Trinity Delta

Futura Medical

Outlook

Significant achievements position MED3000 for success

18 September 2023

An impressive stage has been set by Futura Medical for successful commercialisation of MED3000 (Eroxon in Europe), with consumer healthcare giant Haleon now secured as the ideal US commercial partner. Initial European launches via partner Cooper Consumer Health in the UK and Belgium have exceeded expectations, providing confidence in Eroxon's potential, with the focus now on expansion of retailers, new launches, and repeat orders. Whilst there are no details on US launch timings, we believe preparations will take some time, and hence conservatively do not expect US launch until 2025. However, precise timings do not impact our overall investment case, with the sales potential for MED3000 more critical. The market for erectile dysfunction (ED) treatments remains significant, and as outlined by ED key opinion leaders, MED3000 is ideally placed to overcome the limitations of mainstay PDE5s. Our Futura Medical valuation is increased to £363m, equivalent to 121p per share.

Year-end: December 31	2021	2022	2023E	2024E
Revenues (£m)	0.0	0.0	3.4	8.7
Adj. PBT (£m)	(5.9)	(6.9)	(5.3)	(1.5)
Net Income (£m)	(5.0)	(5.8)	(4.7)	(1.2)
EPS (p)	(1.8)	(2.0)	(1.6)	(0.4)
Cash (£m)	10.4	4.0	6.5	2.6
EBITDA (£m)	(5.8)	(6.8)	(5.3)	(1.4)

Source: Trinity Delta Note: Adjusted PBT excludes exceptionals, Cash includes short-term investments.

- **Significant achievements should crystallise MED3000 value** Following approval of MED3000 in the US as an OTC product for ED, Futura has secured a major US partner in its deal with Haleon, a leader in consumer health. We believe Haleon and EU partner Cooper are well placed to deliver successful MED3000 launches in these key regions, with pilot UK/Belgium launches having exceeded expectations. Additional EU launches are planned, plus first launches in the Middle East.
- **Success in the US or EU could be transformational** MED3000 is the first clinically proven topical ED treatment available OTC in both the US and Europe. Given its rapid onset, limited side effects and lack of drug interactions, it presents a unique opportunity for ED patients. Key Opinion Leaders believe that MED3000 can overcome the limitations of PDE5s (eg Viagra & Cialis), including adverse events & lack of spontaneity, which lead to c 50% discontinuing PDE5s within a year.
- **Uniquely positioned within UK healthcare** All clinical and regulatory hurdles typically associated with drug development have now largely been navigated, and key commercial deals for MED3000 are in place. Maiden revenues should grow, and whilst forecasting revenues is challenging owing to differing and undisclosed deal terms, we believe profitability is possible from 2025 given tightly controlled costs.
- **Updated valuation of £363m (121p/share)** Our updated model reflects recent events, notably the US approval and deal with Haleon, leading to a valuation of £363m or 121p/share (from £270m and 94p/share). We conservatively do not assume US launch until 2025e, albeit we note the key driver of our valuation is the peak overall opportunity for MED3000 rather than precise launch timings.

Price	52.20p
Market Cap	£157.0m
Enterprise Value	£149.1m
Shares in issue	300.7m
12 month range	34.4-67.0p
Free float	39%
Primary exchange	AIM
Other exchanges	N/A
Sector	Healthcare
Company Code	FUM
Corporate client	Yes

Company description

Futura Medical is an R&D driven small pharma company, with a novel DermaSys transdermal delivery platform. The lead programme, a topically applied gel (MED3000), has been approved as an OTC product for ED (erectile dysfunction) in Europe and the US.

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Investment case

MED3000 for erectile dysfunction is now a commercial reality and success could be transformational

Futura Medical has developed a proprietary transdermal delivery platform known as DermaSys. The lead product is MED3000, a topical gel for erectile dysfunction (ED). It is the first clinically proven, fast-acting topical ED treatment that is available over-the-counter (OTC) ie without a prescription. MED3000 received CE Mark approval in Europe in April 2021, UKCA mark approval in the UK in April 2022, and FDA marketing authorisation in June 2023. The commercial partner in Europe, the UK and Switzerland is Cooper Consumer Health, where MED3000 is branded as Eroxon. In the US, a commercial partnership with Haleon was executed in July 2023. Eroxon was launched in the UK and Belgium in April, is now available online in France, Italy and Spain, and launches in an additional ten countries are expected over the next six to nine months. This includes first launches from Q423 in the Middle East (Saudia Arabia and the United Arab Emirates) through partner Labatec Pharma.

Valuation

Risk-adjusted DCF model yields a valuation of £363m, or 121p per share

We value Futura Medical using a DCF model, with MED3000 the key value driver. For the main commercial regions we calculate a net present value which is then risk-adjusted (rNPV) to reflect the stage of development, ie 100% in regions where MED3000 is approved. These are then summed and netted against core operating costs and net cash. We always seek to adopt conservative assumptions, as seen in our US peak sales forecast of c $350m (we believe this is the most significant commercial region), which is below the >$400m forecast independently from market research and despite the commercial prowess of US partner Haleon. Our model results in a current valuation of £363m, or 121p per share.

Financials

No near-term cash needs

Futura Medical had net cash of £7.8m at end-June 2023, which was boosted to £9.4m at end-August 2023 following receipt of the $4m (£3.2m) upfront payment from Haleon. We forecast end-December 2023 cash of £6.5m, which we believe should be sufficient to fund current operations through to sustainable profitability, which should be possible based on EU and Middle East sales alone.

Sensitivities

Tracking MED3000 launches to assess commercial execution success is almost impossible

The main sensitivities for most innovative healthcare companies relate to development and regulatory aspects, execution of commercialisation plans, and the financial resources required to accomplish these. With MED3000 key approvals secured in Europe and the US, and no near-term cash needs, the focus is on commercial execution, which is largely in the hands of experienced partners. The commercial partners provide confidence in the likelihood of successful launches, with the UK launch exceeding all of partner Cooper's expectations. However, given it is almost impossible to accurately track MED3000's launch and hence forecasting near-term revenues is particularly challenging, investors will have to rely on management commentary to reassure on the launch dynamics.

Futura Medical: Success breeds success

Futura Medical has had an exceptional 2023, delivering on all main final elements to position MED3000 (Eroxon in Europe), a topical gel treatment for erectile dysfunction (ED), for successful launches and uptake in the key EU and US markets. This includes the initial European launches in Belgium and the UK by partner Cooper in March/April, the much-anticipated US FDA approval in June, and culminating most recently in the US commercial deal with Haleon in July, perhaps the ideal US partner for MED3000. Success in the US or EU could be transformational, and Futura Medical is on the path towards sustainable and growing profitability. First revenues have now been reported, and with estimated YE23e cash of £6.5m and a likely relatively stable cost base with limited significant future spend requirements, we estimate there are no near-term cash needs. In addition, development and regulatory risks are now largely removed, and commercial execution is in the hands of knowledgeable and experienced partners. This is fairly unique amongst small-cap UK healthcare peers. Our updated Futura Medical valuation is £363m (121p/share).

