



Futura Medical plc

# A year of strategic progress

Annual Report  
and Accounts  
2024





## INTRODUCING

# Our 2024 Annual Report

## WELCOME TO THE FUTURA MEDICAL ANNUAL REPORT

Futura Medical specialises in the development and global commercialisation of innovative and proprietary sexual health products. Our lead product is Eroxon®, a clinically proven breakthrough treatment for erectile dysfunction.

We are experts in the research, development and commercialisation of topically delivered gel formulations.



**Our purpose is to provide a range of clinically proven sexual health products that enhance quality of life.**

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# Delivering clinically proven products to improve sexual health



Futura specialises in the development and global commercialisation of innovative and proprietary sexual health products. Our lead product is Eroxon®, a clinically proven breakthrough treatment for erectile dysfunction ("ED"). We are experts in the research, development and commercialisation of topically delivered gel formulations to improve sexual health. Our purpose is to provide a range of clinically proven sexual health products that enhance quality of life.

Futura Medical is based in Guildford, United Kingdom ("UK") and is listed on the AIM market of the London Stock Exchange. We are an agile, driven and committed team with extensive experience in the research, development and commercialisation of consumer health products globally with a particular expertise in Europe and the United States of America ("USA").

Futura's business model focuses on a de-risked go-to-market strategy via leading consumer healthcare partners who are well resourced to commit significant marketing spend and expertise. Futura has distribution partners in place for Eroxon® in a number of major consumer markets including Haleon plc ("Haleon") in the USA, the largest consumer health market in the world, and Cooper Consumer Health in Europe.

Eroxon®, Futura's clinically proven lead product, has been developed for the treatment of ED. Eroxon® is approved and available to purchase in a number of markets across the world including in most of Europe and the USA.

Eroxon® launched in its first markets the UK and Belgium in March 2023, being available to consumers for the first time and changing the lives of men with ED and their partners and has since been rolled out across most of Europe, the USA, Mexico and several countries in the Middle East.

The highly differentiated product, which is the only topical gel treatment for ED available over-the-counter ("OTC") and helps men get an erection in ten minutes, addresses significant unmet needs in the ED market.

## EROXON® IS THE ANSWER:

- It is the first OTC topical gel clinically proven for the treatment of ED
- It is the only topical gel treatment for ED available without the need of a doctor's prescription
- It helps men get an erection within ten minutes, addressing significant unmet needs in the ED market.

Read more about our  
**Strategy** on **page 21**

Read more about our  
**Marketplace** on **page 13**

Read about **our commercial partners**  
on **page 18**

Read about **Eroxon®**  
on **page 25**

## 20%

**ED impacts around 20% of men globally across all age brackets<sup>1</sup>**

## 50%

**Approximately half of all men over 40 experience ED<sup>2</sup>**

## 25%

**Around 25% of new diagnoses are in men under 40<sup>3</sup>**

<sup>1</sup> EMA, Withdrawal assessment report for Viagra, 2008

<sup>2</sup> Feldman HA et al. J Urol 1994; 151: 54 – 61

<sup>3</sup> Pozzi, J of Sexual Medicine, Volume 20, 2022

# We utilise our expertise to deliver long-term shareholder value

### LARGE, GROWING AND UNDERSERVED ADDRESSABLE MARKET

ED impacts around 20% of men globally across all adult age brackets<sup>1</sup>, with approximately 50% of all men over 40 experiencing ED<sup>2</sup> and around 25% of all new diagnoses being in men under 40<sup>3</sup>. Over the Counter (“OTC”) availability, longer lasting, faster acting and affordability are the top unmet needs for ED treatments<sup>4</sup>.

Read more about the ED market on [page 13](#)



### HIGH BARRIERS TO ENTRY

Futura has already taken first mover advantage with regulatory approvals in key markets such as the USA and European Union (“EU”) as well as having distribution agreements in place with leading consumer healthcare partners. In addition, the Group has patents granted or pending in over 30 countries including all the key ED markets.

View our regulatory approvals and licensing deals on [page 15](#)



### INNOVATIVE AND EXPERIENCED TEAM

Futura has an innovative and experienced Research and Development (“R&D”) team in place to broaden the Eroxon® range and develop range extension products.

Futura has gained unique knowledge and expertise in the new and underserved OTC sexual health category and therefore has the capability to build upon market research already undertaken to identify product extensions and potentially new market segments for OTC products, with Eroxon® Intense and WSD4000, our treatment for the symptoms of sexual dysfunction in women, in our development pipeline.

