it may also result in a gain or loss recognised in the Income Statement.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses. The Group's trade receivables are subject to the IFRS 9 expected credit loss model. The Group has applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance based on historic default rates. The expected credit loss rate varies depending on whether and the extent to which settlement of the trade receivables is overdue.

Accrued income represents amounts owed unconditionally to the Group which have not been invoiced at the year-end. For these assets, only the passage of time is required before payment becomes due.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the Cash Flow Statement. Dividends and interest received are included in investing activities. Dividends and interest paid are included in financing activities.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

2.15 Employee benefits – share-based payment transactions

Employees (including Executive Directors) of the Group receive part of their remuneration in the form of share-based payments, whereby, depending on the scheme, employees render services in exchange for rights over shares ("equity-settled transactions") or entitlement to a future cash payment ("cash-settled transactions"), the amount of which is determined with reference to the Company's share price.

The cost of equity-settled transactions with employees is measured, where appropriate, with reference to the fair value at the date on which they are granted. Where options need to be valued, an appropriate valuation model is applied. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of exercise restrictions and behavioural considerations. The cost of equity-settled transactions is fully recharged to subsidiaries.

The cost of cash-settled transactions is measured with reference to the fair value of the liability, which is taken to be the closing price of the Company's shares. Until the liability is settled, it is remeasured at the end of each reporting period and at the date of settlement, with any changes in the fair value being recognised in the Income Statement.

The cost of equity-settled transactions is recognised, along with a corresponding increase in equity, over the years in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cost of cash-settled transactions is recognised, along with a provision for expected cash settlement, over the vesting period.

Notes to the Financial Statements continued

2. Summary of significant accounting policies continued

2.15 Employee benefits – share-based payment transactions continued

At each reporting date, the cumulative expense recognised for equity-settled transactions reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of management, will ultimately vest. Management's estimates are based on the best available information at that date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

2.16 Equity

The provision of shares to satisfy certain of the Group's share option schemes can be facilitated by purchases of own shares by the Group's Employee Benefit Trust. The costs of operating the Trust is borne by the Group but is not material. To date, no shares have been purchased by the Trust for satisfaction of outstanding or future share option awards.

The Employee Benefit Trust is considered to be controlled by the Group. The activities of the Trust are conducted on behalf of the Group according to its specific business needs in order to obtain benefits from its operation and, on this basis, the assets held by the Trust are consolidated into the Group's financial statements.

'Share capital' represents the nominal value of equity shares.

'Share premium' represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

'Share option reserve' represents equity-settled share-based employee remuneration.

'Retained earnings' represents retained profit.

'Other reserve' represents the difference between the fair value and nominal value of shares issued on a reverse takeover.

'Cash flow hedging reserve' represents the fair value of derivative financial instruments at the balance sheet date that are designated as cash flow hedges, net of deferred tax, less amounts reclassified through other comprehensive income.

'Translation reserve' represents gains and losses arising on translation of the net assets of overseas operations into the Group's presentation currency of Sterling. It also represents foreign currency differences arising on the retranslation of a hedge of a net investment in a foreign operation, to the extent that the hedge is effective.

2.17 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, for which it is probable that a transfer of economic benefits will be required for settlement and where a reliable estimate can be made of the amount of the obligation. Where material, provisions have been discounted to their present value.

Restructuring provisions are recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2.18 Going concern

There have been no changes to the £150.0m fully Revolving Credit Facility ("RCF") and £65.0m Accordion which have been in place throughout 2024. This facility is available until August 2026, with one further extension option of either one or two years.

The RCF is drawn in short- to medium-term tranches of debt which are repayable within 12 months of draw-down. Under the terms of the facility agreement, the lenders are obliged to revolve maturing loans and the Group is not obliged to make any loan repayments, provided certain conditions are met, including covenant compliance. Consequently, the Directors have presented the RCF as a non-current liability.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements (the going concern period) based on a forecast consistent with the Amberen® and Nizoral™ impairment assessment assumptions, and exclusive of any innovation and development cash inflows . These forecasts indicate that the Group will have sufficient funds, given the RCF financing available, to meet its liabilities as they fall due for that period.

Furthermore, the Directors have considered severe but plausible downside scenarios, including a scenario that models a 16% reduction in EBITDA for the Group for the remainder of 2025, arising from potential disruption in the Group's distribution partner network. Even under this severe but plausible downside scenario, forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due and will continue to comply with its existing loan covenants throughout the forecast period. The Directors have also considered a reverse stress test scenario which indicates that a decline in monthly EBITDA against forecast from March 2025 of over 40% would be needed to result in a breach of existing loan covenants. The Directors consider this remote. In addition, there are mitigating actions that Management can take in order to maintain covenant compliance in even more extreme downside scenarios.

Notes to the Financial Statements continued

2.18 Going Concern continued

In light of the recommended cash offer by DBAY Advisors Ltd for the entire issued and to be issued share capital of Alliance, the Directors have also prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements, considering the proposed debt structure and associated finance costs of the Group under this new ownership model. At the time of preparing these financial statements and should the DBAY offer proceed, it is proposed that the current RCF is repaid in full using a combination of new debt and equity. The proposed new debt structure assumes a new Term Debt Facility of £215m, an undrawn £40m Acquisition Facility and a £30m fully Revolving Credit Facility ("RCF") of which £5m is intended to be immediately drawn down. The Directors do not consider that the proposed transaction introduces any additional severe but plausible downside scenarios to those considered under the existing ownership structure. Having modelled these same scenarios under this revised cash flow forecast, the Directors still consider that the Group will have sufficient funds to meet its liabilities as they fall due and will continue to comply with its new loan covenants throughout the forecast period. The Directors also considered a reverse stress test scenario within these revised cash flow forecasts, which indicates that a decline in monthly EBITDA against forecast from March 2025 of over 24% would be needed to result in a breach of the new loan covenants. The Directors consider this remote and again, there are mitigating actions that Management can take in order to maintain covenant compliance in even more extreme downside scenarios. The Directors have also considered any change of control clauses in existing contractual arrangements and do not consider that there is any material exposure to the Group in this regard. Specifically, the existing RCF and associated facilities are intended to be repaid in full without redemption penalty, with a new DBAY financing facility put in its place.

Consequently, the Directors consider it highly unlikely that the Group would be unable to exercise its right to roll over the existing or any new debt under the Group's current or future proposed DBAY ownership structure. Furthermore, the Directors consider it highly unlikely that the Group would be unable to secure the new debt under the proposed DBAY ownership structure. The Directors are therefore confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. The Directors have, therefore, determined it is appropriate to adopt the going concern basis in preparing the financial statements.

2.19 Alternative Performance Measures

The performance of the Group is assessed using Alternative Performance Measures ("APMs"). The Group's results are presented both before and after non-underlying items. Adjusted profitability measures are presented excluding non-underlying items as we believe this provides both management and investors with useful additional information about the Group's performance and aids effective comparison of the Group's trading performance from one period to the next and with similar businesses.

In addition, the Group's results are described using certain other measures that are not defined under IFRS and are therefore considered to be APMs. These measures are used by management to monitor ongoing business performance against both shorter-term budgets and forecasts but also against the Group's longer-term strategic plans. Some of these APMs also form the basis upon which incentive and rewards are structured. APMs are presented in note 30.

The Group does not consider adjusted profitability measures or APMs to be a substitute for, or superior to, IFRS measures.

3. Revenue and segmental information

The Group's reportable segments are the strategic business units that represent different parts of the overall product portfolio, these being Consumer Healthcare brands and Prescription Medicines. The business units are managed separately as each portfolio requires different expertise to deliver the corresponding product offering as a result of the inherently different characteristics of these product types.

Operating segments reflect the way in which information is presented to and reviewed by the CODM for the purposes of making strategic decisions and assessing Group-wide performance. The Group's Board of Directors ("the Board") is the Group's CODM. The Group evaluates performance of the operational segments on the basis of revenue and gross profit. Underlying gross profit is consistent with that reported on a statutory basis. Other than intangible assets, disclosed in note 11, assets and liabilities are reported to the Board at Group level and are not separated segmentally.

Notes to the Financial Statements continued

3. Revenue and segmental information continued

Revenue

Revenue information by brand	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Consumer Healthcare brands:		
Kelo-Cote™ franchise[1]	**65,426**	63,209
Amberen® [1]	**10,121**	11,218
Nizoral™ [1,2]	**14,933**	19,648
MacuShield™ [1]	**10,184**	9,199
Aloclair™	**9,537**	7,959
Vamousse™	**4,272**	4,407
Other Consumer Healthcare brands	**14,761**	18,692
Total revenue – Consumer Healthcare brands	**129,234**	134,332
Prescription Medicines:		
Hydromol™ [1]	**10,277**	9,042
Flamma Franchise	**6,655**	5,990
Forceval™	**7,919**	6,606
Other Prescription Medicines	**24,751**	24,710
Total revenue – Prescription Medicines	**49,602**	46,348
Total revenue	**178,836**	180,680

1. Denotes star brands.
2. Nizoral™ statutory revenue includes revenue generated on an agency basis. Nizoral™ revenue presented on a See-through Income Statement basis is included as an Alternative Performance Measure in note 30.

Classification by geography is based on customer location.

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Europe, Middle East and Africa ("EMEA")	**83,418**	79,199
Asia Pacific and China ("APAC")	**65,926**	72,422
Americas ("AMER")	**29,492**	29,059
Total revenue	**178,836**	180,680

Operating segment results

	Year ended 31 December 2024		
	Consumer Healthcare £000s	Prescription Medicines £000s	Total £000s
Revenue	**129,234**	**49,602**	**178,836**
Cost of sales	**(45,519)**	**(24,031)**	**(69,550)**
Gross profit	**83,715**	**25,571**	**109,286**

	Year ended 31 December 2023		
	Consumer Healthcare £000s	Prescription Medicines £000s	Total £000s
Revenue	134,332	46,348	180,680
Cost of sales	(51,605)	(24,056)	(75,661)
Gross profit	82,727	22,292	105,019

Major customers

The net revenues from the Group's largest customers in the year ended 31 December 2024 (customers separately comprising more than 10% of the Group's revenue) are as follows:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Major customer 1 (Consumer Healthcare sales in APAC)	**21,913**	20,200
Major customer 2 (Consumer Healthcare sales in APAC)	**21,114**	21,201

Notes to the Financial Statements continued

4. Profit/(loss) before taxation

Profit/(loss) before taxation is stated after charging/(crediting):	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Amounts receivable by the Company's auditor and its associates in respect of:		
– The audit of these financial statements	**766**	1,388
– The audit of the financial statements of subsidiaries	**285**	269
– Other assurance services (covenant compliance and other regulatory compliance services)	**10**	21
Amortisation of intangible assets	**8,377**	9,101
Impairment of intangible assets	**38,896**	79,252
Impairment reversals for intangible assets	**(2,383)**	–
Restructuring costs	**4,570**	–
Profit on disposal of intangible assets	**(2,026)**	–
CMA provision release	**–**	(7,900)
Share options charge	**1,646**	889
Depreciation of plant, property and equipment	**1,318**	1,225
(Gain)/loss on foreign exchange transactions	**(775)**	480

5. Non-underlying items

The Group presents a number of non-IFRS measures which exclude the impact of significant non-underlying items. This is to provide investors with a view of the measures used by management to monitor the ongoing business performance, and can exclude items such as: amortisation and impairment of acquired intangible assets; restructuring costs; significant gains or losses on disposal; one-off project costs; remeasurement and accounting for the passage of time in respect of contingent considerations; and the revaluation of deferred tax balances following substantial tax legislation changes. This assessment requires judgement to be applied by the Directors as to which transactions are non-underlying and whether this classification enhances the understanding of the users of the financial statements.