Successful execution on all commercial goals and with the best hoped for outcomes

During 2023, Futura has successfully delivered on all strategic priorities towards MED3000 commercialisation, and in all instances, these have resulted in perhaps the best hoped for outcomes. Following highly positive clinical data in August 2022, MED3000 was granted marketing authorisation in the US in June 2023. Importantly, the FDA clearance was for MED3000 to be available without a prescription, the first US ED treatment to achieve this milestone, and with the major differentiating claim that it has a 10-minute onset of action. It is therefore not surprising that Futura was able to secure a commercial deal with Haleon in the US, who we believe are best-placed to execute on MED3000's potential in this significant market. EU launches are also going well with partner Cooper Consumer Health, with pilot launches, notably the UK, exceeding expectations, and further launches on the horizon. With maiden revenues set to grow, and tightly controlled costs, we believe Futura is well on the way to sustainable and growing profits.

MED3000's unique features should lead to strong uptake in the significant ED market

MED3000 is a topical gel for the treatment of ED developed by Futura. It has demonstrated clinically relevant and consistent benefits across a broad spectrum of ED sufferers. In contrast to mainstay prescription ED treatments, MED3000 has a rapid onset of action, few side effects, no drug interactions, and is available over-the-counter (OTC) ie without a prescription. Given these unique features, MED3000 should be a suitable treatment for a wide range of ED patients.

Forecasting revenues is particularly challenging

We believe the biggest sensitivity will be around revenue expectations. In-market product sales, especially in the early stages of launch, are generally closely tracked as these can give an indicator of likely peak potential. This, however, will be almost impossible owing to limited disclosure from partners, coupled with differing and unknown precise deal terms in various regions. Whilst royalty income should correlate fairly directly with in-market sales, other components of Futura's revenues, such as non-recurring and unpredictable milestone income, manufacturing fees, and supply of initial launch stocks, will not. Hence in-market sales will be almost impossible to deduce from Futura's net revenues, especially in the near-term. In addition, without the ability to track prescription data as MED3000 is available OTC, all of these elements together mean that deducing current in-market sales and then forecasting revenues is particularly challenging.

MED3000: Main commercial elements are all in place

MED3000 (branded as Eroxon in Europe) is Futura's topical gel for erectile dysfunction

MED3000 is Futura Medical's proprietary gel for erectile dysfunction (ED) and it is the first clinically proven, fast-acting topical ED treatment that is available over-the-counter (OTC) ie without a prescription. It received CE Mark approval in Europe in April 2021, UKCA mark approval in the UK in April 2022, and FDA marketing authorisation in June 2023. The commercial partner in Europe, the UK and Switzerland is Cooper Consumer Health, where MED3000 is branded as Eroxon, and initial launches are already underway in retailers in Belgium and the UK, with recent online availability in Italy, France and Spain. In the US, a commercial partnership with Haleon was executed in July 2023. Further EU launches by partner Cooper and via distributors are planned, and first launches via partners in Other Regions, including the UAE, are expected in Q423, for at least ten new country launches over the next six to nine months.

MED3000 offers a number of advantages over mainstay PDE5s

The mainstay treatments for ED are the oral PDE5 (phosphodiesterase-5) inhibitors, such as Viagra (sildenafil) and Cialis (tadalafil), which transformed ED treatment when they became available in the 1990s. Whilst they are likely to remain a popular ED treatment, MED3000 offers a number of advantages over, and is differentiated from, the PDE5 class, outlined in Exhibit 1 and discussed in more detail throughout this report. Market research discussed later in this report highlights that MED3000 is cost effective, even vs the cheaper generic PDE5s that are available in various markets.

Exhibit 1: MED3000 offers a differentiated approach vs PDE5s for the treatment of ED

	PDE5 class	MED3000
Administration	Oral	Topical gel
Onset of action	30-60 minutes	Within 10 minutes
Most common side effects	Headache (>10%), flushing, dizziness	No significant side effects
Drug interactions	Nitrates or alpha blockers	None
Availability	Prescription required*	OTC (no prescription)

Source: Trinity Delta. Note: * In some EU countries, including the UK, some PDE5s are available without prescription

Data package supports attractive market positioning

Data package provides consistent evidence supporting unique positioning

Data from two Phase III clinical trials provide consistent evidence of MED3000's benefits, summarised in Exhibit 2 and outlined later in this report, with two-thirds of men experiencing a clinically relevant improvement. These support attractive market positioning with the unique selling points of: (1) rapid time to onset; (2) few side effects; (3) no drug interactions; and (4) no prescription required.

Exhibit 2: User benefits of MED3000

Benefit	Key enabling feature
Well tolerated	No systemic side-effect potential, especially compared to PDE5 inhibitors
Works rapidly	Potential to have one of the fastest speeds of onset (5-10 minutes) for any ED treatment
Enables spontaneity	Removes the need for planning of sex associated with some oral PDE5 inhibitor medications
Restores intimacy	Direct mode of application (by the male or his sexual partner) can form part of foreplay, which combined with speed of onset can help restore intimacy

Source: Trinity Delta, Futura Medical

Pack size has been selected for users to reach optimal benefits

The pack size in Europe, with four tubes per pack, has been specifically selected to encourage subsequent use of Eroxon, given that clinical data suggest it can take a few attempts before achieving the optimum effect, similar to Viagra. This is also consistent with real-world experience outlined by Key Opinion Leaders, who commented that initial feedback is that subsequent use can lead to improved erectile function as performance anxiety diminishes and confidence improves.

MED3000 could be suitable for most men suffering from ED

Given MED3000's availability without a prescription, the rapid onset of action, low side effects and lack of interaction with other drugs, it could be suitable for most men suffering from ED, in our view, including:

- Those that do not seek medical treatment for their ED;
- Patients where PDE5 use is contraindicated or limited due to other health conditions and/or medications;
- ED patients that have discontinued PDE5 use owing to side effects; and
- Unsatisfied PDE5 users, particularly where this is connected to the lack of spontaneity.

Compelling case for Eroxon outlined by UK experts

Recent expert commentary provides confidence in Eroxon's positioning and potential

Recent comments by UK Key Opinion Leaders (KOLs) at the 22 June 2023 Investor Seminar provided confidence in Eroxon's positioning and potential within the treatment armamentarium for erectile dysfunction (ED). The KOLs, Dr Jeff Foster and Dr Janine David FECSM, explained that the prevalence of ED is increasing, particularly amongst younger males but also in older males, and that PDE5s (eg Viagra and Cialis) have limitations and drawbacks. They outlined where Eroxon could be used today, and in addition highlighted potential areas for future innovation and development. A summary is provided below.

ED affects around 50% of males, the prevalence is rising, and younger males are increasingly affected

Erectile dysfunction, also known as impotence, is a common condition that can affect men of all ages, and according to the KOLs, around 50% of men will experience at least one episode of ED in their lifetime. Whilst ED generally becomes more prevalent with age (Exhibit 3), it was noted that it is becoming more common in younger males, with studies showing that 26% of men with newly diagnosed ED were under the age of 40; a more recent study in 18-31 year old sexually active men in the US found that c 11% reported mild ED and c 3% reported moderate-to-severe ED. In addition, the prevalence can vary owing to factors including health status (eg cardiovascular disease, high cholesterol, high blood pressure and diabetes) and lifestyle (eg smoking). Rising rates of obesity and increasing lifespans are also driving an increase in ED.