Read more about our Board of Directors on [page 45](#)





## INVESTMENT CASE

### SIGNIFICANTLY DIFFERENTIATED LEAD PRODUCT

Our lead clinically proven product, Eroxon® is significantly differentiated against its peers, being OTC and quicker to work. Eroxon® is the only topical gel treatment for ED available over-the-counter and helps men get an erection in ten minutes. Being OTC significantly improves access for men or their partners without the normal cost or embarrassment, issues often associated with consultation of a healthcare practitioner. According to IPSOS research, users who are dissatisfied with their current medication mostly cite limited efficacy, slow onset of action and side effects as the source of their dissatisfaction<sup>4</sup>.

.....  
Read more about  
Eroxon® on [page 25](#)



### DE-RISKED GO-TO-MARKET STRATEGY

Significant low-cost opportunity to broaden the availability of Eroxon® rapidly and efficiently worldwide through de-risked go-to-market strategy via leading consumer healthcare partners who are well resourced to commit significant marketing spend and expertise.

Futura has distribution partners in place in a number of major consumer markets including Haleon in the USA, the largest consumer healthcare market in the world, and Cooper Consumer Health in Europe. These partners manage the marketing and distribution of the product, investing their own significant capital to market Eroxon® and broaden its availability rapidly and efficiently. With the nature of the model, partnering with leading consumer healthcare partners, there is low capital commitment needed from Futura to significantly broaden the reach of Eroxon® and deliver on the Group's growth strategy.

.....  
Read more about our  
business model on [page 19](#)



<sup>1</sup> EMA, Withdrawal assessment report for Viagra, 2008  
<sup>2</sup> Feldman HA et al. J Urol 1994; 151: 54 – 61  
<sup>3</sup> Pozzi, J of Sexual Medicine, Volume 20, 2022  
<sup>4</sup> Ipsos research carried out on behalf of Futura in the USA, 2022

## YEAR AT A GLANCE

# FY24 - A year of strategic achievement, significant revenue growth and maiden profit

### OPERATIONAL HIGHLIGHTS

- ▶ Continued international launch of Eroxon® throughout financial year "FY" 24
- ▶ Initial launch of Eroxon® in October 2024 in the US through Futura's commercial distribution partner Haleon, triggering a milestone payment of US\$ 5.0 million which was received in H2 FY24
- ▶ Eroxon® now launched in over 15 countries across the Americas, Middle East and Europe
- ▶ Launches continue to provide learnings for our commercial partners, helping inform and develop future rollouts and the marketing strategy undertaken by our partners
- ▶ Strong sell-in to the retailer driving initial demand reflects the previous unmet consumer need for men with erectile dysfunction ("ED")
- ▶ New product development R&D pipeline progressing with positive results for Eroxon® Intense and WSD4000

### FINANCIAL HIGHLIGHTS

- ▶ FY24 revenue and profit after tax ahead of market expectations<sup>1</sup>, with revenue growth of 349% to £13.9 million (FY23: £3.1 million)
- ▶ Profit after tax of £1.3 million, with the Group maintaining an efficient operating model, as distribution partners take on marketing costs
- ▶ Blended gross margin<sup>2</sup> increased to 70% (FY23: 57%) reflecting the revenue mix of product sales, milestones and royalties
- ▶ Cash and cash equivalents of £6.6 million at 31 December 2024 (FY23: £7.7 million), which provides working capital through to H2 2026, along with expected revenues, we remain well capitalised with working capital to support our operations and current focused investment in R&D

### POST-PERIOD END AND OUTLOOK

- ▶ Feedback and market research from early launches assist in adjusting and optimising marketing strategies in the period ahead. This, along with some launch delays in markets outside of the USA resulted in a slower ramp-up and expansion of retail sales. As previously disclosed, whilst early in the new fiscal year and launch phase, the Board update on the expected impact to FY25 revenue and profit.
- ▶ Relationships with distribution partners remain strong as does partner commitment to Eroxon® and the Group continues to work closely with partners ahead of the next phase of launches and rollouts.
- ▶ New product development pipeline provides confidence in the successful expansion of our product range and addressable markets.
- ▶ On track to have launched Eroxon® in 20 countries by the end of 2025 with manufacturing capacity now in both the EU and USA.
- ▶ Successful completion and positive results of an Eroxon® Intense Home User study in March 2025 with US and EU approvals remaining on track by the end of 2025.
- ▶ Successful completion and positive results of a Home User study on WSD4000, a topical treatment for the symptoms associated with sexual dysfunction in women, in January 2025 and a further pre-submission meeting with the United States Food and Drug Administration ("FDA") has taken place.