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Amortisation of acquired intangible assets	**(6,469)**	(7,198)
Impairment of goodwill and intangible assets	**(38,896)**	(79,252)
Non-underlying impairment reversals for the period	**2,383**	–
Restructuring costs[1]	**(4,570)**	–
Profit on disposal of intangible assets	**2,026**	–
CMA provision release[1]	**–**	7,900
Other[1]	**(439)**	(1,753)
Total non-underlying items before taxation	**(45,965)**	(80,303)
Taxation on non-underlying items	**11,656**	22,579
Total non-underlying items after taxation	**(34,309)**	(57,724)

1. These items are recognised in administration and marketing expenses within the Income Statement, totalling £5.0m in 2024 (2023: £6.1m).

Amortisation of intangible assets

The amortisation costs of acquired intangible assets are a significant item considered unrelated to trading performance, and as such have been presented as non-underlying. This classification is in line with the majority of peer companies of the Group.

Impairment of goodwill and intangible assets

The impairment reviews for the Group's intangible assets resulted in impairment losses as the carrying value of certain cash-generating units exceeded estimated recoverable amounts. Further details are provided in note 11. The impairment losses are significant items resulting from changes in assumptions for future recoverable amounts. As such, they are considered unrelated to 2024 trading performance, and have been presented as non-underlying. This classification is in line with the majority of peer Companies of the Group.

Non-underlying impairment reversals for the period

The Group has performed an assessment on assets which have had impairments recorded in previous periods to determine if any reversals of impairments were required. No impairment reversals were recorded in 2023. Further details are provided in note 11. Reversals of impairments are significant items resulting from changes in assumptions for future recoverable amounts and as such, they are considered unrelated to 2024 trading performance, and have been presented as non-underlying. This classification is in line with the majority of peer Companies of the Group.

Notes to the Financial Statements continued

5. Non-underlying items continued

Restructuring costs

Restructuring costs include one-off costs relating to the recommended acquisition of the Group and the restructure of the senior leadership team, as well as professional support relating to finance and other transformation activities. These costs are considered unrelated to 2024 trading performance, and have been presented as non-underlying.

Profit on disposal of intangible assets

Significant gains or losses on the disposal of intangible assets not previously held for sale are considered unrelated to 2024 trading performance, and have been presented as non-underlying. Profit or loss on disposal of intangible assets primarily consists of proceeds of the disposal, less costs to sell, less the net book value of other brand assets.

CMA provision release

The provision of £7.9m relating to the CMA Infringement Decision was released in the prior year following the announcement that the Group's appeal had been upheld. This was considered unrelated to 2023 trading performance, and was presented as non-underlying in the prior year.

Other non-underlying items

Other non-underlying costs primarily relate to one-off legal and professional costs, as well as provision for damages caused by the flooding of Avonbridge House. These costs are significant items considered unrelated to trading performance, and as such have been presented as non-underlying.

6. Finance income and expense

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Finance expense		
Interest payable on loans and overdrafts	**(8,482)**	(9,418)
Amortised finance issue costs	**(319)**	(461)
Finance costs on interest rate swaps	**(277)**	–
Interest expense	**(39)**	–
Interest on lease liabilities	**(108)**	(112)
Net exchange losses	**–**	(480)
	(9,225)	(10,471)
Finance income		
Interest income	**62**	113
Net exchange gains	**775**	–
	837	113
Finance expense – net	**(8,388)**	(10,358)

7. Directors and employees

Employee benefit expenses for the Group (including Executive Directors) during the year were as follows:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Wages and salaries	**23,696**	20,946
Social security costs	**2,584**	2,272
Other pension costs (note 27)	**1,682**	1,506
Share-based employee remuneration (note 23)	**1,646**	889
	29,608	25,613

Notes to the Financial Statements continued

7. Directors and employees continued

The average number of employees of the Group (including Directors) during the year was:

	Year ended 31 December 2024 Number	Year ended 31 December 2023 Number
Management and administration	**290**	284

Key management of the Group is the Board of Directors (including Non-Executive Directors) and C-Suite. Benefit expenses in respect of the key management were as follows:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Key management remuneration	**3,352**	1,930
Pension contributions	**76**	137
	3,428	2,067

Key management non-underlying restructuring costs of £1,189,000 (2023: £nil) were incurred during the year.

During the year, contributions were paid to defined contribution schemes for four Executive Directors (2023: three)

Gain on share options exercised by Executive Directors during the year was £nil (2023: £59,000).

The amounts set out above include remuneration in respect of the highest-paid Director as follows:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Emoluments for qualifying services	**664**	427
Pension contributions	**18**	32
	682	459

The net notional non-cash IFRS 2 share-based payment expense in respect of the highest paid Director was a credit to the P&L of £18,000 (2023: £59,000 debit to the P&L) due to shares lapsed.

Average number of members of the Board of Directors (including Non-Executive Directors) for the year ended 31 December 2024 was nine (2023: seven).

Further detail of Directors' remuneration is shown in the Remuneration Committee report on | **pages 65 to 74**

8. Taxation

Analysis of the charge for the period is as follows:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Corporation tax		
In respect of current period	**5,856**	4,810
Adjustment in respect of prior periods	**8**	193
	5,864	5,003
Deferred tax (see note 21)		
Origination and reversal of temporary differences	**(9,415)**	(20,662)
Adjustment in respect of prior periods	**(180)**	(5)
Taxation	**(3,731)**	(15,664)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Loss before taxation	**(14,460)**	(48,800)
Loss before taxation multiplied by the blended standard rate of corporation tax in the United Kingdom of 25% (2023: 23.5%)	**(3,615)**	(11,468)
Effect of:		
Non-deductible expenses	**709**	(587)
Adjustment in respect of prior periods	**(172)**	188
Differing tax rates on overseas earnings	**(1,222)**	(3,237)
Unrecognised losses	**–**	(13)
Foreign exchange	**198**	(869)
Share options	**256**	262
Movement in other tax provisions	**115**	60
Total taxation	**(3,731)**	(15,664)

Notes to the Financial Statements continued

8. Taxation continued

A change to UK corporation tax was announced in the Budget on 3 March 2021, increasing the main rate of UK corporation tax from 19% to 25% with effect from 1 April 2023.

Non-deductible expenses primarily relate to restructuring costs and impairment/amortisation of certain intangible assets which do not qualify for tax relief and so represent a permanent difference. During 2023, the non-deductible expenses primarily related to the release of the provision for the CMA fine, offset by the impairment/amortisation of certain intangible assets which did not qualify for tax relief and so represented a permanent difference.

The Group has calculated 'underlying effective tax rate' as an Alternative Performance Measure in note 30.

9. Dividends

There was no dividend declared or paid relating to the financial years 2023 or 2024.

	Year ended 31 December 2023	
	Pence/share	£000s
Amounts recognised as distributions to owners in 2023		
Interim dividend for the 2022 financial year	0.592	3,197
Final dividend for the 2022 financial year	1.184	6,395
Total dividend	1.776	9,592

The interim dividend for 2022 was paid on 19 January 2023. The final dividend for 2022 was paid on 18 July 2023.

10. Earnings per share ("EPS")

Basic EPS is calculated by dividing the earnings attributable to Ordinary shareholders by the weighted average number of Ordinary shares in issue during the year. For diluted EPS, the weighted average number of Ordinary shares in issue is adjusted to assume conversion of all dilutive potential Ordinary shares. There are no differences in earnings used to calculate each measure as a result of the dilutive employee share options.

A reconciliation of the weighted average number of Ordinary shares used in the measures is given below:

	Year ended 31 December 2024	Year ended 31 December 2023
Weighted average undiluted shares	**540,483,766**	540,144,706
Employee share options	**4,972,886**	1,210,980
Weighted average diluted shares	**545,456,652**	541,355,686

As the Group made a reported loss in the current and prior periods, the dilutive potential Ordinary shares have not been included in the calculation for Diluted EPS as the exercise of share options would have the effect of reducing the loss per share, and therefore is not dilutive. The underlying basic EPS is intended to demonstrate recurring elements of the results of the Group before non-underlying items. A reconciliation of the earnings used in the different measures is given below:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Earnings for basic and diluted EPS	**(10,729)**	(33,136)
Non-underlying items (note 5)	**34,309**	57,724
Earnings for underlying basic and diluted EPS	**23,580**	24,588

The resulting EPS measures are:

	Year ended 31 December 2024 Pence	Year ended 31 December 2023 Pence
Basic EPS	**(1.99)**	(6.13)
Diluted EPS	**(1.99)**	(6.13)
Underlying basic EPS	**4.36**	4.55
Underlying diluted EPS	**4.32**	4.54

Notes to the Financial Statements continued

11. Goodwill and intangible assets

The Group	Goodwill £000s	Consumer Healthcare brands and distribution rights £000s	Prescription Medicines brands, royalties and distribution rights £000s	Computer software £000s	Total £000s
Cost					
At 1 January 2024	34,415	287,352	152,297	15,266	489,330
Disposals	–	(322)	(587)	–	(909)
Exchange adjustments	(54)	1,320	(622)	–	644
At 31 December 2024	34,361	288,350	151,088	15,266	489,065
Amortisation and impairment					
At 1 January 2024	19,928	88,333	75,862	5,229	189,352
Disposals	–	–	(152)	–	(152)
Non-underlying impairment for the year	1,688	25,973	11,235	–	38,896
Non-underlying impairment reversals for the year	–	(609)	(1,774)	–	(2,383)
Non-underlying amortisation for the year	–	872	5,597	–	6,469
Underlying amortisation for the year	–	–	–	1,908	1,908
Exchange adjustments	–	1,437	(70)	–	1,367
At 31 December 2024	21,616	116,006	90,698	7,137	235,457
Net book amount					
At 31 December 2024	12,745	172,344	60,390	8,129	253,608
At 1 January 2024	14,487	199,019	76,435	10,037	299,978

The Group	Goodwill £000s	Consumer Healthcare brands and distribution rights £000s	Prescription Medicines brands, royalties and distribution rights £000s	Computer software £000s	Total £000s
Cost					
At 1 January 2023	34,626	291,762	152,691	15,292	494,371
Exchange adjustments	(211)	(4,410)	(394)	(26)	(5,041)
At 31 December 2023	34,415	287,352	152,297	15,266	489,330
Amortisation and impairment					
At 1 January 2023	19,928	24,885	52,860	3,326	100,999
Non-underlying impairment for the year	–	63,010	16,242	–	79,252
Non-underlying amortisation for the year	–	438	6,760	–	7,198
Underlying amortisation for the year	–	–	–	1,903	1,903
At 31 December 2023	19,928	88,333	75,862	5,229	189,352
Net book amount					
At 31 December 2023	14,487	199,019	76,435	10,037	299,978
At 1 January 2023	14,698	266,877	99,831	11,966	393,372

Notes to the Financial Statements continued

11. Goodwill and intangible assets continued

Useful economic lives

The Group segregates its portfolio of assets into two areas: Consumer Healthcare brands and Prescription Medicines. The Directors have considered the continuing appropriateness of the useful economic lives assigned to the assets and for certain assets have made changes, reducing useful economic lives and moving from indefinite life to finite life where appropriate.

For the majority of Consumer Healthcare brand assets, indefinite useful lives have been judged to remain appropriate. This is due to the expected long-term growth profile of the Consumer Healthcare business and the enduring nature of the brands, which are supported by continuing marketing spend. It is the opinion of the Directors that the indefinite life assets meet the criteria set out in IAS 38. This assessment is made on an asset-by-asset basis taking into account:

- how long the brand has been established in the market and subsequent resilience to economic and social changes;
- stability of the industry in which the brand is used;
- potential obsolescence or erosion of sales;
- barriers to entry;
- whether sufficient marketing and promotional resourcing is available; and
- dependency on other assets with defined useful economic lives.

For Prescription Medicines brand assets, finite useful lives of up to 20 years were adopted prospectively from 1 January 2020. The determination of this lifespan considered all relevant factors for each individual asset, including typical pharmaceutical asset life cycles and the potential development of alternative treatments over time and the remaining useful lives of these brands are considered to remain appropriate.