Exhibit 3: ED prevalence increases with age

Age group	ED prevalence
30-39 years	2.3%
40-49 years	9.5%
50-59 years	15.7%
60-69 years	34.4%
70-80 years	53.4%

Source: Adapted from www.nature.com/articles/3900622

ED can be caused by a broad range of underlying medical issues and can increase the risk of cardiovascular events

The underlying cause(s) of ED can be wide ranging, with at least 37 different risk factors. The major one is cardiovascular disease (CVD), with others including hormonal imbalances, neurological conditions and obesity. In addition, ED can also be an early warning sign of other health problems; for example ED patients have a 43% increased risk of CVD compared to patients without ED, a 59% increased risk of coronary heart disease, a 34% increased risk of stroke and a 33% increased risk of death. Hence, understanding the underlying cause of ED is important, not only to offer appropriate treatment, but also to establish and treat other potentially undiagnosed conditions that could have longer-term health implications.

Around 50% of ED sufferers that receive PDE5 treatment discontinue within a year

Whilst establishing and treating the underlying cause of ED is important, the availability of oral PDE5 inhibitors in the 1990s, such as Viagra and Cialis, have transformed the treatment of ED. However, despite ED being widespread and potentially having longer-term health implications, there are still around 27% of men with ED that have not tried any treatment. There are also certain medications and health problems that can limit use of PDE5s. Both of these groups could be suitable populations for Eroxon, in our view. Of the patients that do try PDE5s, around one third do not respond to initial treatment. Furthermore, around 49% discontinue treatment within a year, often owing to the frequent side effects and due to the lack of spontaneity, which we believe could be another potential target population for Eroxon.

The KOLs outlined that the limitations and drawbacks of PDE5s include:

- High prevalence of adverse events, including headaches (which affects one in ten), flushing, indigestion, visual disturbances, back pain, low blood pressure, dizziness and nasal congestion;
- Contraindicated in patients using nitrates, a class of cardiovascular drug used to treat chest pain (angina), as concomitant use can lead to drops in blood pressure;
- Unsuitability in patients with a history of heart or liver disease; and
- the 30-60 minute onset, which is even longer when taken with food, leading to a lack of spontaneity, a key issue.

KOLs agreed Eroxon is a useful ED treatment addition…

The KOLs agreed that given the above PDE5 limitations, Eroxon can provide a very useful ED treatment addition for a number of different groups, particularly given the rapid onset and its availability OTC (without a prescription). For patients that do seek medical treatment, they highlighted that Eroxon could be suggested to patients as symptomatic treatment following an initial consultation and whilst awaiting test results to confirm the underlying ED cause. In addition, research suggests that 70% of partners would consider purchasing an ED treatment, which is possible with Eroxon given it is available OTC, and partner involvement is cited as a key component of ED treatment.

…and that initial feedback is positive

Furthermore, the KOLs outlined that initial feedback from their ED patients trying Eroxon has been positive, and noted that subsequent use can lead to improved erectile function as performance anxiety diminishes and confidence improves; this is consistent with observations from Futura Medical's clinical trials. Finally, the KOLs were enthusiastic about the potential for Eroxon to have synergistic effects with other treatments, particularly those that treat the underlying ED cause, as an area for future investigation.

Europe: Successful early launches with Cooper

Cooper Consumer Health commenced pilot launches in Belgium and UK earlier this year

In May 2022, Futura Medical signed a deal with Cooper Consumer Health to commercialise MED3000 across Europe, including the UK and Switzerland. Cooper is the largest independent self-care (OTC) specialist in Europe, with sales of over €500m. It has a leading position in France, the Netherlands, Belgium, Italy, Spain and Portugal via a direct presence and has distributors in remaining geographies. Pre-launch activities for Eroxon were started in the UK and Belgium in March, where it is now available online and in retailers, and online launches via Amazon in Italy, France, and Spain were recently initiated. The main recurring financial element of the deal (more details in our May 2022 Lighthouse) is that Futura receives an agreed, undisclosed manufacture and supply price paid by Cooper on delivery of MED3000 orders (not on in-market sales). Futura Medical does not manufacture MED3000 itself, but has an external third-party contract manufacturer (CMO) in place, and has recently added a second CMO in order to meet projected demand.

Marketing strategy is focused on Eroxon's key differentiators

Cooper's marketing strategy is focused on Eroxon's key unique selling points (USPs), which include the rapid onset, low side effects, no drug interactions, and no prescription. With these, Cooper believes that Eroxon can overcome both the entry barriers that prevent patients from seeking ED treatment, and the drivers and causes of discontinuation with current mainstay PDE5 treatment. Based on this, the key focus is on aware non-treaters, which is also anticipated to have a halo effect on dissatisfied current treaters.

Targeting aware non-treaters, which represents a significant patient group even where ED meds are already available OTC

At the Investor Seminar (available to view here), Mark Berkhout, the International Marketing Director at Cooper, outlined that in the UK, where some PDE5s are already available OTC, the aware non-treaters represent about 50% of all ED sufferers, whereas in Belgium, where ED treatment is only via prescription, the aware non-treaters represent a much higher 84% of ED sufferers. In both markets, drop-outs are around 50% of aware treaters, consistent with the UK KOL comments. The three pillars of success to drive Eroxon uptake are:

- **HCP (healthcare professional) credibility:** Cooper is aiming to build credibility of the Eroxon brand with HCPs through attending medical conferences, engaging leading urologist KOLs, hosting specialist events and via online education programmes for specialists, GPs and pharmacists;
- **Focused access:** The aim is to create easy access and visibility in stores, and to drive awareness and purchase; and
- **Consumer demand:** Cooper is aiming to create consumer awareness and sales conversion through TV and online video advertising and assets (for example search ads on google, an Eroxon website etc), and via other touchpoints on the consumer journey.

Feedback is positive with initial positive signs of repeat orders

Cooper are seeing early signs of success in Belgium and the UK, and Eroxon is on track to gain at least a 20% market share of clinically proven ED treatments, with initial sales being incremental to the category. Feedback is reported as being positive, with a low level of complaints regarding efficacy and side effects, and with initial positive signs of repeat orders. The first launches are being evaluated to optimise future roll-outs.

Initial revenues were likely launch stocks; repeat orders will be key for longer-term success

We believe that Futura's initial revenues from Cooper for the manufacture of MED3000 for Europe have largely been for launch stocks. One of the key metrics of interest going forwards will be regarding repeat orders, with positive signs already noted, as this will give a better indication of the true underlying market demand and Eroxon's potential. These will likely take at least a few months post wider EU launch to become apparent.