<sup>1</sup> The Group believes that, prior to this announcement, market expectations for 2024 performance in terms of revenue and profit after tax were £13.4 million and £0.5 million respectively.

<sup>2</sup> Blended gross margin across product sales, royalties and milestones

<sup>3</sup> SMSNA - Sexual Medicine Society of North America





# Strategic Report



## STRATEGIC REPORT

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## A year of solid strategic progress



**“As a Board we are committed to maximising the value of Futura for our shareholders.”**

**JEFF NEEDHAM**  
Non-Executive Chairman

The end of FY24 gives me the opportunity to look back on my first full financial year as Chairman of Futura Medical plc. I am pleased to be able to report on a year of solid strategic progress, as the year saw the Group launch Eroxon® in new markets and deliver its maiden profits. This is a significant achievement and something we are very proud of.

Our progress to date is thanks to the hard work and talent of our team and the quality of the product we have produced, coupled with the close working relationships we have with our distribution partners.

In the FY23 Annual Report, I talked to Futura being on the cusp of tapping a virtually unserved consumer healthcare market, with huge potential. With launches in the Americas, the Middle East and in further European countries, we took great strides this year in starting to address that market opportunity.

The market and unmet need for Eroxon® is clear and the past year has seen the early fruit of this through our significant revenue growth and maiden profits. As a Board we are committed to maximising the value of Futura for our shareholders. We are focused on the ongoing launch of Eroxon® and ensuring its success, while leveraging our expertise in the field of R&D of sexual health products to extend our product range and broaden our addressable markets.

R&D is our strong suit as a Group and in FY24 our focus has been on the exploration of range extensions and new innovative products within the sexual health category to meet further unmet demand while managing costs effectively. With the solid progress seen in the development of Eroxon® Intense and WSD4000, the work of our R&D team continues to shine through, and we are excited by the opportunity each product presents.

In January 2024 we were delighted to welcome Roy Davis as a Non-Executive Director. He has brought a wealth of commercial experience in medical devices companies and has a proven track record of successfully scaling companies and delivering substantial value for shareholders. He has made significant contributions throughout the year and we are pleased to be able to leverage his experience for the benefit of the Group. Post-period end we were also pleased to announce the appointment of Harmesh Suniara to the Board. Harmesh has over 17 years' experience of working in investment management, with a particular focus on UK small and mid-cap equities. We look forward to benefitting from his experience and both his understanding of the significant addressable market and our business model.

For the year ahead our focus is on learning from the launches our partners have executed around the world and incorporating this feedback to work with our partners to optimise sales. Our strategy is focused on building on our achievements to date to deliver sustainable growth and profits.

I would like to thank all our shareholders for their continued support and I look forward to 2025 with confidence.

By order of the Board

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**JEFF NEEDHAM**  
Non-Executive Chairman

Futura Medical plc

14 April 2025



## A strong year of progress and delivery



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“FY24 was a landmark year for Futura, with the Group successfully delivering its maiden profits from of its lead product, Eroxon®.”

JAMES BARDER  
Chief Executive

FY24 was a landmark year for Futura, with the Group successfully delivering its maiden profits from of its lead product, Eroxon®, which has now launched in over 15 countries across the Americas, Middle East and Europe.

We are extremely proud of all that we have achieved to date. With the launch of a brand new product, in a new category for a large and underserved market, a lot of time, effort and resource has gone into getting us to this point and we have built the solid foundations from which we can continue to grow.

We are now entering the next stage in our business lifecycle as we work with our commercial partners as they focus on building brand awareness and customer acquisition for Eroxon®, while the Group continues to focus on expanding our product range. As specialists in the development and commercialisation of topically delivered gel formulations in the sexual health category, we continue to strongly believe in the opportunities Eroxon® and our new product development pipeline represent.

### STRONG FINANCIAL PERFORMANCE FOR FY24, AHEAD OF EXPECTATIONS

Following the further roll out of launches of Eroxon® in Europe, subsequent commercial sales and the availability of Eroxon® in the USA from October 2024, the Group saw significant revenue growth in the year, delivering revenues of £13.9 million (2023: £3.1 million).