Certain brands were acquired with patent protection, which lasts for a finite period of time. It is the opinion of the Directors that these patents do not provide any incremental value to the brand and therefore, no separate value has been placed on these patents. This assessment is based on a view of future profitability after patent expiry and past experience with similar brands.

The Prescription Medicines brand assets have a weighted average remaining life of 14 years at 31 December 2024 (2023: 16 years).

The net book value of intangible assets and goodwill which are considered to have indefinite useful lives are allocated to individual asset level (and for Amberen® only CGU level) in the following table. Goodwill relating to the acquisition of certain assets and businesses from Sinclair IS Pharma plc is allocated to the group of related Consumer Healthcare and Prescription Medicines product assets. Other goodwill amounts are allocated to the product CGU or individual brand asset with which they were originally acquired. Intangible assets that are considered to have indefinite lives all relate to the Consumer Healthcare segment, except for Sinclair Prescription Medicines' goodwill.

	31 December 2024		
	Goodwill £000s	Consumer healthcare brands and distribution rights £000s	Total £000s
Amberen®	–	12,114	12,114
Nizoral™	–	50,003	50,003
Kelo-Cote™ (US rights and ScarAway™)	–	15,202	15,202
MacuShield™	1,748	8,740	10,488
Ashton and Parsons	–	1,562	1,562
Aloclair™ (non-Sinclair)	–	862	862
Anbesol	–	988	988
Cambridge intangibles	598	–	598
Products acquired from Sinclair			
Kelo-Cote™ (non EU, excluding US)	–	44,109	44,109
Kelo-Cote™ (EU)	–	17,800	17,800
Aloclair™ (Sinclair)	–	14,000	14,000
Goodwill – Sinclair Prescription Medicines	–	–	–
Goodwill – Sinclair Consumer Healthcare	10,399	–	10,399
Assets with indefinite lives	**12,745**	**165,380**	**178,125**

Notes to the Financial Statements continued

11. Goodwill and intangible assets continued

Impairment

Goodwill and other intangible assets with indefinite lives are allocated to individual asset level (and for Amberen® CGU level) as set out in the useful economic lives table on the previous page. As explained in note 2.10, all intangible assets are stated at cost less accumulated amortisation and impairment.

For all intangible assets with an indefinite life, assets with a finite life that show indicators of impairment and goodwill, the carrying amounts of the Group's non-financial assets are assessed annually for impairment; this includes estimation of the recoverable amount, being the higher of the value in use basis and the fair value less costs of disposal basis. Amberen® is tested at CGU level as the directors believe this CGU generates largely independent cash inflows. All other brands are tested at the individual asset level.

Value in use calculations have been used to determine the recoverable amount for all individual assets and CGUs other than Amberen® and Nizoral™. The calculations use the latest approved five-year forecasts, extrapolated for the individual assets' and CGUs' remaining useful life or into perpetuity for assets with indefinite useful lives, using long-term market decline/growth rates between -8.8% to 2.0% (2023: -2.0% to 2.0%). Cash flows are discounted at an appropriate rate based on the Group's post-tax discount rate, adjusted where appropriate for country-specific risks, of between 8.3%–18.2%, or pre-tax 11.1%–24.2% (2023: 9.8%–14.5%, or pre-tax 13.1%–19.3%).

A fair value less costs of disposal calculation has been used to determine the recoverable amount of £8.6m for the Amberen® CGU (net of deferred tax), including tax benefits that are not entity specific and overhead and marketing expense to operate the brand by a market participant. When applying the fair value less costs of disposal methodology, it has been difficult to assess a sale value using observable market inputs (level 1) or inputs based on market evidence (level 2) in the current environment and so unobservable inputs (level 3) have been used. A discounted cash flow has been used to establish the fair value to a market participant, based on the latest approved five-year forecast, extrapolated into perpetuity using a long-term US market growth rate of 3.0% (2023: 3.0%) and discounted at an appropriate rate based on the Group's post-tax discount rate, adjusted for country-specific risks, of 8.6%, or pre-tax 11.6% (2023: 9.2% or pre-tax 12.5%).

A fair value less costs of disposal calculation has also been used to determine the recoverable amount of £50.0m for the Nizoral™ individual asset, including overhead and marketing expense to operate the brand by a market participant. When applying the fair value less costs of disposal methodology, it has been difficult to assess a sale value using observable market inputs (level 1) or inputs based on market evidence (level 2) in the current environment and so unobservable inputs (level 3) have been used. A discounted cash flow has been used to establish the fair value to a market participant, based on the latest approved five-year forecast, extrapolated into perpetuity using a long-term growth rate of 2.0% (2023: 2.0%) and discounted at an appropriate rate based on the Group's post-tax discount rate, adjusted for country-specific risks, of 8.97%, or pre-tax 12.0% (2023: 11.3% or pre-tax 15.1%).

Discount rates reflect the current market assessments of the time value of money and the territories in which the CGUs or individual brand assets operate. In determining the cost of equity, the Capital Asset Pricing Model ("CAPM") has been used. CAPM assesses the expected cost of equity by reference to the risk-free rate, the expected market return, and the industry's beta. Beta is a measure of the industry's volatility compared to the overall market. Pre-tax discount rates applied to the cash flow forecasts are derived from our post-tax weighted average cost of capital.

With the exceptions of the Amberen® CGU, the Nizoral™ indefinite life asset and central cost sensitivities for other brand intangible assets, which are all impaired to their recoverable amounts, the directors do not consider there to be any other reasonably possible changes in estimates that would result in further impairment to goodwill and other intangible assets.

Notes to the Financial Statements continued

11. Goodwill and intangible assets continued

Results of goodwill and other intangible assets impairment test

As a result of the impairment review for the year ended 31 December 2024, the following impairment charges were identified:

- Consumer Healthcare brand relating to Amberen® impaired by £23.5m, gross of £6.8m deferred tax credit (2023: impaired by £46.4m, gross of £13.5m deferred tax credit) following reassessment of the expected future cash flows generated, taking into account past performance, contractual arrangements and cost estimates, including marketing spend, and a lower cost of capital due to the overall decrease in borrowing rates.
- Following impairment indicators identified, Prescription Medicine brand and distribution rights assets with a finite life and associated goodwill have been impaired by £12.9m (2023: £16.2m) due to viability of future sales in the current market, and updates to the central cost allocation for the Group due to an update in strategic focus across brands.
- Following impairment indicators identified, Other Consumer Healthcare brand and distribution rights assets with a finite life have been impaired by £2.4m (2023: £6.3m) due to viability of future sales in the current market.
- Reversals of impairment totalling £2.4m have been recognized in the year (2023: £nil) arising from the subsequent reviews of the assets impaired in previous periods where either the conditions which gave rise to the original impairments were deemed to no longer apply or management deem the brand to have sustained improved economic performance above when the original impairment was recognised.

Assumptions applied in financial forecasts for fair value less costs of disposal

The Group prepares five-year cash flow forecasts derived from approved financial budgets, taking into account management's past experience, expected market conditions and industry growth rates.

Amberen®

The key assumptions used in forecasting cash flows relate to discount rate, short-term revenue growth, operating expense and terminal value marketing spend. Revenue is made up of capsule and gummy revenue streams. The short-term revenue key assumption is pinpointed to the capsule revenue stream as assumptions on gummy short-term revenue are not considered key assumptions as they do not contribute significantly to the £8.6m intangible asset brand valuation, net of deferred tax.

Underlying factors in determining the values assigned to each key assumption are shown below:

- Short-term revenue growth – forecast revenue growth rates are based on past experience adjusted for the strategic direction of the Group and expected market conditions within each of the markets in which the CGU operates. This includes forecasting the proportion of sales between bricks and mortar and ecommerce platforms.
- Operating expense – operating expense is forecast based on management's best estimate of cash flows, taking into account historical costs.
- Terminal value marketing spend – marketing spend is forecasted based on historical experience, product lifecycle expectations and expected market conditions.

Amberen® CGU – sensitivity analysis

The following key assumptions within the Amberen® valuation model are significant to the estimate; future changes to these assumptions could lead to significant changes to the carrying value of the Amberen® CGU:

Discount rates in fair value less costs of disposal models

- Methodology: Cash flows are discounted at an appropriate rate, based on the Group's post-tax discount rate adjusted for country-specific risks, in line with those used in the value in use calculations disclosed above. The Group's discount rate has decreased largely as a result of decreases in risk-free rate due to changes in government bond yields and a decrease in the equity beta based on sector market data.
- Estimation uncertainty: The assumptions included in the compilation of the CGU/asset-specific discount rates are designed to approximate the cost of capital that a potential market participant would expect. Given the nature of the Group's business model, the discount rate necessarily includes estimation uncertainty.

Short-term capsule revenue growth rates in fair value less costs of disposal valuation models

- Methodology: Approved budgets and forecasts for five years, based on management's best estimate of cash flows, taking into account historical capsule revenue, contracted revenue and expected market growth. The overall capsule short-term revenue growth is modelled at a four-year compound average growth rate (CAGR) of 3.1% (2023: 1.4%), split into bricks and mortar CAGR of 3.1% and ecommerce CAGR of 3.0%.
- Estimation uncertainty: The capsule revenue growth rates assumed in the Group's budgets and forecasts inherently include estimation uncertainty relating to the achievement of commercial initiatives and external factors.

Market participant operating expense

- Methodology: A key driver of the terminal value within the Amberen® impairment model is the market participant operating expense which is modelled at 29% of net sales (2023: 30%). This is based on management's best estimate.
- Estimation uncertainty: The market participant operating expense assumed in the Group's budgets and forecasts inherently includes estimation uncertainty relating to assumptions about the generalised overheads to operate the Amberen® asset by a market participant.

Notes to the Financial Statements continued

11. Goodwill and intangible assets continued

Terminal value marketing spend in fair value less costs of disposal valuation model

- Methodology: A key driver of the terminal value within the Amberen® impairment model is the marketing spend as a percentage of revenue which is modelled at 20% (2023: 20%). This is based on management's best estimate, taking into account market analysis and historical marketing spend for similar brands at a similar stage of their life cycles.
- Estimation uncertainty: Marketing spend required in future years and terminal revenue growth rates, the factors which drive the terminal value marketing spend, include inherent estimation uncertainty relating to economic uncertainty as well as the achievement of commercial initiatives and external factors.

Sensitivity

The following table shows the potential impact of reasonably possible changes to the key assumptions on the estimated recoverable amount of the Amberen® CGU. As the carrying value is equal to the recoverable amount at 31 December 2024, any changes would result in a change to the impairment charge recognised.

	Decrease in CGU recoverable amount			
	2.0% (200bp) increase in pre-tax discount rate	Terminal value marketing rate increase to 23%	Short-term capsule revenue growth CAGR decline to 0.2%	Increase in annual operating cost of £0.9m (8.9% of 2024 net sales)
Amberen®	**(£4.0m)**	**(£3.7m)**	**(£5.6m)**	**(£8.6m)**

If product contribution were increased by 10% in future years, then impairment would reduce by £5.9m.

Nizoral™

The key assumptions used in forecasting cash flows relate to China growth rate, discount rate, operating expense and marketing expense.

Underlying factors in determining the values assigned to each key assumption are shown below:

- Short-term revenue growth – forecast revenue growth rates are based on past experience adjusted for the strategic direction of the Group and expected market conditions within each of the markets in which the brand operates.
- Operating expense – operating expense is forecast based on management's best estimate of cash flows, taking into account historical costs.
- Marketing spend – marketing spend is forecast based on historical experience, product lifecycle expectations and expected market conditions.

