

Nizoral Acquisition in APAC and Proposed Placing

19 June 2018

Alliance Pharma plc ("Alliance" or the "Group") Acquisition of Nizoral in Asia-Pacific Proposed Equity Placing to raise £34.0 million

Alliance Pharma plc (AIM: APH), the specialty pharmaceutical company, is pleased to announce that it has agreed to acquire exclusive marketing rights to Nizoral, a medical, anti-dandruff shampoo brand, in Asia-Pacific ("APAC") (the "Nizoral Rights") from Janssen Pharmaceutica NV (a member of the Johnson & Johnson group of companies) (the "Vendor") for a total consideration of £60.0 million (the "Acquisition").

The Acquisition, which will boost Alliance's successful and rapidly growing APAC distributor business, is expected to generate material earnings enhancement in the first full year of ownership.

The Acquisition will be funded by an underwritten equity placing of new ordinary shares in the capital of the Company to raise gross proceeds of £34.0 million (c. £32.1 million net of transaction expenses) (the "Placing") at an indicative placing price of 91 pence per Placing Share, to be confirmed pursuant to an accelerated bookbuild process, and by the draw down of c.£27.9 million of a £35.0 million extension of the Group's debt facilities. The Placing is being conducted by means of an accelerated bookbuild process, which will be launched immediately following this announcement.

Transaction highlights

- Alliance has agreed to acquire Nizoral, a medical, anti-dandruff shampoo brand, in the APAC region from Janssen Pharmaceutica NV for a total consideration of £60 million payable to the Vendor on completion
- The consideration will be funded by a combination of the underwritten Placing to raise net proceeds of c.£32.1 million and c.£27.9 million in debt
- The Nizoral Rights include more than 15 countries including Japan, Thailand, South Korea, China and Pacific markets
- In 2017, the Nizoral Rights achieved net sales of £18.5 million¹ in APAC
- Taking into account Alliance's anticipated costs, the Nizoral Rights would have generated EBITDA on a pro forma basis in APAC ("Pro Forma EBITDA") of £7.1 million in 2017
- The Acquisition boosts Alliance's exposure to fast-growing APAC markets and will enhance Alliance's APAC distributor footprint
- Nizoral will represent Alliance's fourth International Star brand, complementing Kelo-cote™, MacuShield™ and Vamousse™
- The Acquisition is expected to generate material earnings enhancement in the first full year of ownership

¹ Currency conversion rate: £1.00 = USD1.3528

Peter Butterfield, Chief Executive Officer of Alliance, commented:

"Asia-Pacific is Alliance's fastest-growing region and we are delighted to strengthen the development of our APAC business through this earnings-enhancing acquisition of Nizoral, an excellent brand with a long medical heritage. Nizoral has significant sales, profits and growth potential in the APAC region and will become the fourth International Star brand in our product portfolio."

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