This was a mix of product sales (including channel fill), royalties and milestone payments.

This mix provided a blended margin of 70% and saw the Group deliver its maiden profit £1.3 million, as we continued to operate a lean model focused on

leveraging our own expertise in research and development and partnering with leading consumer healthcare companies to commercialise our products.

With a cash position of £6.6 million at 31 December 2024 (2023: £7.7 million), which provides working capital through to H2 2026, we remain debt free and along with expected revenues are well capitalised with working capital to support our operations and focused investment in R&D on an ongoing basis.

### EROXON® – LAUNCHING A NEW CONSUMER PRODUCT TAKES TIME AND WE CONTINUE TO TAKE LEARNINGS FOR FUTURE GROWTH

Alongside our commercial partners, we are focused on building Eroxon® into a global brand. The need and market for a treatment for erectile dysfunction (“ED”), available over the counter (“OTC”), is clear. As we have stated previously this is a large market that is expected to continue to grow. ED is an issue that impacts approximately 20% of men<sup>1</sup> globally, affecting all age ranges, with approximately 50% of men over 40 experiencing ED<sup>2</sup> and around 25% of new diagnoses being in men under 40<sup>3</sup>.

The demand for a product to serve a previously unmet consumer need for men with ED has been supported by the strong sell-in to retailers we have seen during 2024, through our commercial partners.

As with any new product launch in any category, and as noted by our US commercial partner in its recent FY24 results, the launch of a brand-new consumer product, in a brand-new category which requires new consumer behaviour and education, takes time. In the same update, our US commercial partner confirmed its commitment to the product, noting it continues to invest in Advertising & Promotion (“A&P”) to educate consumers on the treatment and drive momentum. While early sales levels have been satisfactory, the rate of sales has fallen short of early estimates, which subsequently led the Board to revise Management forecasts for FY25.

## CHIEF EXECUTIVE'S REVIEW

Each launch and each market is unique, bringing its own opportunities and challenges. Breaking into the right consumer group is a gradual process. Through the year we, alongside our partners, have been reviewing the data available to us in order to learn from each launch and refine the approach we will take in the future to build awareness, educate our target consumers and gradually increase sales.

Pre-launch Home User Test ("HUT") research conducted by our commercial partners has shown to be remarkably consistent with our current findings in the marketplace following launch. The HUT research showed high levels of satisfaction amongst Eroxon® users in this real use setting in men under 60 years old with mild to moderate ED. This is a large target audience especially mindful that frequency of sexual intercourse tends to be higher in younger men.

The HUT research also showed much lower levels of satisfaction with Eroxon® for men older than 60 who often have other co-morbidities aside from their ED.

These findings highlight the challenges our commercial partners face in connecting with the optimal target audience, men for whom we know Eroxon® would be an extremely safe and effective treatment whilst managing consumer expectations amongst men for whom Eroxon® is less likely to give satisfactory results in line with the HUT research. This iterative development of a new brand and optimising A&P spend in order to target the correct consumer audience is not new within the OTC market and we continue to work closely with our commercial partners whose commitment to build the Eroxon® brand remains resolute.

### PROGRESS AGAINST OUR KEY PRIORITIES

As previously disclosed, we are now reporting against three strategic pillars:

1. Address the growing needs within the OTC sexual health market.
2. Broaden the Group's clinically proven product range leveraging its innovative and experienced R&D capability whilst being mindful of costs and focusing on ROI.

3. Commit to delivering strong returns for shareholders, sustained profitability and financial discipline.

In our previous Annual Report we set out three priorities for the years ahead. As a reminder, our priorities are:

- **Address** – Address worldwide demand for Eroxon® through strengthening our supply chain and commercial network whilst achieving further regulatory approvals and further launches across the world.
- **Broaden** – Explore other range extensions as well as new innovative products within the sexual health category to meet further unmet demand, supported by clinical data whilst remaining mindful of costs.
- **Commit** – Deliver further revenue growth and progress on the path towards profitability in the next 12 months.

### ADDRESS

In FY24 we took significant steps towards addressing worldwide demand, with Eroxon® launched and now available in over 15 countries, including the key US launch in October 2024.