Nizoral™ brand intangible asset – sensitivity analysis

The following key assumptions within the Nizoral™ valuation model are significant to the estimate; future changes to these assumptions could lead to significant changes to the carrying value of the Nizoral™ asset:

Discount rates in fair value less costs of disposal models

- Methodology: Cash flows are discounted at an appropriate rate, based on the Group's post-tax discount rate adjusted for country-specific risks. The Group's discount rate has decreased largely as a result of the decrease in risk-free rate due to changes in government bond yields and an increase in the equity beta based on sector market data.
- Estimation uncertainty: The assumptions included in the compilation of the CGU/asset-specific discount rates are designed to approximate the cost of capital that a potential market participant would expect. Given the nature of the Group's business model, the discount rate necessarily includes estimation uncertainty.

Short-term China growth rates

- Methodology: Approved budgets and forecasts for five years, based on management's best estimate of cash flows. The overall short-term China growth rate is modelled at 4.0% based on expectations derived from published future category growth rates in China and actual performance being achieved (short-term China growth rate modelled in 2023: 7.5%).
- Estimation uncertainty: The growth rates assumed in the Group's budgets and forecasts inherently include estimation uncertainty relating to the achievement of commercial initiatives and external factors.

Short-term China cost-of-goods sold growth rate

- Methodology: Approved budgets and forecasts for five years, based on management's best estimate of cash flows. The overall short-term China growth rate is modelled at 4.0% based on expectations derived from published future category growth rates in China and actual performance being achieved (short-term China growth rate modelled in 2023: 7.5%).
- Estimation uncertainty: The growth rates assumed in the Group's budgets and forecasts inherently include estimation uncertainty relating to the achievement of commercial initiatives and external factors.

Market participant operating expense

- Methodology: A key driver of the terminal value within the Nizoral™ impairment model is the market participant operating expense which is modelled at 20.1% of net sales (2023: 14.2%). This is based on management's best estimate, taking into account the transition of the Nizoral™ brand from the previous owner to Alliance.
- Estimation uncertainty: The market participant operating expense assumed in the Group's budgets and forecasts inherently includes estimation uncertainty relating to assumptions about the generalised overheads to operate the Nizoral™ asset by a market participant.

Notes to the Financial Statements continued

11. Goodwill and intangible assets continued

Marketing costs

- Methodology: In addition, a further key driver is cost estimates relating to the marketing spend as a percentage of revenue, which is modelled at 9.5% of net sales (2023: 12.3%). This is based on management's best estimate, taking into account market analysis and historical marketing spend for similar brands at a similar stage of their life cycles.
- Estimation uncertainty: The marketing spend assumed in the Group's budgets and forecasts inherently includes estimation uncertainty relating to the achievement of commercial initiatives and external factors.

Sensitivity

The following table shows the potential impairment charge which would result from the impact of reasonably possible changes to the key assumptions of Nizoral™. As the carrying value is unchanged at 31 December 2024 following an impairment in the prior year, any changes would result in an impairment charge being recognised.

	Decrease in CGU recoverable amount			
	2.0% (200bp) increase in pre-tax discount rate	£1.0m (6.7% of 2024 net sales) increase in annual COGS from 2025	£1.0m (6.7% of 2024 net sales) increase in annual operating costs from 2025	Decline in short-term China revenue growth CAGR to 0%
Nizoral™	**(£10.9m)**	**(£10.3m)**	**(£10.3m)**	**(£7.3m)**

If product contribution were increased by 10% in future years, then impairment would reduce by £9.1m.

Other brand intangible assets

Reasonably possible changes to key assumptions on the estimated recoverable amount of the aggregate of other brands assets would result in changes to the impairment charge recognised as the carrying value of these assets is equal to the recoverable amount at 31 December 2024. In aggregate these 12 brand intangible assets have a carrying value of £18.4m. A 9% increase in the central cost allocated between other brands would result in an additional £2.1m of impairment charge recognised. There are no reasonably possible changes to the discount rate which would result in a material additional impairment charge recognised. This disclosure has been presented in the aggregate to allow a better understanding of the overall impact on the intangibles balance relative to the materiality of the individual other brands.

12. Property, plant and equipment

The Group	Computer software and equipment £000s	Fixtures, fittings & equipment £000s	Plant & machinery £000s	Right-of-use lease assets £000s	Total £000s
Cost					
At 1 January 2024	2,260	4,550	74	5,723	12,607
Additions	89	712	40	409	1,250
Effects of movements in exchange rates	(8)	(10)	–	(111)	(129)
Disposals	(524)	(18)	–	(360)	(902)
At 31 December 2024	**1,817**	**5,234**	**114**	**5,661**	**12,826**
Depreciation					
At 1 January 2024	2,015	2,432	59	2,380	6,886
Provided in the year	144	422	12	740	1,318
Effect of movements in exchange rates	–	(3)	–	(46)	(49)
Disposals	(524)	(18)	–	(223)	(765)
At 31 December 2024	**1,635**	**2,833**	**71**	**2,851**	**7,390**
Net book amount					
At 31 December 2024	**182**	**2,401**	**43**	**2,810**	**5,436**
At 1 January 2024	245	2,118	15	3,343	5,721

Notes to the Financial Statements continued

12. Property, plant and equipment continued

The Group	Computer software and equipment £000s	Fixtures, fittings & equipment £000s	Plant & machinery £000s	Right-of-use lease assets £000s	Total £000s
Cost					
At 1 January 2023	2,199	3,944	74	5,230	11,447
Additions	64	776	–	692	1,532
Effects of movements in exchange rates	(1)	(106)	–	(57)	(164)
Disposals	(2)	(64)	–	(142)	(208)
At 31 December 2023	2,260	4,550	74	5,723	12,607
Depreciation					
At 1 January 2023	1,857	2,200	49	1,763	5,869
Provided in the year	160	296	10	759	1,225
Effect of movements in exchange rates	–	–	–	–	–
Disposals	(2)	(64)	–	(142)	(208)
At 31 December 2023	2,015	2,432	59	2,380	6,886
Net book amount					
At 31 December 2023	245	2,118	15	3,343	5,721
At 1 January 2023	342	1,744	25	3,467	5,578

Property, plant and equipment of £3.7m is located within the United Kingdom (2023: £3.4m). The remaining balance is located in France, China, Singapore, Spain, Germany and the United States. Right-of-use assets relate to the Group's leased offices.

13. Inventories

The Group	31 December 2024 £000s	31 December 2023 £000s
Finished goods	**21,493**	23,245
Work in progress	**37**	363
Raw materials	**3,484**	5,296
Inventory provision	**(2,495)**	(3,193)
	22,519	25,711

Inventory costs expensed through the Income Statement during the year were £59,147,000 (2023: £64,302,000). During the year, £1,764,000 (2023: £1,980,000) was recognised as an expense relating to the write-down of inventories to net realisable value.

14. Trade and other receivables

	The Group	
	31 December 2024 £000s	31 December 2023 £000s
Trade receivables	**45,543**	**49,371**
Other receivables	**494**	**1,716**
Prepayments	**3,042**	**3,029**
Accrued income	**301**	**600**
	49,380	**54,716**

Accrued income, which is all classified as not past due, represents amounts owed unconditionally to the Group which have not been invoiced at the year-end. For these assets, only the passage of time is required before payment becomes due.

Notes to the Financial Statements continued

14. Trade and other receivables continued

Credit risk

The ageing of trade receivables of the Group as at 31 December is detailed below:

Trade receivables, net of estimated allowances for expected credit losses	31 December 2024 £000s	31 December 2023 £000s
Not past due	**41,746**	46,366
1–30 days past due	**1,897**	1,447
31–60 days past due	**270**	1,102
61–90 days past due	**–**	142
Past 91 days	**1,630**	314
	45,543	49,371

Trade receivables, gross of estimated allowances for expected credit losses	31 December 2024 £000s	31 December 2023 £000s
Not past due	**41,738**	46,495
1–30 days past due	**1,897**	1,454
31–60 days past due	**270**	1,151
61–90 days past due	**–**	164
Past 91 days	**2,241**	531
	46,146	49,795

To manage credit risk, customers are required to pay in accordance with agreed terms. Our settlement terms generally mean payment is due within 30 or 60 days from the end of the month of sale. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are carried out on all customers requiring credit above a certain threshold, with varying approval levels set around this depending on the value.

The Group maintains an allowance for impairment of receivables where recoverability is considered doubtful, on a forward looking perspective. As at 31 December 2024, trade and other receivables of £603,000 (2023: £424,000) were past due and impaired. Debts are not written off until all avenues for recovery have been exhausted.

15. Cash and cash equivalents

	The Group	
	31 December 2024 £000s	31 December 2023 £000s
Sterling	**11,721**	2,433
Euros	**4,199**	6,549
US Dollars	**5,499**	3,086
Thai Baht	**4,962**	3,960
Other currencies	**5,979**	6,408
Cash at bank and in hand	**32,360**	22,436

16. Trade and other payables

	The Group	
	31 December 2024 £000s	31 December 2023 £000s
Trade payables	**13,700**	18,225
Other taxes and social security costs	**1,285**	1,211
Accruals	**13,429**	12,176
Rebates, returns and other revenue accruals	**2,773**	3,979
Other payables	**61**	707
Lease liabilities	**596**	768
	31,844	37,066

Revenue accruals are provided for by the Group at the point of sale in respect of estimated rebates, returns, discounts or other allowances payable to customers. They are recorded at the point of revenue recognition, but the actual amounts settled depends on the timing of claims raised by customers, and are finalised some time later.

As the amounts are estimated, they may not fully reflect the final outcome. The level of accrual is reviewed and adjusted at each balance sheet date in light of any changes in contractual arrangements, or historical experience of actual amounts paid. Future events could cause the assumptions on which the accruals are based to change, which could affect the future results of the Group.

Notes to the Financial Statements continued

17. Loans and borrowings

On 15 August 2023, the Group agreed a new £150.0m fully Revolving Credit Facility, together with a £65.0m Accordion. The facility was agreed with its existing syndicate of lenders, replacing the previous RCF which ran through to July 2024. This new facility is available until August 2026, with one further extension option of one or two years. This has been classified as a non-current liability (note 2.18). The bank facility is secured by a fixed and floating charge over the Company's and Group's assets registered with Companies House. The loan commitments are all 'investment grade' as at the balance sheet date. Pursuant to its terms, the Group is obliged to deliver a copy of its audited annual financial statements to the lenders within 120 days of the year-end.

	The Group	
Non-current	**31 December 2024 £000s**	**31 December 2023 £000s**
Bank loans:		
Secured	**93,375**	114,844
Finance issue costs	**(898)**	(1,198)
	92,477	113,646

Movement in loans and borrowings	**31 December 2024 £000s**	**31 December 2023 £000s**
At 1 January	**113,646**	133,744
Net (repayment) of borrowings[1]	**(21,235)**	(18,000)
Additional prepaid arrangement fees	**(19)**	(1,338)
Amortisation of prepaid arrangement fees	**319**	461
Exchange movements[2]	**(234)**	(1,221)
At 31 December	**92,477**	113,646

1. On renewal of the facility no cash was moved and therefore the net position is presented.
2. Exchange movements on loans and borrowings with effective net investment hedges are reported in other comprehensive income and accumulated in the translation reserve.

18. Other non-current liabilities

	The Group	
	31 December 2024 £000s	**31 December 2023 £000s**
Lease liabilities	**2,623**	3,001
Other non-current liabilities	**199**	199
	2,822	3,200

19. Provisions

	Restructuring provision (£000s)	**Onerous contract provision (£000s)**	**Provision for flood damage costs (£000s)**	**Total (£000s)**
At 1 January 2024	**175**	**462**	**–**	**637**
(Credit) to income statement	**–**	**(462)**	**–**	**(462)**
Charge to income statement	**45**	**814**	**30**	**889**
Provisions utilised during the year	**(68)**	**–**	**–**	**(68)**
Exchange differences	**(8)**	**(9)**	**–**	**(17)**
At 31 December 2024	**144**	**805**	**30**	**979**

The restructuring provision of £0.1m at 31 December 2024 (2023: £0.2m) relates to the balance of restructuring costs in relation to the closure of the Milan office following a change to the operating model for our direct-to-market business in Italy in 2022.