Initial UK sales have exceeded all expectations

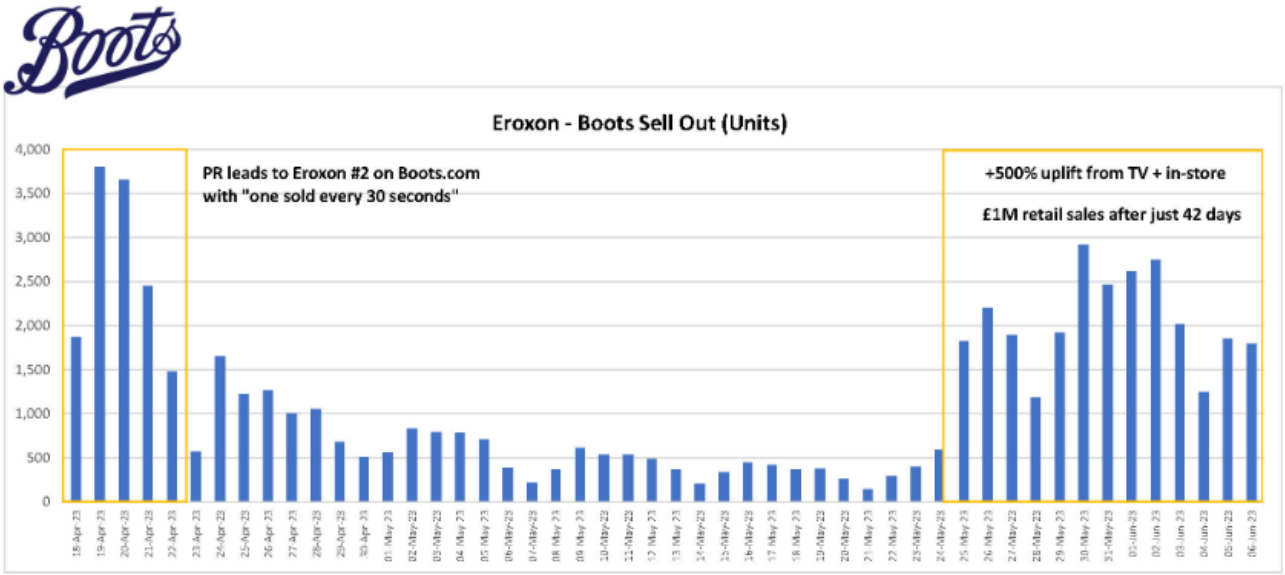
Ceuta is responsible for the UK launch…

In the UK, where Cooper does not have a direct presence, Ceuta Healthcare, an outsourced marketing business focused on building effective health and personal care brands in the UK, have been appointed to handle the UK marketing. Jon Connolly, the Marketing Director at Ceuta Healthcare, outlined the UK launch strategy and provided feedback and some details on the initial launch so far at the recent Investor Seminar (available to view here).

…which has been via Boots

The "physical" UK launch (where patients can purchase Eroxon directly in store) was initially exclusively via Boots (both in store and online), with Eroxon also available via Amazon to provide additional ease of purchase channels. Mirroring the Cooper success pillars, Boots was selected as it is one of the most trusted brands in the UK, helping to provide credibility. In addition, Boots stores are generally readily and easily accessible to most UK consumers. Eroxon is available in >1,000 Boots stores and together with other retailers, there is a target to be available in over 2,500 stores in the UK by the end of 2023, representing a distribution reach of c 70%. Within Boots stores, Eroxon can currently be found in dual locations, both within sexual health products, and also behind the counter alongside PDE5s for those patients seeking the advice of a pharmacist. In order to drive demand, the initial launch in Boots in April coincided with a targeted PR campaign, resulting in positive headlines in national newspapers and TV coverage. Adverts have also been shown on national TV.

Exhibit 4: Eroxon units sold via Boots following UK launch



Source: Futura Medical

Boots are pleased with the launch and remain enthusiastic about Eroxon's prospects

According to Ceuta, the Eroxon launch has exceeded all targets, including both Cooper's and Ceuta's expectations. Following the PR campaign, there was an initial spike in units sold (Exhibit 4) and Boots were out of stock within five days. During this initial launch, Eroxon was the number two product sold on Boots.com and there were occasions where one pack was sold every 30 seconds. During the TV advert phase, there was a 500% uplift in units sold, with Eroxon the fastest selling product on Boots.com. Sales of Eroxon have been predominantly incremental to the ED category, with little decline in sales of other ED products at Boots. Eroxon generated c £1m of retail sales after 42 days, with retail sales approaching £2m at the time of the Investor Seminar on 22 June 2023. According to Ceuta, Boots are pleased with the launch and remain enthusiastic, and the interim financial results note that this was the most successful OTC launch Boots had seen in long time.

US: In good hands with Haleon

Haleon is the ideal partner to maximise MED3000 in the US

In July 2023, Futura Medical licenced US marketing rights for MED3000 to Haleon, a world-leading consumer health company which was formed through the combination of consumer health businesses from GSK, Novartis and Pfizer over the last decade, and was spun out of GSK in July 2022. Haleon is focused on developing leading brands (eg Voltaren, Advil, Nexium, Flonase, Sensodyne) that are built on science and innovation. Revenues in 2022 were £10.9bn, with £4.1bn (38%) from North America; Haleon holds a leadership position in the US OTC market. Given Haleon's breadth, depth, and singular focus and expertise in consumer health, notably developing leading OTC brands, particularly for "scientific" products such as MED3000, we believe this is the ideal partner to maximise MED3000's potential in the key US market.

Futura will receive royalties on US sales plus potential commercial milestones

The deal grants Haleon exclusive commercial rights to MED3000 in the US, with Haleon responsible for all investment and marketing activities related to the future US launch, and for all ongoing regulatory, development, marketing and commercialisation activities. Futura will provide ongoing technical support. In exchange, Futura has received a $4m upfront payment, and will receive undisclosed royalties on MED3000 US sales, and milestones of between $5m and $45m linked to commercial sales thresholds over the coming "several years".

We do not anticipate any US-related product revenues until 2025e

Whilst no details on the potential timing of the US launch have been disclosed, we note that it took EU partner Cooper Consumer Health almost a year from licencing Eroxon in Europe in May 2022 to first launches in March/April 2023. The US supply chain still needs to be established, and preparations will need to be made to optimally target the broad and multiple channels in consumer health in the US, and to develop messaging that will resonate with target audiences. All of these elements take time, but especially for a new brand and product where an initial successful launch is key to driving continued long-term momentum. Hence, we conservatively do not anticipate any US product-related revenues until 2025.

Makes sense for Haleon to take responsibility for US manufacturing, a key element

In terms of the manufacture and supply of MED3000 in the US, at this stage it is unclear if Futura Medical will be involved in the US. If Haleon is taking responsibility for this element, this would be in contrast to Futura's deals in other markets, where Futura has a third-party contract manufacturer in place. Establishing and managing a US supply chain is a costly and time-consuming process, especially for a UK-based "virtual" company with limited footprint in the

US. Hence, if Haleon is taking the lead on this, which would make sense given its size and scale in the US, then we believe this would be a sensible outcome for Futura as this will limit near-term cash outflows to initial tech transfer support.

Unique opportunity as only OTC treatment for ED in the US

In the US, no PDE5 is yet available OTC. Sanofi has been working with Eli Lilly since 2014 to switch Cialis (tadalafil) to OTC availability, however, in May 2022, the FDA halted a prescription-to-OTC study citing concerns with the protocol design. Sanofi continues to work with the FDA to lift the clinical hold. At this stage, it is unclear if a PDE5 will ever become available OTC in the US, providing Futura and Haleon with a unique opportunity given MED3000 is approved OTC. Even if a PDE5 were to become available OTC in the US, we believe that the market opportunity will remain intact, given the limitations with PDE5s, and that initial MED3000 sales have largely been incremental to the category.