The launch in the USA, one of the largest ED markets in the world, was a landmark for Futura. While the pace of uptake has been slower than initially expected, feedback from our commercial partner on the launch has been positive, supported by strong retailer execution.

Work continues to implement the feedback from the initial launch to optimise the next stage of the rollout. This includes mitigating barriers to purchase, such as lockboxes that prevent theft but require the intervention of a shop assistant when purchasing. Many men may find this embarrassing and therefore it may impact sales.

Equally educating consumers about the benefits of Eroxon® whilst managing expectations remains an important focus, men generally do not want to talk about ED and therefore our commercial partners have been using interactive questionnaires and AI to disseminate information about an embarrassing subject and assist the consumer in navigating the challenges of an effective ED treatment and when Eroxon® is right for them.







In Europe, our commercial partner continued to make steady progress with launches of Eroxon® in many major markets across the region including Spain, Italy and Portugal. Nevertheless, our European partner has faced similar challenges in targeting the correct target audience in a number of countries and we continue to work with them to refine their marketing approach to achieve this goal.

It is important to stress these challenges are far from universal and in a number of countries our commercial partners have been delighted with the consumer acceptance of Eroxon® and we are working with our commercial partners to gain greater consumer understanding behind these different purchasing patterns seen, especially within the EU which is culturally diverse across the different member states.

### **Mexico – a focused digital strategy**

The second half of the year saw the launch of Eroxon® in Mexico, in partnership with our Latin American distribution partner, M8. They were able to take the feedback from previous launches in other countries and while still early in the process, the early uptake has been pleasing.

We see this focused digital strategy and the refinement as a potential template for future launches across Latin America. The strategy in Mexico focused on a targeted, digital approach. They created an online test to better understand their audience profile, which allowed them to develop a more focused strategy that resonated with the identified user demographics. This enabled them to create tailored content through effective consumer profiling and segmentation, ensuring marketing efforts were precisely targeted at potential customers, allowing the consumer to understand if Eroxon® was right for them.

Their focus is based on an online digital communication strategy, leveraging social media with digital opinion leaders and influencers to engage their target audience without relying on traditional methods like TV advertising. This approach enables them to create content that reaches the right users more effectively. Based on the shared data, platforms like Meta, Google, and TikTok have proven to be the most cost-effective tools for targeting specific audiences. Online sales are augmented with bricks and mortar pharmacies, where pharmacists have been particularly supportive of Eroxon® as it has resulted in incremental sales for them.

This strategic approach has so far led to improved customer satisfaction and higher ratings compared to the UK, a number of European countries, and the USA. This success, following the utilisation of prior learnings, gives the Board confidence in the next phase of the launch process with commercial partners in other regions. We continue to share these learnings with our commercial partners as they build consumer awareness.

In line with this key priority to address worldwide demand for Eroxon®, we continue to assess new markets where there is a potential opportunity for the product. We are focused, however, on working with our partners to get the offering and messaging right where they have already launched to ensure a gradual and sustained improvement in sales and brand awareness.

### **BROADEN**

Expanding our portfolio of products and extending product ranges, while being mindful of cost is a key aspect of our strategy. We are specialists in the development and commercialisation of topically delivered gel formulations in sexual health products, and we are proud of the results delivered by our expert R&D team.

We have made good progress against this priority in the year with two new encouraging products advancing through our development pipeline.

## CHIEF EXECUTIVE'S REVIEW

### Eroxon® Intense

While many men are satisfied with the current sensorial effect of the Eroxon® product, Eroxon® Intense, is designed to help those men who would prefer a stronger sensation.

As reported in November, in a single-blind randomised crossover design study, 16 male subjects blind tested three enhanced formulations compared with Eroxon®, 67% of the men experienced greater sensorial sensitivity on the preferred formulation compared to Eroxon®.

We are now delighted to announce that a pivotal randomised comparator-controlled crossover claims support study conducted on 45 males has recently completed. The results strongly support the previous study with the findings showing significantly stronger sensations being experienced by men within 15 seconds of application of Eroxon® Intense, and up to 10 minutes from application, along with a low side effect profile.

Our existing commercial partners have expressed strong interest in new variants beyond the original Eroxon® product, to expand the product range and aid in the enhancement of customer awareness around the brand. Regulatory approval in the EU and USA is expected by the end of 2025, giving us confidence in being able to offer our commercial partners a product extension to Eroxon®.