The onerous contract provision of £0.8m at 31 December 2024 (2023: £0.5m) relates to estimated legal and settlement costs in relation to a customer dispute (£0.4m); and balances which are under dispute with suppliers (£0.4m). Settlement of these disputes will be the subject of negotiation which may take several years. The £0.5m provision brought forward was reclassified to inventory provisions as at 30 June 2024 following receipt of the underlying product, and then subsequently released upon completion of the sale.

The provision for flood damage costs of £0.03m at 31 December 2024 (2023: £nil) relates to repairs for damage sustained to office buildings during flooding in November 2024.

Notes to the Financial Statements continued

20. Financial instruments

The Group uses financial instruments comprising borrowings, derivatives, cash and liquid resources, and various items such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, foreign currency risk and credit risk. The Board is responsible for risk management policies on managing each of these, which are summarised below, except credit risk which is detailed in note 14.

Liquidity risk

The Group's operations are financed by retained earnings and bank borrowings, with additional equity being raised on a periodic basis to finance larger acquisitions. Borrowings are denominated in Sterling, Euro and US Dollars. The purpose of Euro and US Dollar borrowings are to manage the currency exposure arising from the Group's operations.

On 15 August 2023, the Group agreed a new £150.0m fully Revolving Credit Facility, together with a £65.0m Accordion. The facility was agreed with its existing syndicate of lenders, replacing the previous RCF which ran through to July 2024. This new facility is available until August 2026, with one further extension option of one or two years.

The RCF is drawn in short to medium-term tranches of debt which are repayable within 12 months of draw-down. These tranches of debt can be rolled over provided certain conditions are met, including covenant compliance. The Group considers that it is highly unlikely it would be unable to exercise its right to roll over the debt. This is due to the level of headroom over the covenants, and mitigating actions it could take to maintain compliance with these conditions, including future covenant requirements, even in downside scenarios. The Directors therefore believe that the Group has the ability and the intent to roll over the drawn RCF amounts when due and consequently has presented the RCF as a non-current liability.

The Group also has access to an overdraft facility of £2.0m.

The maturity profile of the Group's financial gross (capital and interest) liabilities, except forward foreign exchange contracts for which maturity is disclosed separately, at the year-end is as follows:

	31 December 2024				
	In one year or less £000s	**In more than one year, but not more than two £000s**	**In more than two years, but not more than five £000s**	**In more than five years £000s**	**Total £000s**
Trade and other payables	**31,248**	**–**	**–**	**–**	**31,248**
Bank loans[1]	**93,375**	**–**	**–**	**–**	**93,375**
Lease liabilities	**596**	**498**	**1,540**	**585**	**3,219**
	125,219	**498**	**1,540**	**585**	**127,842**

	31 December 2023				
	In one year or less £000s	**In more than one year, but not more than two £000s**	**In more than two years, but not more than five £000s**	**In more than five years £000s**	**Total £000s**
Trade and other payables	36,298	–	–	–	36,298
Bank loans[1]	114,844	–	–	–	114,844
Lease liabilities	768	631	1,395	975	3,769
	151,910	631	1,395	975	154,911

1. Includes an amount of £93.4m (2023: £114.8m) in respect of gross contractual cash flows payable under the RCF; these are shown as due within one year or less to reflect the contractual maturity of the tranches drawn down at 31 December 2024. The RCF is classified as a non-current liability as the Directors have assessed that the Group has the ability and the intent to roll over the drawn RCF amounts when due.

Notes to the Financial Statements continued

20. Financial instruments continued

Interest rate risk

The Group's debt is provided on a floating interest rate basis. The Group is exposed to risks of rising interest rates on interest costs and the headroom available under financial covenants. Interest rate hedging products are used to manage financial exposures and protect covenants when certain trigger levels are met. In 2023 and 2024, the Group used interest rate swaps to fix the rates paid on a portion of its debt in order to mitigate against these risks. At 31 December 2024, the Group had GBP interest rate swaps in place with a nominal value of £60.0m (2023: £90.0m) and a weighted average fixed rate percentage of 5.47% (2023: 5.47%). The swaps were transacted with an amortising profile ending in June 2026 and were remeasured to fair value at the period end.

The interest rate exposure of the financial liabilities of the Group at the period-end was:

Floating rate interest exposure	31 December 2024 £000s	31 December 2023 £000s
At 31 December 2024		
Bank loans – Sterling denominated	**88,817**	96,817
Bank loans – Euro denominated	**4,558**	6,865
Bank loans – US Dollar denominated	**–**	11,162
Total financial liabilities	**93,375**	114,844
Unamortised issue costs	**(898)**	(1,198)
Net book value of financial liabilities	**92,477**	113,646

The Sterling floating rate borrowings bear interest at a rate based on SONIA for the year ended 31 December 2024. The Euro floating rate borrowings bear interest at a rate based on EURIBOR. The US Dollar floating rate borrowings bear interest at a benchmark rate ("US Dollar LIBOR").

A 0.5% increase in SONIA would have reduced pre-tax profits by approximately £0.1m in 2024; a 0.5% decrease would have the opposite effect.

Because of the size of the Euro-denominated loan, a 0.5% increase or decrease in EURIBOR would not have affected pre-tax profits in 2024.

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group Companies. The functional currencies of Group Companies are primarily Sterling, Euro, US Dollar and Hong Kong Dollars.

Approximately 18% of the Group's sales are invoiced in Euro, 31% invoiced in US Dollars and 12% invoiced in Hong Kong Dollars. The majority of other Group sales are invoiced in Sterling.

The Group's risk management policy is to hedge up to 75% of its estimated net foreign currency exposure in respect of forecast sales and purchases for up to the next 18 months at any point in time. The Group uses forward foreign exchange contracts to hedge its currency risk. These contracts are generally designated as cash flow hedges.

After the impacts of hedging, 5% weakening or strengthening of Sterling against the US Dollar would have resulted in £0.5m gain or loss to EBITDA (note 30) in 2024. On the same basis, 5% weakening or strengthening of Sterling against the Euro or Hong Kong Dollar would not result in any impact on EBITDA due to the high levels of hedging implemented on these exposures.

Notes to the Financial Statements continued

20. Financial instruments continued

Fair value measurement

The Group has adopted IFRS 13 for financial instruments that are measured in the Group balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1");
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) ("Level 2"); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) ("Level 3").

The Group's financial instruments held at fair value (or for which fair value is disclosed) in the scope of IFRS 13 are as follows:

	Level	31 December 2024 Carrying value £000s	31 December 2023 Carrying value £000s
Interest rate swap contracts	2	**(657)**	(1,771)
Forward foreign exchange contracts	2	**(1,163)**	896
		(1,820)	(875)

For the other financial assets and liabilities, the carrying amount is a reasonable approximation of fair value and therefore, no further disclosure is provided. The valuation techniques used for instruments categorised in Level 2 are described below:

Forward foreign exchange contracts ("Level 2")

The Group's currency rate swaps are not traded in active markets. These have been fair valued using observable currency rates. The effects of non-observable inputs are not significant for currency rate swaps.

Counterparty banks perform valuations of currency rate swaps for financial reporting purposes, determined by discounting the future cash flows at rates determined by year-end spot and forward rate. The valuation processes and fair value changes are discussed by the Audit and Risk Committee and the finance team at least every half year, in line with the Group's reporting dates.

Forward foreign exchange contract assets and liabilities are presented in 'Derivative financial instruments' (either as assets or as liabilities) within the balance sheet.

At 31 December 2024, the Group held the following forward exchange contracts to hedge exposures to changes in foreign currency rates:

	Maturity		
	1–6 months	6–12 months	More than one year
Forward exchange contracts			
Net exposure (£000s)	**515**	**546**	**102**
Average GBP:USD forward contract rate	**1.300**	**1.308**	**–**
Average GBP:EUR forward contract rate	**1.151**	**1.160**	**–**
Average GBP:HKD forward contract rate	**9.988**	**10.099**	**10.138**

Notes to the Financial Statements continued

20. Financial instruments continued

Forward foreign exchange contracts ("Level 2") continued

At 31 December 2023, the Group held the following forward exchange contracts to hedge exposures to changes in foreign currency rates:

	Maturity		
	1–6 months	6–12 months	More than one year
Forward exchange contracts			
Net exposure (£000s)	422	397	77
Average GBP:USD forward contract rate	1.234	1.236	–
Average GBP:EUR forward contract rate	1.147	1.131	–
Average GBP:HKD forward contract rate	9.737	9.533	9.543

Group

Classification of the Group's financial assets and liabilities is set out below:

Financial assets	31 December 2024 £000s	31 December 2023 £000s
Financial assets at amortised cost		
Trade receivables	**45,543**	49,371
Accrued income	**301**	600
Cash and cash equivalents	**32,360**	22,436
	78,204	72,407
Fair value through profit and loss		
Derivative financial instruments	**69**	1,309
	78,273	73,716

Financial liabilities	31 December 2024 £000s	31 December 2023 £000s
Financial liabilities at amortised cost		
Trade and other payables	**29,963**	35,087
Loans and borrowings	**93,375**	114,844
Lease liabilities	**3,219**	3,769
	126,557	153,700
Fair value through profit and loss		
Derivative financial instruments	**1,889**	2,184
	128,446	155,884

Notes to the Financial Statements continued

20. Financial instruments continued

Reconciliation to cash flow movements, including changes in liabilities arising from financing activities

		Cash flows			Non-cash changes				
	2023 £000s	Principal £000s	Net additions £000s	Interest £000s	Foreign exchange* £000s	Net additions £000s	Amortisation £000s	Interest £000s	2024 £000s
Gross loans and borrowings	114,844	(21,235)	–	–	(234)	–	–	–	93,375
Prepaid arrangement fees	(1,198)	–	(19)	–	–	–	319	–	(898)
Accrued interest	81	–	–	(8,798)	–	–	–	8,678	(39)
Lease liabilities	3,769	(853)	–	–	–	195	–	108	3,219
Changes in liabilities arising from financing activities	117,496	(22,088)	(19)	(8,798)	(234)	195	319	8,786	95,657
Share capital and premium	157,088	–	21	–	–	–	–	–	157,109
	274,584	(22,088)	2	(8,798)	(234)	195	319	8,786	252,766

* Exchange movements on loans and borrowings with effective net investment hedges are reported in other comprehensive income and accumulated in the translation reserve.

Derivative financial instruments

	31 December 2024 Assets/(Liabilities) £000s	31 December 2023 Assets/(Liabilities) £000s
Current portion: asset	69	1,232
Current portion: (liability)	(1,130)	(413)
Non-current portion: (liability)/asset	(102)	77
Forward exchange swap – cash flow hedge	(1,163)	896

	31 December 2024 Assets/(Liabilities) £000s	31 December 2023 Assets/(Liabilities) £000s
Non-current portion: (liability)	(657)	(1,771)
Interest rate swap – cash flow hedge	(657)	(1,771)

Notes to the Financial Statements continued

20. Financial instruments continued

The cash flow hedges were tested for effectiveness both retrospectively and prospectively as at 31 December 2024. They were found to be highly effective, with the ineffective element being immaterial. The amount recognised through the Income Statement in finance costs for interest rate swaps during the year was a charge of £277,000 (2023: £148,000). The amounts recognised through the Income Statement in respect of the forward foreign exchange contracts during the year was a credit of £276,000 in revenue (2023: debit of £38,000).