Updated market data suggest >$400m US peak sales

Updated US market research was consistent with earlier work & echoed KOL comments

In 2022 Futura Medical commissioned market data firm Ipsos to update previously collected ED market data from 2017 in order to understand the changing dynamics of the ED market, particularly given the availability of cheaper generic PDE5s. The work also included an analysis of the perception of MED3000 amongst doctors, men and women, and explored the potential commercial opportunity. The 2022 survey responses largely mimicked the earlier 2017 survey, and also echoed many of the UK KOL comments outlined earlier in this report. The online survey was conducted in June/July 2022 and included 500 participants (400 males and 100 females) in the following groups:

- 100 satisfied PDE5 users
- 100 dissatisfied PDE5 users
- 100 diagnosed ED but not treating
- 100 undiagnosed but suspected ED
- 100 women with a partner diagnosed/suspected ED

PDE5 dissatisfaction is largely due to disappointing efficacy and the lack of spontaneity

The survey responses highlighted that the main reasons for dissatisfaction with PDE5s were that they do not work as well as liked, and that they take too long to work/require planning. In addition, side effects were noted as a concern, particularly amongst Viagra users. Echoing the planning/lack of spontaneity issue with PDE5s, it was found that intercourse was not attempted one out of four times (25%) after taking a PDE5.

Eroxon came in the top 3% for uniqueness

Ipsos also did an analysis of MED3000's concept (branded as Eroxon for the survey) compared to their internal database of survey metrics. Using this approach, it was found that Eroxon came in the top 10% of concepts compared to the normative database, and in the top 3% for uniqueness.

The key benefit was seen as the rapid 10-minute onset of action

When assessing MED3000's features, the "works within 10 minutes" was the most appealing, with 46% of consumers picking this as the top benefit, and 84% of consumers ranking this within the top four benefits. Other highlights in terms of MED3000's perception was that 81% of females were definitely or probably likely to purchase, and that 90% of males definitely or probably would use if purchased by a female, indicating the importance of partner engagement.

A year of average MED3000 usage at $5/dose would be cheaper than generic PDE5s

In terms of cost effectiveness, whilst the cost per dose of a generic PDE5 is <$1, when including all of the various peripheral costs in the US (out of pocket costs, doctor visits etc) the cost per annum for a generic PDE5 is around $600 (based on an average 7.2 uses per month, equivalent to 86 uses per annum), whilst for daily use of a branded PDE5 it is around $3,500. If MED3000 were priced in the US at $5 per dose/tube, this would equate to an annual cost of $432, based on similar average monthly usage. Hence, this is cheaper than even the low cost generic PDE5s. We note that, according to Futura Medical, a monthly ED treatment cost via men's health telemedicine/digital clinic in the US, such as Roman and Forhims, is around $50/month ie $600 per annum.

Sales could exceed $400m five-years post launch, based on conservative use assumptions

A market forecast analysis was also conducted by Ipsos, where it was concluded that sales in the US could reach $409m five-years after launch. This assumed a $5/tube price and was based on average usage of 55 tubes per annum. We note this is below the average 86 doses per year used in the cost effectiveness analysis; hence, if usage is closer to this then, all else being equal, a simplistic calculation suggests peak sales could be closer to $640m. The price was also stress tested, with sales dropping slightly at prices up to $10/tube, with the higher price likely to reduce some volumes. We expect partner Haleon will perform additional market research in order to pick the optimal US price.

Other regions: First launches in 2023

Rest of world approvals have started and first launches are expected in 2023

Outside of the US and Europe, MED3000 has received approval in Australia, and has also received approvals in six Middle Eastern countries, including the UAE and most recently in Saudi Arabia. Partner Labatec Pharma is already in place in the Middle East and first production orders were received at the end of 2022, with initial launches in the Middle East planned in Q423. Existing MED3000 data used for the US and EU regulatory filings, summarised later in this report, should also be sufficient to secure approvals in other western countries. However, approvals in China and Japan may require additional trials to be completed, which will likely be driven by any partners, although these are yet to be secured in these regions. Futura has received significant interest for geographies that are unlicensed.

A number of partners are already in place in various regions and geographies

In order to maximise MED3000's potential outside of the US and Europe, Futura Medical is building a growing network of partners, which are summarised below. More details are provided in previous notes (November 2022 Update):

- **South Korea** executed in March 2022, is with Menarini Korea, a wholly owned subsidiary of Menarini Group;
- **Brazil and Mexico** with m8 Pharmaceuticals (also known as moksha8) was secured in August 2021; and
- **Gulf and Middle East** with Labatec Pharma, a Swiss based specialty pharma business, was signed in September 2021 and covers the Gulf countries (Saudi Arabia, United Arab Emirates, Kuwait, Qatar, Oman, and Bahrain) as well as Jordan, Lebanon and Iraq.

We note that in China and South-East Asia, Futura Medical has terminated the Joint Collaboration with Co-high, which has been unable to deliver on key development and regulatory milestones agreed as part of the March 2021 deal, owing to an internal change of strategy at Co-high.

Summary of key MED3000 data

Robust and consistent clinical data support broad uptake

Across a number of studies, including two Phase III clinical trials, MED3000 has been shown to work consistently and has been very safe and well tolerated. MED3000 has demonstrated benefits across all three classifications of ED (mild, moderate and severe). It works in psychogenic impotence (caused by issues such as anxiety and depression), organic impotence (caused by physical issues such as hardening of the arteries) and mixed ED, and works across a broad age range (trials included 18-70 year olds). MED3000's key characteristics are:

- Clinically proven and consistent benefits across a wide range of ED;
- Fast-acting, within 10 minutes, allowing spontaneity;
- Safe and well tolerated, with low side effects in males and partners, and no drug interactions; and
- Available OTC (without a prescription).

Best hoped for US label supported by positive FM71 data

FM71 trial was requested by FDA to provide longer-term MED3000 efficacy data

FM71 was a clinical study which was specifically requested by the US FDA to support marketing clearance as an OTC treatment for ED. The trial was conducted over 24 weeks in order to satisfy FDA concerns that the efficacy of MED3000 may diminish over a longer period compared to the 12 weeks examined in the previous FM57 trial. Endpoints were agreed with the FDA and were the same as prior studies, albeit over 24 weeks, and also included speed of onset. The trial included 96 patients, which included a mix of mild, moderate, and severe ED patients (including African Americans). A representative half (n=47) used MED3000 topically, with the remainder using the lowest dose (5mg) of tadalafil (Cialis) orally in a randomised, open-label, at home study.