### WSD4000

WSD4000 is a topical treatment designed for the symptoms of sexual dysfunction in women. There is currently no regulatory approved OTC treatment available for sexual dysfunction in women. We therefore see this as an incredibly exciting market opportunity. One we are well placed to serve, with our specialism in developing and bringing to market topically delivered gel formulations in sexual health products.

WSD4000 has the potential to be an effective, breakthrough treatment for the common symptoms associated with sexual dysfunction, such as lack of desire, arousal and lubrication.

In January, post-period end, we announced the successful completion and positive results of a WSD4000 Home User study. Since then, a further pre-submission meeting with the FDA has taken place, where good progress was made to clearly define the product's indication for use, the potential marketing claims, and how these should be defined during the clinical phase of development. Following this meeting we are now in a position to start the Early Feasibility Study to be completed in the first half of 2026. We anticipate a further pre-submission meeting with FDA to finalise the detailed clinical trial protocol.

In Q3 2024 we also commissioned Ipsos to conduct market research in the USA to gain greater understanding of sexual dysfunction in women and the commercial opportunity this represents. This involved both quantitative and qualitative research in over 1,000 women ranging from 22 to 75 years old thereby capturing a representative sample of women's different life stages. This research has provided us with considerable insights and is helping us optimise the development of WSD4000. In particular the key findings were:

- 2-in-3 women say their sex lives are important, but women with symptoms of sexual dysfunction are less satisfied.
- 60% of women have experienced symptoms in the last twelve months, with nearly all feeling negatively towards their experiences.
- 1-in-2 women with symptoms are motivated to treat. The concept of WSD4000 resonated well especially with younger women.
- The commercial opportunity is large and significant with an estimated 34 million women in the USA alone motivated to treat their symptoms of sexual dysfunction<sup>4</sup>.





## CHIEF EXECUTIVE'S REVIEW

### COMMIT

We are proud of the strong financial results we delivered in FY24. While the slower than anticipated sales of Eroxon® post launch led to the Board revising its product sales and royalties forecasts down for FY25 by 50%, the Group remains confident in the opportunities Eroxon® and our new product development pipeline represent and is focused on delivering shareholder returns for its investors. Delivering sustainable revenue growth and profitability remain core factors in the Group's overall strategy. The work being done in conjunction with our partners to continue to build consumer awareness along with our new product development, while being conscious of costs, are integral aspects of our strategy geared at a return to revenue growth and profitability.

### FOCUS FOR FY25

Our priorities for FY25 are:

- **Address** – Obtain Eroxon® Intense regulatory approvals to provide our commercial partners a product extension to Eroxon®
- **Broaden** – Conduct Early Feasibility Study for WSD4000 product to refine the clinical methodology, optimise the efficacy and further inform the consumer experience of the product.
- **Commit** – Continue to launch Eroxon® in other markets and work with our partners in geographies where we have already launched to build brand awareness, sales and ultimately revenue and profits.

### OUTLOOK

Looking ahead, we remain confident in the opportunity for Eroxon®, and alongside this, the opportunities available to us through the new products we have in development. With the launch of Eroxon® Intense, we will successfully have extended our product line, a key step as our commercial partners continue to build out the sexual health category in their own businesses.

There is still a huge opportunity for Eroxon® and our partners are committed to continued investment in the marketing of the product to educate our target consumers and grow sales. Our partners understand that it takes time for a brand new consumer product to build and establish sales and we look forward to providing updates on the steady progress being made across our strategic priorities alongside efforts to improve shareholder returns.

By order of the Board

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**JAMES BARDER**  
Chief Executive Officer

Futura Medical plc

14 April 2025

<sup>1</sup> EMA, Withdrawal assessment report for Viagra, 2008

<sup>2</sup> Feldman HA et al. J Urol 1994; 151: 54 – 61

<sup>3</sup> Pozzi, J of Sexual Medicine, Volume 20, 2022

<sup>4</sup> Market research conducted by Ipsos showed 60% of women have experienced symptoms of sexual dysfunction over the last twelve months and 49% of women want to treat their symptoms. Current US female population between the ages of 22 and 75 is 113 million, of which 69 million are sexually active and experience symptoms.



# A large and growing addressable market

## THE SEXUAL HEALTH MARKET

The sexual health market comprises of treatments for sexual dysfunction in men and women and of the global market for sexual wellness. The global sexual dysfunction market we estimate is worth around US\$ 6.6 billion when combining the market value of treatments for male and female sexual dysfunction<sup>1</sup>. The sexual wellness market is worth US\$ 11 billion<sup>2</sup>.