21. Deferred tax

The Group	31 December 2024 £000s	31 December 2023 £000s
Accelerated capital allowances on tangible assets	**769**	820
Temporary differences: trading	**794**	287
Temporary differences: non-trading	**1,547**	1,549
Accelerated allowances on intangible assets	**(7,100)**	(7,460)
Initial recognition of intangible assets from business combination	**(21,646)**	(30,179)
Share-based payments	**303**	111
Foreign exchange forward contracts	**291**	(224)
Interest rate swap contracts	**164**	443
Losses and unrelieved interest	**1,777**	1,438
	(23,101)	(33,215)
Recognised as:		
Deferred tax asset	**5,645**	4,648
Deferred tax liability	**(28,746)**	(37,863)

Reconciliation of deferred tax movements:

The Group	1 January 2024 £000s	Transfers £000s	Recognised in other comprehensive income/ directly in equity	Recognised in the income statement £000s	31 December 2024 £000s
Non-current assets					
Intangible assets	(37,639)	–	319	8,574	**(28,746)**
Property, plant and equipment	820	–	–	(52)	**768**
Non-current liabilities					
Derivative financial instruments	(224)	–	395	121	**292**
Interest rate hedge	443	–	(279)	–	**164**
Other non-current liabilities	1,549	–	–	–	**1,549**
Equity					
Share option reserve	111	–	84	108	**303**
Temporary differences					
Trading	287	–	–	504	**791**
Losses	1,438	–	–	340	**1,778**
	(33,215)	–	519	9,595	**(23,101)**
Recognised as:					
Deferred tax asset	4,648	–	(24)	1,021	**5,645**
Deferred tax liability	(37,863)	–	543	8,574	**(28,746)**
	(33,215)	–	519	9,595	**(23,101)**

The Group has unrecognised deferred tax assets of £293,000 in relation to losses (2023: £295,000).

Notes to the Financial Statements continued

21. Deferred tax continued

The Group	1 January 2023 £000s	Transfers £000s	Recognised in other comprehensive income/ directly in equity £000s	Recognised in the income statement £000s	31 December 2023 £000s
Non-current assets					
Intangible assets	(59,411)	–	1,202	20,570	(37,639)
Property, plant and equipment	1,057	–	–	(237)	820
Non-current liabilities					
Derivative financial instruments	(44)	–	(122)	(58)	(224)
Interest rate hedge	–	–	443	–	443
Other non-current liabilities	1,630	–	(81)	–	1,549
Equity					
Share option reserve	167	–	14	(70)	111
Temporary differences					
Trading	205	–	–	82	287
Losses	1,058	–	–	380	1,438
	(55,338)	–	1,456	20,667	(33,215)
Recognised as:					
Deferred tax asset	4,117	–	376	155	4,648
Deferred tax liability	(59,455)	–	1,080	20,512	(37,863)
	(55,338)	–	1,456	20,667	(33,215)

22. Share capital

	Allotted, called up and fully paid	
	No. of shares	£000s
At 1 January 2023 – Ordinary shares of 1p each	539,995,086	5,400
Issued during the year	394,994	4
At 31 December 2023 – Ordinary shares of 1p each	540,390,080	5,404
Issued during the year	175,459	2
At 31 December 2024 – Ordinary shares of 1p each	**540,565,539**	**5,406**

Between 1 January 2024 and 31 December 2024, 175,459 shares were issued on the exercise of employee share options (2023: 394,994).

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Potential share options commitment

Under the Group's share option scheme for employees and Executive Directors, options have been granted to subscribe for shares in the Company at prices ranging from 1.00p to 102.80p (2023: 1.00p to 102.80p). Options are exercisable three years after date of grant, but in certain instances this can be extended to five years. Options outstanding are as follows:

Notes to the Financial Statements continued

22. Share capital continued

Year of grant	Exercise price Pence	Exercise from	Scheme	31 December 2024 Number (000s)	31 December 2023 Number (000s)
2014	33.75	2017	CSOP	**–**	242
2015	43.75	2018	CSOP	**268**	306
2015	46.75	2018	CSOP	**500**	500
2016	47.50	2019	CSOP	**502**	571
2016	47.50	2021	CSOP	**1,200**	1,400
2017	53.00	2020	CSOP	**1,950**	2,318
2018	81.60	2021	CSOP	**2,997**	3,177
2019	76.90	2022	CSOP	**3,773**	4,154
2020	73.70	2023	CSOP	**2,995**	3,285
2021	102.80	2024	CSOP	**4,651**	5,483
2021	1.00	2024	LTIP	**230**	468
2022	58.2	2025	CSOP	**6,434**	7,245
2022	1.00	2025	LTIP	**427**	878
2023	1.00	2026	LTIP	**6,542**	8,805
2024	1.00	2027	LTIP	**907**	–
				33,376	38,832

The weighted average remaining contractual life at 31 December 2024 is 5.0 years (2023: 6.0 years).

The provision of shares to satisfy certain of the Group's share option schemes can be facilitated by purchases of own shares by the Group's Employee Benefit Trust. The cost of operating the Trust is borne by the Group but is not material. To date, no shares have been purchased by the Trust for satisfaction of outstanding or future share option awards.

Managing capital

Our objective in managing the business's capital structure is to ensure that the Group has the financial capacity, liquidity and flexibility to support the existing business and to fund acquisition opportunities as they arise.

The capital structure of the Group consists of net bank debt and shareholders' equity. At 31 December 2024, net debt excluding lease liabilities was £60.1m (2023: £91.2m) (note 30), whilst shareholders' equity was £207.6m (2023: £217.9m).

The business is profitable and cash-generative. The main financial covenants applying to bank debt are that leverage (the ratio of net bank debt to EBITDA) should not exceed 3.0 times, and interest cover (the ratio of EBITDA to finance charges) should not be less than 4.0 times. The Group complied with both of these covenants in 2024 and 2023.

Smaller acquisitions are typically financed using bank debt, while larger acquisitions typically involve a combination of bank debt and additional equity. The mixture of debt and equity is varied, taking into account the desire to maximise the shareholder returns while keeping leverage at comfortable levels.

23. Share-based payments

Under the Group's share option scheme for employees and Executive Directors, options to subscribe for shares in the Company are granted normally once each year. The contractual life of a CSOP option is ten years from date of grant and for LTIPs, four years from date of grant. Generally, options granted become exercisable on the third anniversary of the date of grant, but in certain instances this can be extended to five years. Exercise of an option is normally subject to continued employment. Options are valued by a third-party provider using the Black-Scholes option-pricing model.

Share options and weighted average exercise price are as follows for the reporting periods presented:

	2024		2023	
	Number (000s)	Weighted average price Pence	Number (000s) (Restated[1])	Weighted average price Pence
Outstanding at start of year	**38,832**	**53.26**	33,627	67.54
Granted	**907**	**–**	8,804	–
Exercised (issued)	**(175)**	**17.50**	(395)	16.50
Exercised (withheld)	**(154)**	**33.75**	(146)	38.39
Forfeited	**(6,033)**	**40.65**	(3,058)	0.61
Outstanding at end of year	**33,377**	**54.99**	38,832	53.26
Exercisable at end of year	**19,068**	**76.21**	15,953	67.84

1. Restatement of the 2023 number of shares exercisable at the end of the year.

Notes to the Financial Statements continued

23. Share-based payments continued

Share options were exercised throughout the financial year. Share options were exercised at prices of between 1.00p and 33.75p per share.

Certain options are subject to EPS or Total Shareholder Return ("TSR") accretion performance criteria; those outstanding are as follows:

Year of grant	Exercise price Pence	Exercise from	31 December 2024 Number (000s)	31 December 2023 Number (000s)
2014	33.75	2017	–	92
2015	43.75	2018	**104**	104
2016	47.50	2019	**155**	155
2016	47.50	2021	**1,200**	1,400
2017	53.00	2020	**323**	323
2018	81.60	2021	**1,602**	1,639
2019	76.90	2022	**299**	336
2021	102.80	2024	**671**	924
2021	1.00	2024	**230**	468
2022	58.20	2025	**648**	919
2022	1.00	2025	**427**	878
2023	1.00	2026	**3,514**	5,356
2024	1.00	2027	**907**	–
			10,080	12,594

The total expense for the year relating to share-based payment plans was £1.6m (2023: £0.9m), of which £1.5m (2023: £1.0m) related to equity-settled transactions and a debit of £0.1m (2023: credit of £0.1m) related to cash-settled transactions.

It is assumed that, on average, options will be exercised after five years. The expected volatility is based on historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. The risk-free rate of return is based on UK Government bonds of a term consistent with the assumed option life.

The cash-settled transaction expense includes provision for social security charges based on the applicable social tax rate applied to the number of share awards which are expected to vest, valued with reference to the year-end share price.

The estimated total equity-settled fair value of the share options granted in June 2024 was £288,382. The model inputs were a market price of 41.90p, expected volatility of 45.28% and a risk-free rate of 4.22%.

24. Cash generated from operations

	Group	
	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Loss for the year	**(10,729)**	(33,136)
Taxation	**(3,731)**	(15,664)
Interest payable and similar charges	**9,225**	9,991
Interest income	**(62)**	(113)
Unrealised foreign exchange loss/(gain)	**222**	(423)
Profit on disposal of intangible assets	**(2,400)**	–
Depreciation of property, plant and equipment	**1,318**	1,225
Amortisation and impairment of intangibles	**44,890**	88,353
Change in inventories	**3,114**	(1,859)
Change in trade and other receivables	**5,422**	(6,481)
Change in trade and other payables	**(4,966)**	1,937
Change in provisions	**342**	(7,785)
Share-based employee remuneration	**1,646**	889
Cash generated from operations	**44,291**	36,934

Notes to the Financial Statements continued

25. Capital commitments

The Group had capital commitments for property, plant and equipment at 31 December 2024 totalling £nil (2023: £810,000).

26. Contingent liabilities

Contingent liabilities are possible obligations that are not probable. The Group operates in a highly regulated sector and in markets and geographies around the world each with differing requirements. As a result, and in the normal course of business, the Group can be subject to a number of regulatory inspections, investigations and customer and other claims on an ongoing basis.

It is therefore possible that the Group may incur penalties for non-compliance. In addition, a number of the Group's brands and products are subject to pricing and other forms of legal or regulatory restrictions from both governmental and regulatory bodies and also from third parties. Assessments as to whether or not to recognise a provision in respect of these matters are judgemental, as the matters are often complex and rely on estimates and assumptions as to future events.

As at 31 December 2024, there are no contingent liabilities (2023: £nil).

27. Pensions

The Group operates a defined contribution pension scheme for the benefit of Executive Directors and employees.

The Group	31 December 2024 £000s	31 December 2023 £000s
Contributions payable by the Group for the year	**1,682**	1,506

28. Related parties

The Group has a related-party relationship with its subsidiaries and with its Directors and key management. A list of subsidiaries is shown on pages 134 to 135 of these financial statements. Transactions between two subsidiaries for the sale and purchase of products or for management charges are priced on an arm's length basis. Benefit expenses in respect of key management are shown in note 7. The Group has no external related parties and therefore there are no external related-party transactions for the year (2023: none).

29. Ultimate controlling party

The Company's shares are listed on the Alternative Investment Market ("AIM") and are held widely. There is no single ultimate controlling party.

30. Alternative Performance Measures

The performance of the Group is assessed using Alternative Performance Measures ("APMs"). The Group's results are presented both before and after non-underlying items. Adjusted profitability measures are presented excluding non-underlying items, as we believe this provides both management and investors with useful additional information about the Group's performance and aids a more effective comparison of the Group's trading performance from one period to the next. In addition, the Group's results are described using certain other measures that are not defined under IFRS and are therefore considered to be APMs.