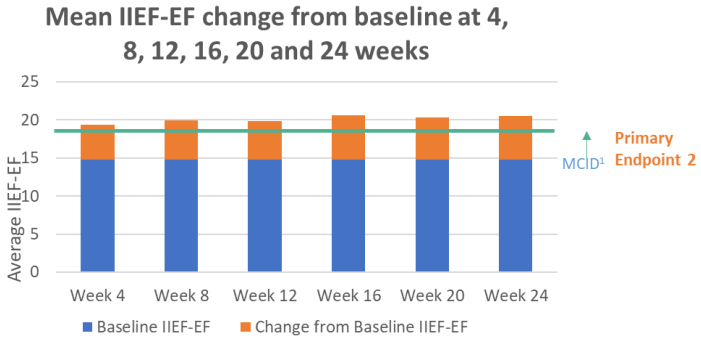
FM71 was highly positive, resulting in a unique "10 minute" label claim

FM71 data were highly positive and met all FDA agreed primary and secondary endpoints. The results of FM71 were consistent with those seen in the previous 12-week FM57 Phase III study, with the improvements in erectile function sustained throughout the longer 24-week period explicitly requested by the FDA. Data from both studies suggest that around two-thirds of men experienced a clinically relevant benefit. In addition, MED3000 was shown to have a rapid onset of action, within 10-minutes, which has resulted in this key claim being included on the label in the US, an important commercial differentiator. MED3000 was clinically effective at all timepoints, and met both of the co-primary endpoints (Exhibit 5). These were based on the gold standard and internationally recognised IIEF score (international index of erectile function):

- The first showed a highly statistically significant improvement in erectile function ($p<0.001$) against baseline at 24 weeks across 'pooled' severities of ED (mild, moderate and severe);
- The second showed that on average, patients experienced a 5.73 unit change in IIEF-EF score versus baseline at 24 weeks, comfortably exceeding the four unit difference agreed with the FDA and defined as the Minimal Clinical Important Difference (MCID), an outcome measure that is noticeable to a patient.

Exhibit 5: FM71 primary endpoints achieved

Week	Mean IIEF change from baseline [1]
Week 4	4.59
Week 8	5.20
Week 12	5.12
Week 16	5.83
Week 20	5.57
Week 24 – Primary Endpoint 1	5.73 (P<0.001)



Source: Futura Medical

Results were consistent across endpoints and subgroups

As can be seen in Exhibit 5, there was no decline in efficacy after week 12, with the effects continuing to improve. In addition, the MCID was exceeded consistently at all timepoints from week four. This is consistent with commentary that around three to four attempts with MED3000 are required to reach the optimum effect. Additional results from FM71 include: over the 24 weeks the MCID was also exceeded for each of the mild, moderate and severe ED subgroups; and, using the SEAR (Self Esteem and Relationship) questionnaire, at week 24, 85.4% of MED3000 users felt sex could be spontaneous.

MED3000 was well tolerated

No serious adverse events were recorded in any patients on MED3000; 19.1% of subjects on tadalafil experienced headache vs 4.3% on MED3000; there were no instances of back pain or 'non-cardiac' chest pain on MED3000 vs 4.3% for each on tadalafil, whereas 4.3% on MED3000 noted nausea.

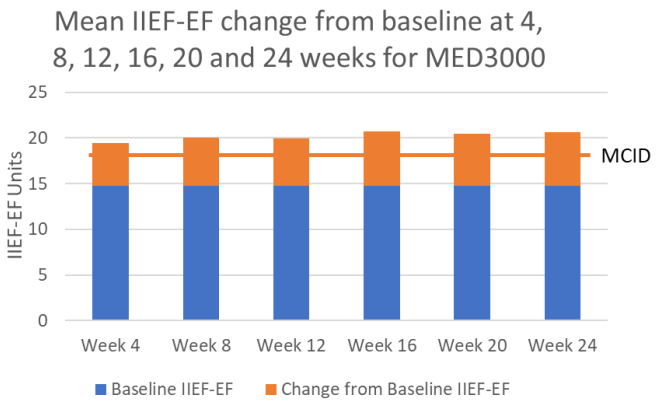
FM71 data consistent with FM57

Efficacy data consistent across both Phase III trials

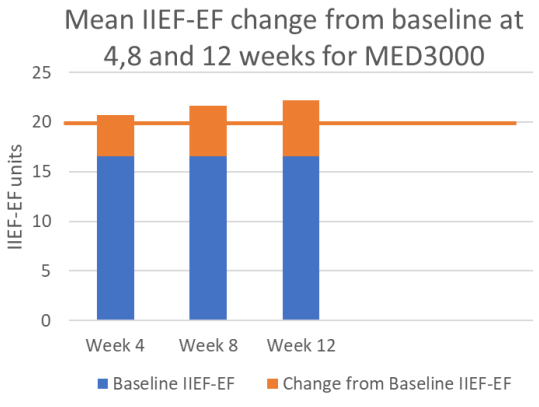
The original FM57 study was conducted in Eastern Europe and was for approval in Europe. It included 250 subjects and was conducted over 12 weeks. As can be seen in Exhibit 6, efficacy data in terms of the IIEF-EF change from baseline were remarkably consistent across FM71 and FM57. In addition, data from both studies suggest that around two-thirds of men experienced a clinically relevant improvement at 12-weeks (MCID of four units), shown in Exhibit 7.

Exhibit 6: FM71 efficacy data were consistent with FM57

FM71



FM57



Source: Futura Medical

Exhibit 7: Around 63% of users achieve MCID at 12 weeks

	FM57	FM71
Overall	**63%**	**63%**
Mild	55%	61%
Moderate	57%	59%
Severe	85%	80%

Source: Futura Medical

Home use study provides consistent real-world evidence

MED3000 performed consistently in a real-world setting

As part of its due diligence, Cooper Consumer Health also undertook a consumer marketing home use test (HUT) in the UK, France, and the Netherlands. The size of the HUT has not been disclosed but would typically involve c 200 consumers. In this case men with self-diagnosed ED were supplied with a four-pack sample of MED3000 and the appropriate packaging leaflet. The results were in-line with data from both FM71 and FM57 where over two-thirds of patients saw a clinically meaningful benefit (Exhibit 7). In the HUT the majority of men with ED, other than men suffering from severe ED with significant co-morbidities, saw an improvement in erectile performance.

Sensitivities

Focus has shifted to commercial execution by partners

The three main sensitivities for most innovative healthcare companies relate to development and regulatory aspects, execution of commercialisation plans, and the financial resources required to accomplish these. With key approvals secured in Europe and the US, the focus is on commercial execution, which is now largely in the hands of partners. Nevertheless, a number of sensitivities remain.

Forecasting revenues and tracking the launch are particularly challenging

We believe the biggest sensitivity will be around revenue expectations. In-market product sales, especially in the early stages of launch, are generally closely tracked as these can give an indicator of likely peak potential. This, however, will be almost impossible owing to limited disclosure from partners, coupled with differing and unknown precise deal terms in various regions. Whilst royalty income should correlate fairly directly with in-market sales, other components of Futura's future revenues, such as non-recurring and unpredictable milestone income or manufacturing fees, will not. Hence in-market sales will be almost impossible to deduce from Futura's net revenues, especially in the near-term. In addition, without the ability to track prescription data, as MED3000 is available OTC, all of these elements together mean that deducing current in-market sales and then forecasting revenues is particularly challenging.