These measures are used by management to monitor ongoing business performance against both shorter-term budgets and forecasts but also against the Group's longer-term strategic plans. APMs used to explain and monitor Group performance are as follows:

Measure	Definition	Reconciliation to GAAP measure
Underlying EBIT and EBITDA	Earnings before interest, tax and non-underlying items ("EBIT", also referred to as underlying operating profit), then depreciation, amortisation and impairment ("EBITDA"). Calculated by taking profit before tax and financing costs, excluding non-underlying items and adding back depreciation and amortisation. EBITDA margin is calculated using see-though revenue.	Note A below
Free cash flow	Free cash flow is defined as cash generated from operations less cash payments made for interest payable and similar charges, capital expenditure and tax.	Note B below
Net debt	Net debt is defined as the Group's gross bank debt position net of finance issue costs and cash, excluding lease liabilities.	Note C below
Underlying effective tax rate	Underlying effective tax rate is calculated by dividing total taxation for the year less impact of tax rate changes and non-underlying charges, by the underlying profit before tax for the year.	Note D below
Operating costs	Defined as underlying administration and marketing expenses, excluding depreciation and underlying amortisation charges.	Note E below

Notes to the Financial Statements continued

30. Alternative Performance Measures

Measure	Definition	Reconciliation to GAAP measure
See-through Income Statement	Under the terms of the transitional services agreement with certain supply partners, Alliance receives the benefit of the net profit on sales of Nizoral™ from the date of acquisition up until the product licences in the Asia-Pacific territories transfer to Alliance. The net product margin is recognised as part of statutory revenue. The See-through Income Statement recognises the underlying sales and cost of sales which give rise to the net product margin, as management consider this to be a more meaningful representation of the underlying performance of the business, and to reflect the way in which it is managed.	Note F below
Constant exchange rate ("CER") revenue	Like-for-like revenue, impact of acquisitions, and total see-through revenue are stated so that the portion denominated in non-Sterling currencies is retranslated using foreign exchange rates from the previous financial year.	Note G below

A. Underlying EBIT and EBITDA

Reconciliation of Underlying EBIT and EBITDA	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Loss before tax	**(14,460)**	(48,800)
Non-underlying items (note 5)	**45,965**	80,303
Underlying profit before tax	**31,505**	31,503
Finance costs (note 6)	**8,388**	10,358
Underlying EBIT	**39,893**	41,861
Depreciation (note 12)	**1,318**	1,225
Underlying amortisation (note 11)	**1,908**	1,903
Underlying EBITDA	**43,119**	44,989
Underlying EBITDA margin	**23.9%**	24.6%

B. Free cash flow

Reconciliation of free cash flow	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Cash generated from operations (note 24)	**44,291**	36,934
Interest payable and similar charges	**(8,736)**	(9,433)
Capital expenditure	**(841)**	(696)
Tax paid	**(5,575)**	(5,524)
Free cash flow	**29,139**	21,281

Notes to the Financial Statements continued

30. Alternative Performance Measures continued

C. Net debt

Reconciliation of net debt	31 December 2024 £000s	31 December 2023 £000s
Loans and borrowings (note 17)	**(92,477)**	(113,646)
Cash and cash equivalents (note 15)	**32,360**	22,436
Net debt	**(60,117)**	(91,210)

D. Underlying effective tax rate

Reconciliation of underlying effective tax rate	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Total taxation credit for the year	**3,731**	15,664
Non-underlying tax credit (note 5)	**(11,656)**	(22,579)
Underlying taxation charge for the year	**(7,925)**	(6,915)
Underlying profit before tax for the year	**31,505**	31,503
Underlying effective tax rate	**25.2%**	22.0%

E. Operating costs

Reconciliation of operating costs	31 December 2024 £000s	31 December 2023 £000s
Total administration and marketing expenses	**(70,848)**	(54,219)
Non-underlying administration and marketing expenses (note 5)	**5,009**	(6,147)
Depreciation (note 12)	**1,318**	1,225
Operating costs	**(64,521)**	(59,141)

F. See-through income statement

	2024 Statutory values £000s	See-through adjustment £000s	2024 See-through values £000s
Revenue – Consumer Healthcare brands	**129,234**	**1,509**	**130,743**
Revenue – Prescription Medicines	**49,602**	**–**	**49,602**
Total revenue	**178,836**	**1,509**	**180,345**
Cost of sales	**(69,550)**	**(1,509)**	**(71,059)**
Gross profit	**109,286**	**–**	**109,286**
Gross profit margin	**61.1%**	**–**	**60.6%**

	2023 Statutory values £000s	See-through adjustment £000s	2023 See-through values £000s
Revenue – Consumer Healthcare brands	134,332	2,032	136,364
Revenue – Prescription Medicines	46,348	–	46,348
Total revenue	180,680	2,032	182,712
Cost of sales	(75,661)	(2,032)	(77,693)
Gross profit	105,019	–	105,019
Gross profit margin	58.1%	–	57.5%

There is no impact from the see-through adjustment on income statement lines below gross profit.

Notes to the Financial Statements continued

30. Alternative Performance Measures continued

G. Constant exchange rate revenue

See-through revenue	2024 £000s	Foreign exchange impact £000s	2024 CER £000s
LFL see-through revenue – Consumer Healthcare brands	**130,743**	**3,048**	133,791
LFL see-through revenue – Prescription Medicines	**49,602**	**352**	49,954
See-through revenue (Note F)	**180,345**	**3,400**	183,745

Statutory revenue	2024 £000s	Foreign exchange impact £000s	2024 CER £000s
LFL statutory revenue – Consumer Healthcare brands	**129,234**	**3,048**	132,282
LFL statutory revenue – Prescription Medicines	**49,602**	**352**	49,954
Statutory revenue (Note F)	**178,836**	**3,400**	182,236

31. Events after the reporting date

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, at the value of 62.5 pence per share (representing a £349.7m total cash offer). This offer was increased to 64.75 pence per share (representing a £362.0m total cash offer) on 10 March 2025 and was accepted by the requisite number of shareholders at a meeting on 13 March 2025.

As announced on 20 March 2025, the Sanction Hearing to approve the offer made by DBAY is scheduled for 12 May 2025, and the Effective Date of the Scheme is expected to be 14 May 2025.

We anticipate that Alliance will cease trading on AIM shortly afterwards.

There were no other material events subsequent to 31 December 2024 and up until the authorisation of the financial statements for issue, that have not been disclosed elsewhere in the financial statements.

Company Balance Sheet

	Note	31 December 2024 £000s	31 December 2023 £000s (Restated[1])
Assets			
Non-current assets			
Investment and loans to subsidiaries	c	**170,821**	173,046
Current assets			
Trade and other receivables	d	**134**	227
Amounts owed by group undertakings		**12,271**	3,564
Cash and cash equivalents		**20**	4
		12,425	3,795
Total assets		**183,246**	176,841
Equity			
Ordinary share capital	f	**5,406**	5,404
Share premium account		**151,703**	151,684
Share option reserve		**12,754**	11,217
Retained earnings		**11,897**	7,660
Total equity		**181,760**	175,965
Liabilities			
Current liabilities			
Trade and other payables	e	**1,486**	817
Corporation tax		**–**	59
Total liabilities		**1,486**	876
Total equity and liabilities		**183,246**	176,841

1. See note c for an explanation and analysis of the prior year restatements in respect of 31 December 2023 and 1 January 2023.

The Company's profit for the year was £4,237,000 (2023 restated: £1,066,000).

As permitted by section 408 of the Companies Act 2006, no separate Income Statement is presented in respect of the Parent Company.

The financial statements were approved by the Board of Directors on 7 April 2025.

Nick Sedgwick
Director

Andrew Franklin
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

Company number 04241478

Company Statement of Changes in Equity

	Ordinary share capital £000s	Share premium account £000s	Share option reserve £000s	Retained earnings £000s	Total equity £000s
Balance 1 January 2023	5,400	151,650	10,214	29,377	196,641
Impact of prior year adjustment[1]	–	–	–	(13,191)	(13,191)
Balance 1 January 2023 (Restated[1])	5,400	151,650	10,214	16,186	183,450
Issue of shares	4	34	–	–	38
Dividend paid	–	–	–	(9,592)	(9,592)
Share options charge (including deferred tax)	–	–	1,003	–	1,003
Transactions with owners	4	34	1,003	(9,592)	(8,551)
Profit for the period and total comprehensive income (Restated[1])	–	–	–	1,066	1,066
Balance 31 December 2023 (Restated[1])	5,404	151,684	11,217	7,660	175,965
Balance 1 January 2024 (Restated[1])	**5,404**	**151,684**	**11,217**	**7,660**	**175,965**
Issue of shares	**2**	**19**	–	–	**21**
Share options charge (including deferred tax)	–	–	**1,537**	–	**1,537**
Transactions with owners					**1,558**
Profit for the period and total comprehensive income	–	–	–	**4,237**	**4,237**
Balance 31 December 2024	**5,406**	**151,703**	**12,754**	**11,897**	**181,760**

1. See note c for an explanation and analysis of the prior year restatements in respect of 31 December 2023 and 1 January 2023.

Notes to the Company Financial Statements

a. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. Notes a to f relate to the Company rather than the Group. Except where indicated, values in these notes are in £000.

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") issued by the Financial Reporting Council ("FRC") incorporating the Amendments to FRS 101 issued by the FRC in July 2015, and the amendments to company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015. In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Presentation of a third Balance Sheet in respect of prior year restatements;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of key management personnel.

The Company produces consolidated financial statements which are prepared in accordance with International Financial Reporting Standards. As the consolidated financial statements of the Company include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-Based Payments in respect of Group settled share-based payments; and
- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other Companies within the Group, the Company considers these to be insurance arrangements, and accounts for them as such. The Directors do not expect to have to provide support to subsidiary entities for the foreseeable future, and therefore consider the value of the guarantee to be insignificant. The Company accounts for intra-Group cross guarantees under IFRS 9.

As permitted by s408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account or statement of comprehensive income for the year. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Investments in subsidiaries

Investments are measured at cost less any provision for impairment and comprise investments in subsidiary companies.

Share-based payments

The Company has adopted IFRS 2 and its policy in respect of share-based payment transactions is consistent with the Group policy shown in note 2 to the Group financial statements.

Dividends

Interim dividends are recorded in the financial statements when they are paid. Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders.

Critical accounting estimates and judgements

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year are listed below.

The key assumptions used in discounted cash flow projections for investment impairment testing are considered a critical accounting estimate or judgement, with no others noted that require evaluation.

b. Personnel expenses in the Company profit and loss account

Alliance Pharma plc has no employees. Costs relating to service contracts with Executive and Non-Executive Directors during the year (2023: Executive and Non-Executive Directors) were as follows:

	Year ended 31 December 2024 £000s	Year ended 31 December 2023 £000s
Wages and salaries	**2,210**	1,219
Social security costs	**290**	155
Other pension costs	**19**	25
	2,519	1,399

Disclosures required by paragraph 1 of schedule 5 of SI2008/410 are set out in the Directors' Remuneration Report on | **pages 65 to 74**

Notes to the Company Financial Statements continued

c. Investments in the Company Balance Sheet

	Investment and loans to subsidiary undertakings £000s
Cost	
At 1 January 2024 (Restated)	**173,046**
Net movements	**(2,225)**
At 31 December 2024	**170,821**
At 1 January 2023 (Restated)	180,057
Net movements (Restated)	(7,011)
At 31 December 2023 (Restated)	173,046

The investment balance includes outstanding intercompany debt due from subsidiaries of £155.0m. The Directors do not consider that this amount will be demanded by the Company and therefore it has been classified as an investment. No provision has been recognised for estimated credit losses on loans to subsidiaries, as it is considered these would be immaterial.

During the year, there was an impairment of £2.2m (2023 restated: £7.0m) recognised which relates to the investment held in Alliance Pharmaceuticals SAS. With respect to the impairment assessment for investments in subsidiaries, a 2% increase in the discount rate would result in an additional £1.2m of impairment charge recognised. The directors do not consider there to be any other reasonably possible changes in estimates that would result in further impairment to investments.

Prior year restatement

In 2022 the company obtained and capitalised a loan to Alliance Pharmaceuticals SAS from a fellow subsidiary of the company. This transaction was not reflected in the financial statements and as a result impairment losses were understated by £13.2m in 2022. Management also identified a further £7.0m understatement of impairment losses in 2023 due to the write-off of the remainder of this capitalized loan and the decreasing performance of the subsidiary. The financial statements have been restated resulting in a £20.2m decrease in both 'Investment and loans to subsidiaries' and 'retained earnings' as at 31 December 2023.

A summary of the impact of the prior year adjustments on the Balance Sheet as at 31 December 2023 is as follows:

	31 December 2023 £000s	Impact of prior year adjustment £000s	31 December 2023 £000s (Restated)
Assets			
Non-current assets			
Investment and loans to subsidiaries	193,228	(20,182)	173,046
Current assets			
Trade and other receivables	227	–	227
Amounts owed by group undertakings	3,564	–	3,564
Cash and cash equivalents	4	–	4
	3,795	–	3,795
Total assets	197,023	(20,182)	176,841
Equity			
Ordinary share capital	5,404	–	5,404
Share premium account	151,684	–	151,684
Share option reserve	11,217	–	11,217
Retained earnings	27,842	(20,182)	7,660
Total equity	196,147	(20,182)	175,965
Liabilities			
Current liabilities			
Trade and other payables	817	–	817
Corporation tax	59	–	59
Total liabilities	876	–	876
Total equity and liabilities	197,023	(20,182)	176,841

Notes to the Company Financial Statements continued

The subsidiary and associated undertakings where the Group held 20% or more of the equity share capital at 31 December 2024 are shown below:

Company	Country of registration or incorporation	% owned	Nature of business
Advanced Bio-Technologies Inc.	US	100	Pharmaceutical sales
Alliance Pharma France SAS	France	100	Pharmaceutical sales
Alliance Pharma S.r.l.	Italy	100	Non-trading
Alliance Pharmaceuticals Limited*	England & Wales	100	Pharmaceutical sales
Alliance Lifescience Technology (Shanghai) Co., Limited	China	100	Pharmaceutical sales
Alliance Pharmaceuticals Spain SL*	Spain	100	Pharmaceutical sales
Alliance Pharma Inc.	US	100	Pharmaceutical sales
Alliance Pharmaceuticals (Thailand) Co., Ltd	Thailand	100	Pharmaceutical sales
Alliance Pharmaceuticals (Philippines) Corporation	Philippines	100	Pharmaceutical sales
Alliance CHC (India) Private Limited	India	100	Non-trading
Alliance Pharma (Ireland) Limited	Republic of Ireland	100	Pharmaceutical sales
Alliance Pharmaceuticals GmbH*	Germany	100	Non-trading
Alliance Pharmaceuticals GmbH* – Swiss Branch	Switzerland	100	Non-trading
Alliance Pharmaceuticals SAS*	France	100	Non-trading
Alliance Pharma (Singapore) Private Limited*	Singapore	100	Non-trading
Alliance Pharmaceuticals (Asia) Limited*	Hong Kong	100	Non-trading
Opus Healthcare Limited	Republic of Ireland	100	Dormant
Alliance Consumer Health Limited	England & Wales	100	Dormant
Alliance Generics Limited	England & Wales	100	Dormant
Alliance Health Limited	England & Wales	100	Dormant
Alliance Healthcare Limited	England & Wales	100	Dormant
Caraderm Limited	Northern Ireland	100	Dormant
Dermapharm Limited	England & Wales	100	Dormant
MacuVision Europe Limited	England & Wales	100	Dormant
Maelor Laboratories Limited	England & Wales	100	Dormant
Opus Group Holdings Limited	England & Wales	100	Dormant
Opus Healthcare Limited	England & Wales	100	Dormant

* Investments held directly by Alliance Pharma plc.

The registered address in each country is as follows:

Territory	Company	Registered Office Address
US	Advanced Bio-Technologies Inc.	11000 Regency Pkwy, Ste 106, Cary NC 27518, United States
	Alliance Pharma Inc.	11000 Regency Pkwy, Ste 106, Cary NC 27518, United States
France	Alliance Pharmaceuticals SAS	13 rue Paul Valéry, 75016, Paris, France
	Alliance Pharma France SAS	13 rue Paul Valéry, 75016, Paris, France
China	Alliance Pharmaceuticals Lifescience Technology (Shanghai) Co.,Limited	Suite 701, NanFung Tower, No. 1568, Road Huashan, Shanghai, 200030, P.R.China
Germany	Alliance Pharmaceuticals GmbH	Niederkasseler Lohweg 175, 40547, Düsseldorf, Germany
Hong Kong	Alliance Pharmaceuticals (Asia) Limited	Unit 1307A, 13/F, Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong
Italy	Alliance Pharma S.r.l.	Viale Francesco Restelli 5, 20124, Milano, Italy
Republic of Ireland	Alliance Pharma (Ireland) Limited	United Drug House, Magna Drive, Dublin, D24 X0CT, Ireland
	Opus Healthcare Limited	6th Floor, South Bank House, Barrow Street, Dublin 4, Ireland
Singapore	Alliance Pharma (Singapore) Private Limited	30 Cecil Street, 19-08 Prudential Tower, Singapore 049712

Notes to the Company Financial Statements continued

Territory	Company	Registered Office Address
Spain	Alliance Pharmaceuticals Spain SL	Regus Business Center Torre de Cristal, Paseo de la Casstellana, 259 C Planta 18, Cuatro Torres Business area 28046, Madrid, Spain
Switzerland (Branch)	Alliance Pharmaceuticals GmbH Düsseldorf	Zweigniederlassung Uster, c/o Gubser Kalt & Partner AG, 8610, Brunnenstrasse 17, Uster, Switzerland
Thailand	Alliance Pharmaceuticals (Thailand) Co., Ltd	No. 444 Olympia Thai Tower, 8th Floor, Ratchadapisek Road, Samsennok Sub-district, Huaykwang District, Bangkok, Thailand
England & Wales	All Companies	Avonbridge House, Bath Road, Chippenham, Wiltshire, SN15 2BB, England
Northern Ireland	Caraderm Limited	6 Trevor Hill, Newry, County Down, BT34 1DN, Northern Ireland
Philippines	Alliance Pharmaceuticals (Philippines) Corporation	Level 21 8 Rockwell Hidalgo Drive, Rockwell Center Poblacion 1210, City Of Makati NCR Fourth District, Philippines
India	Alliance CHC (India) Private Limited	314, Bhaveshwar Arcade Annexe, LBS Marg, Opp. Shreyas Cimema, Ghatkopar West Mumbai, Bandra Suburban, MH 400086, India

Unless otherwise stated, the share capital comprises Ordinary shares and the ownership percentage is provided for each undertaking. All subsidiary undertakings prepare accounts to 31 December.

d. Trade and other receivables in the Company balance sheet

	31 December 2024 £000s	31 December 2023 £000s
Other receivables	**131**	182
Prepayments	**3**	45
	134	227

e. Trade and other payables in the Company balance sheet

	31 December 2024 £000s	31 December 2023 £000s
Trade payables	**527**	58
Accruals	**959**	759
	1,486	817

f. Capital and reserves in the Company balance sheet

Details of the number of Ordinary shares in issue and dividends paid in the year are given in note 22 to the Group financial statements.

Additional Information

Unaudited information

Shareholder Information

Shareholder enquiries

The Company's share register is maintained by MUFG Corporate Markets which is responsible for updating the register, including changes to shareholders' names or addresses and processing off-market transfers of the Company's shares. If you have any question about your shareholding in the Company or you need to notify any changes to your personal details, you should write to:

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds, LS1 4DL

or telephone 0371 664 0300

(calls are charged at the standard geographical rate and will vary by provider, lines are open 9.00am to 5.30pm Monday to Friday).

Financial Calendar

Annual General Meeting	TBC
Interim results announcement	TBC
Year-end	TBC
Preliminary announcement	TBC

Five-Year Summary

	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m	Year ended 31 December 2022 £m	Year ended 31 December 2023 £m	Year ended 31 December 2024 £m
Revenue	129.8	163.2	167.4	180.7	**178.8**
Operating profit before non-underlying items	36.8	45.6	35.7	41.9	**39.9**
Non-underlying operating items	(20.5)	(24.0)	(53.4)	(80.3)	**(48.0)**
Operating profit/(loss)	16.3	21.6	(17.7)	(38.4)	**(8.1)**
Profit before tax before non-underlying items	33.5	42.2	30.3	31.5	**31.5**
Profit/(loss) before tax after non-underlying items	13.0	18.2	(23.1)	(48.8)	**(14.5)**
Intangible assets	412.9	413.8	393.4	300.0	**253.6**
Tangible assets	15.9	4.8	5.6	5.7	**5.4**
Current assets	77.2	81.0	105.5	104.1	**104.3**
Current liabilities	30.2	40.6	47.0	40.6	**36.7**
Equity	281.0	282.5	265.5	217.9	**207.6**
Average shares in issue (millions)	531.1	535.3	539.5	540.1	**540.5**
Shares in issue at period end (millions)	532.9	538.2	540.0	540.4	**540.6**
Earnings per share – basic (p)	1.51	1.37	(3.93)	(6.13)	**(1.99)**
Earnings per share – adjusted underlying basic (p)	5.11	6.39	4.28	4.55	**4.36**

* Although there is no scheduled meeting in August, a management pack is circulated.

Advisers and Key Service Providers

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Chippenham
Wiltshire
SN15 2BB

Company number
04241478

Auditor
Deloitte LLP
Abbots House
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Reading
RG1 3BD

Financial PR
Burson Buchanan
107 Cheapside
London
EC2V 6DN

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MUFG Corporate Markets
Central Square
29 Wellington Street
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Nomad and Joint Broker
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45 Gresham Street
London
EC2V 7BF

Joint Broker
Investec Bank plc
2 Gresham Street
London
EC2V 7QP

Bankers
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Bow Bells House
1 Bread Street
London
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Citibank, N.A
Citigroup Centre
33 Canada Square
Canary Wharf
London
E14 5LB

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

National Westminster Bank PLC
250 Bishopsgate
London
EC2M 4AA

HSBC Innovation Banking
Alphabeta
14–18 Finsbury Square
London
EC2A 1BR

Cautionary Statement

Cautionary statement regarding forward-looking statements

This Annual Report has been prepared for the members of the Company and no one else. The Company, its Directors, employees or agents do not accept or assume responsibility to any other person in connection with this document and any such responsibility or liability is expressly disclaimed.

This Annual Report contains certain forward-looking statements with respect to the principal risks and uncertainties facing Alliance. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are several factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. The forward-looking statements reflect the knowledge and information available at the date of preparation of this Annual Report and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.

The Report of the Directors in this Annual Report has been drawn up and presented in accordance with English company law and the liabilities of the Directors in connection with that report shall be subject to the limitations and restrictions provided by such law.

Directors would be liable to the Company (but not to any third party) if the Report of the Directors contains errors because of recklessness or knowing misstatement or dishonest concealment of a material fact but would not otherwise be liable.

Glossary

AGM	Annual General Meeting
APAC	Asia-Pacific and China
B2B	Business-to-business
B2C	Business-to-consumer
CBEC	Cross-border ecommerce
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CMA	Competition and Markets Authority
CMO	Contract manufacturing organisation
CMU	Category Market Unit
EMEA	Europe, Middle East and Africa
ERP	Enterprise resource planning
ESG	Environmental, Social, and Governance
GPTW®	Great Place To Work
HCP	Healthcare professional
I&D	Innovation and development
IHP	International Health Partners
IR	Investor Relations
J&J	Johnson & Johnson
LSP	Logistics service provider
NED	Non-Executive Director
OTC	Over the counter
SECR	Streamlined Energy and Carbon Reporting regulations
TCFD	Task Force on Climate-Related Financial Disclosures
tCO_2	Tonnes of carbon dioxide gas released into the atmosphere. This metric is often used when reporting electricity market-based emissions factors.
tCO_2e	Greenhouse gases have different global warming potentials and are converted to a carbon dioxide equivalent to ease comparison and reporting.

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