Futura will need to execute additional deals in unpartnered regions to maximise potential

Whilst approvals have been secured in the key markets of Europe and the US, limiting significant development and regulatory risks, there are regions where MED3000 is not yet approved or partnered. In some regions, approval(s) may be possible based on existing data, whereas in other areas, additional trials will likely be needed. In both scenarios, we believe Futura will seek to execute partnership deals. We do not expect Futura to conduct additional trials alone, instead seeking commercial partners with the resources and expertise to complete any necessary studies, and experience to successfully launch MED3000 once approval(s) are eventually granted. We expect Futural will play an active support role, either for regulatory filings or for manufacture and supply, albeit at limited "at risk" cost to Futura. Whilst we believe deals will be forthcoming, we have limited visibility on the timings and possible deal terms.

No significant cash needs

Notwithstanding the uncertainties around future revenues from existing and potential new partners, we do not believe Futura has any significant cash needs. Futura's well controlled core operating costs are likely to remain at around £5-6m per annum in the absence of any new significant development projects. Our model suggests a narrowing net loss in FY24e, in part driven by recognition of the Haleon $4m (£3.2m) upfront payment, with break-even possible if any additional milestones are received (from Haleon or other partners), or if US launch comes sooner than our conservative 2025 expectation. Assuming US launch in FY25e, and that in-market sales in EU and Other Regions grow, then we believe Futura is on-track for sustainable profitability and positive cash flow generation from 2025.

Patents could provide MED3000 protection to 2040, if granted

Patents to protect MED3000 have been filed in all major jurisdictions, and if granted, would provide patent protection until 2040. These formulation patents should make it challenging for any other similar style of product(s) to receive regulatory approvals, unless they can demonstrate that any differences in formulation (which would be needed to not infringe the patents) are substantially equivalent to MED3000; this is not a straightforward process.

Valuation

Risk-adjusted DCF model yields a valuation of £363m, or 121p per share

We value Futura Medical using a DCF model, with MED3000 the key value driver. The key changes to our valuation model include the US approval (unwinding the risk adjustment) and incorporation of the deal with Haleon. These updates lead to a Futura Medical valuation of £363m, or 121p per share (Exhibit 8).

Haleon is well placed to maximise MED3000 in the US

We continue to view the US market opportunity as the most significant, and we now forecast US peak MED3000 sales of c $350m (from c $250m). The uptick in peak sales reflects the partnership with Haleon, who we believe are well placed to maximise the potential of MED3000 in the US. In-line with our typical conservative stance, our US peak sales are below the >$400m forecast by Ipsos outlined earlier in this report (and well below the upside scenario of $640m). Our peak sales forecasts in Europe and in Other Regions are unchanged and conservatively remain at $100-130m in each geography. These factor in the distinct commercial models in different countries. Our sales forecasts are summed and netted against the costs of running the operation and net cash.

Exhibit 8: Futura Medical risk-adjusted DCF model

	Total NPV ($m)	Total NPV (£m)	Risk adjustment	rNPV ($m)	rNPV (£m)	rNPV/share (p)
MED3000 (Europe)	147.5	123.0	100%	147.5	123.0	40.9
MED3000 (US)	253.5	211.3	100%	246.0	205.0	68.2
MED3000 (Other Regions)	60.5	50.4	80%	48.4	40.3	13.4
Non-R&D OpEx	(14.7)	(12.3)		(14.7)	(12.3)	(4.1)
Net cash	7.9	6.5		7.9	6.5	2.2
Total	**454.7**	**378.9**		**435.1**	**362.6**	**120.6**

Source: Trinity Delta Note: Assumptions include a 10% discount rate; a 1.2 $/£ FX rate, and 10% tax rate from 2026 with the benefit of the UK patent box

We incorporate a number of conservative assumptions, based on industry standards, in our model…

For the purposes of modelling and given limited disclosure of precise deal terms in **Europe** with Cooper (which includes multiple revenue layers), for simplicity we assume Futura receives payments that are equivalent to a royalty rate of c 20% on in-market sales. In the **US**, Futura will receive a royalty on in-market sales from Haleon and is eligible to receive potential sales-related milestone payments; we have made various assumptions, based on industry standards, for these components. In **Other Regions** (which includes South Korea, China & South-East Asia, Brazil and Mexico, and the Gulf and Middle East) we continue to model half of profits accruing to Futura (equivalent to a 12.5% royalty based on a 25% net margin assumption); we have increased the risk adjustment to 80% in Other Regions following the US approval, as we believe this de-risks global approvals.

…but the biggest driver of our valuation is the peak opportunity for MED3000

Whilst our forecasts are based on a number of assumptions, the key variable in our valuation is the peak opportunity for MED3000, rather than the precise deal terms or planned launch timelines. For example, if we either bring forward US launch, or postpone it, by one year vs our base case (launch in 2025e), this is only worth about ±10p/share on our 121p base case valuation (c 8%). However, if we increase our WW peak MED3000 sales to c $700m (from current <$600m), which would not seem unreasonable if Haleon can exceed the Ipsos $400m forecast, if Europe continues its strong initial launches, and Other Regions similarly follow on the back of strong US and EU brands, then this would be worth an incremental >20p/share on our 121p base case valuation (c 17%).

Financials

Financial forecasts now include MED3000 revenues, but we do not include any US sales-related revenues until 2025

Our model and forecasts have been updated to reflect financial results and the recent Haleon deal. With maiden revenues reported, we do now include future revenue forecasts, which we previously did not. In our published forecast periods of FY23e and FY24e, these are from orders in Europe from partner Cooper, plus from partners in Other Regions. We do not include any US product-related forecasts in FY23e and FY24e revenues given we conservatively do not anticipate US launch until at least 2025, nor do we include any uncertain milestones. Hence there could be upside if any milestones are received from Haleon (or others), or if US launch comes sooner than we expect. With the challenges in forecasting revenues, as previously outlined, we caveat that our FY24e forecasts in particular will likely be subject to revisions, although we have taken a conservative stance.

We forecast FY23e net revenues of £3.4m which do not include any milestone income

For FY23e we conservatively forecast revenues of £3.4m, based on achieving similar revenues of £1.7m in H223 (H123: £1.7; H122: £0.0m). For FY24e we forecast product revenues of £5.5m as we assume growth in existing regions from repeat orders, and an expansion in revenues from additional launches. We also include full recognition of the $4m (£3.2m) upfront from Haleon in FY24e (a non-cash P&L item as this is already received and included in end-August 2023 cash of £9.4m), for total FY24e revenues of £8.7m. We do not include any other unknown milestone income from any partners in our forecasts, which could all be upside.

Costs remain controlled and R&D should continue to decline

Costs continue to be tightly controlled, with total H123 Operating Expenses (R&D and SG&A) of £2.9m (H122: £2.8m); we note that H123 OpEx included non-cash share-based payments charges in SG&A of £645k (H122: £131k), hence underlying core costs actually decreased. As Futura has now transitioned to commercial execution, the balance of spend has shifted from R&D to SG&A, with H123 R&D declining to £0.8m (H122: £1.9m), reflecting completion of the FM71 study, whilst SG&A increased to £2.0m (H122: £0.9m), reflecting increasing commercial partner support for Eroxon launches. Given most of the MED3000 clinical development work is now complete, we anticipate a continued decline in R&D spend to £1.6m in FY23e and to £1.5m in FY24e (FY22: £4.1m). We expect SG&A to increase to £5.6m in FY23e and to £6.4m in FY24e (FY22: £2.7m).

Sustainable profitability and cash flow generation is possible from 2025

The H123 net loss was £1.8m (H122: £2.5m), and given declining R&D spend coupled with initial revenues from MED3000, we expect the net loss to narrow to £4.7m in FY23e, and even further to £1.2m in FY24e, with break-even possible if any additional milestones are received, or if US launch comes sooner than 2025 (FY22: net loss of £5.9m). If we assume that Futura can maintain a stable core cost base (excluding non-cash items) of around £5-6m per annum, assuming no new development projects, then sustainable profitability is possible from 2025, in our view, even based on conservative revenue forecasts. This could come sooner if revenues exceed our expectations, if Haleon launches in the US before 2025, and/or if costs decline more rapidly.

Cash should be sufficient through to sustainable profitability and cash generation from 2025

Cash at end-June 2023 was £7.8m (end-December 2022: £4.0m), owing to the cash inflow of £4.4m via the warrant exercise by Lombard Odier AM (10.4m shares at 40p per share) which more than offset underlying cash burn. Cash at end-August 2023 was £9.4m, which was boosted by the $4m (£3.2m) upfront payment from Haleon. We believe cash should be sufficient to fund current operations through to sustainable profitability and cash generation from 2025.

Exhibit 9: Summary of financials

Year-end: December 31 £'000s	2020	2021	2022	2023E	2024E
INCOME STATEMENT					
Revenues	**0**	**0**	**0**	**3,400**	**8,700**
Cost of goods sold	0	0	0	(1,586)	(2,565)
Gross Profit	**0**	**0**	**0**	**1,814**	**6,135**
R&D expenses	(1,928)	(3,774)	(4,131)	(1,611)	(1,531)
General and administrative expenses	(1,001)	(2,092)	(2,740)	(5,626)	(6,392)
Underlying operating profit	**(2,928)**	**(5,866)**	**(6,871)**	**(5,422)**	**(1,788)**
Other revenue/expenses	0	0	0	0	0
EBITDA	**(2,903)**	**(5,847)**	**(6,847)**	**(5,295)**	**(1,373)**
Operating Profit	**(2,928)**	**(5,866)**	**(6,871)**	**(5,422)**	**(1,788)**
Interest expense	1	0	0	161	262
Profit Before Taxes	**(2,927)**	**(5,866)**	**(6,871)**	**(5,261)**	**(1,526)**
Adj. PBT	**(2,927)**	**(5,866)**	**(6,871)**	**(5,261)**	**(1,526)**
Current tax income	519	909	1,025	526	305
Cumulative preferred stock dividend	0	0	0	0	0
Net Income	**(2,408)**	**(4,958)**	**(5,846)**	**(4,735)**	**(1,221)**
EPS (p)	**(1.0)**	**(1.8)**	**(2.0)**	**(1.6)**	**(0.4)**
Adj. EPS (p)	**(1.0)**	**(1.8)**	**(2.0)**	**(1.6)**	**(0.4)**
DPS (p)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Average no. of shares (m)	243.7	271.0	287.5	294.4	300.7
Gross margin	*N/A*	*N/A*	*N/A*	*53%*	*71%*
BALANCE SHEET					
Current assets	**1,577**	**11,360**	**5,315**	**7,930**	**4,303**
Cash and cash equivalents	1,019	10,373	4,026	6,546	2,574
Accounts receivable	40	79	266	838	1,356
Inventories	0	0	0	22	70
Other current assets	519	908	1,023	524	303
Non-current assets	**43**	**443**	**1,158**	**3,771**	**4,453**
Property, plant & equipment	43	443	1,158	3,771	4,453
Other non-current assets	0	0	0	0	0
Current liabilities	**(767)**	**(2,078)**	**(1,753)**	**(5,806)**	**(2,600)**
Short-term debt	0	0	0	0	0
Accounts payable	(767)	(2,078)	(1,753)	(2,606)	(2,600)
Other current liabilities	0	0	0	(3,200)	0
Non-current liabilities	**0**	**0**	**0**	**0**	**0**
Long-term debt	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0
Equity	**854**	**9,725**	**4,720**	**5,895**	**6,156**
Share capital	53,305	66,952	67,122	71,622	71,622
Other	(52,452)	(57,228)	(62,402)	(65,727)	(65,466)
CASH FLOW STATEMENTS					
Operating cash flow	**(4,542)**	**(3,873)**	**(5,775)**	**761**	**(2,876)**
Profit before tax	(2,927)	(5,866)	(6,871)	(5,261)	(1,526)
Non-cash adjustments	173	202	697	1,377	1,634
Change in working capital	(4,012)	1,272	(512)	3,459	(3,773)
Interest paid	1	0	0	161	262
Taxes paid	2,222	519	910	1,025	526
Investing cash flow	**(8)**	**(420)**	**(741)**	**(2,741)**	**(1,096)**
CAPEX on tangible assets	(8)	(420)	(741)	(2,741)	(1,096)
Other investing cash flows	0	0	0	0	0
Financing cash flow	**3,059**	**13,647**	**170**	**4,500**	**0**
Proceeds from equity	3,059	13,647	170	4,500	0
Increase in loans	0	0	0	0	0
Other financing cash flow	0	0	0	0	0
Net increase in cash	**(1,492)**	**9,354**	**(6,346)**	**2,520**	**(3,973)**
Cash at start of year	2,510	1,019	10,373	4,026	6,546
Cash at end of year	**1,019**	**10,373**	**4,026**	**6,546**	**2,574**
Net cash at end of year	**1,019**	**10,373**	**4,026**	**6,546**	**2,574**

Source: Company, Trinity Delta Note: Adjusted numbers exclude exceptionals. FY24e revenues include full recognition of the $4m (£3.2m) upfront payment from Haleon, which has been received.

Company information

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Key personnel

Person	Position	Biography
Jeff Needham	Non-Executive Chairman	Appointed Chairman in July 2023 having joined Futura Medical's board in October 2021. He has over 35 years of experience in manufacturing and marketing of consumer healthcare products, with particular expertise in the US market. This includes 36 years at Perrigo and as a board director of the Consumer Healthcare Products Association.
James Barder	CEO	CEO since 2001. Previously Managing Director of Aon Capital Markets and Non-Exec Director of Lorega Ltd. Extensive experience in striking and managing partnerships and licensing agreements.
Angela Hildreth	FD and COO	Joined in 2018, adding further financial, operational, and strategic experience to the executive team. Previously six years as UK Finance Director at Shield Therapeutics Plc.
Ken James	Head of R&D	Joined in 2016. Previously SVP of R&D for GSK Consumer Healthcare, having spent over 40 years in a variety of roles there and bringing over 200 consumer products to market.

Top shareholders

	% holding
Lombard Odier Asset Management (Europe) Ltd	28.50
T Adams	6.89
WT Lamb Investments Ltd	4.51
RA Lamb	3.28
Chelverton Asset Management	3.01
Disclosable shareholdings (>3%)	**46.19**
Other shareholders	53.81
Total shareholders	**100.00**

Source: Futura Medical at 30 June 2023

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Disclaimer

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