Our focus is on the development of innovative and clinically proven sexual health products, with our lead product being Eroxon®, a breakthrough treatment for erectile dysfunction.



## THE UNMET NEEDS IN THE ERECTILE DYSFUNCTION MARKET

The rising affordability of phosphodiesterase-5 inhibitors (“PDE5is”) following the availability of generic versions has led to significant increases in volumes with the number of doses sold globally increasing by over 80% between 2018 and 2023<sup>3</sup>. For the vast majority of markets, treatments for ED are only available on prescription which creates a significant opportunity for a new category OTC.

Prior to Eroxon®, existing treatments for ED were available only on prescription in most countries around the world, creating barriers to access<sup>4</sup>. Embarrassment, denial, reticence, cost of a consultation and lack of awareness may prevent someone seeking the help of a doctor. Men with ED whose sexual partners wish to be supportive and solutions-oriented are doubly hindered by these factors as only the sufferer can be prescribed the treatment. On-demand oral treatments such as sildenafil (brand name “Viagra®”) typically take between 30 minutes to one hour to work, requiring planning and patience, which stand in the way of intimacy and spontaneity, and put undue pressure on couples. Oral treatments can also have systemic side effects and cannot be taken in combination with several medications.

According to IPSOS research<sup>5</sup>:

- Users who are dissatisfied with their current medication mostly cite limited efficacy, slow onset of action, and side effects as the source of their dissatisfaction.
- OTC availability, longer lasting, affordability and faster acting are identified as the top unmet needs for ED.

**3.5 billion**

Doses of Rx ED treatments sold globally in 2023<sup>3</sup>

**50%**

Approximately half of all men with ED do not discuss their condition with their doctor<sup>6</sup>

## MARKET OPPORTUNITY FOR EROXON®

Eroxon® addresses many of the unmet needs for men with ED and their partners. Ipsos’ research<sup>9</sup> showed that around three quarters of the sales would come from men with ED and their partners who are not currently on treatment, which means sales would be mainly incremental to existing sales of oral PDE5is which appears to have been reflected in the experience in market to date.

**20%**

ED impacts around 20% of men globally across all age brackets<sup>7</sup>

**50%**

Approximately half of all men over 40 experience ED<sup>8</sup>

**25%**

Around 25% of new diagnoses are in men under 40<sup>9</sup>





ED MARKET DRIVERS

Long-term market drivers in consumer health in general and ED specifically indicate a shift towards more self-care with consumers taking a more active role in their health, ageing populations, increases in chronic conditions, changing socio-cultural context and the rising cost of healthcare putting pressure on health systems.



Market driver	Impact	How we are responding
Increases in chronic medical conditions	More people are being diagnosed and at a younger age with conditions such as cardiovascular disease, obesity and diabetes which increases the likelihood of having ED.	Our strategy is built around addressing these key drivers. It aims to meet the growing demand for self-care in sexual health and recognises the opportunity to serve the unmet needs of consumers in sexual health and with Eroxon® in ED where barriers to access treatment remain high.  We do this by offering clinically proven treatments to improve sexual health OTC, without the need for a prescription.
Socio-cultural context	Younger men suffer increasingly from performance anxiety due to societal pressures and unrealistic portrayals of sexual performance in online pornography, as well as increasing general stress and mental health issues. ED is increasingly affecting younger men with around 25% of new diagnoses for ED in men under 40 <sup>9</sup> .	
Increasing pressures on health systems	Healthcare systems have recently been under great pressure. Sexual health conditions such as ED can be perceived as a “quality of life” issue by doctors and not seen as a priority. OTC products provide affordable and accessible treatment options for consumers and lower the overall costs to health systems.	

.....  
Read more about  
Eroxon® on [page 25](#)

<sup>1</sup> Based on the following: ED market worth US\$ 3.1 billion, IQVIA data 2022; Premature ejaculation market worth US\$ 3.15 billion, 2022, Business Research Insights, “Premature Ejaculation Treatment market size, etc.”, 2023; Female sexual dysfunction treatment market worth US\$ 0.4 billion, XResearch “Female Sexual Dysfunction Treatment market 2024”.

<sup>2</sup> DataBridge market research “Global Sexual Wellness Market”, 2023.

<sup>3</sup> Manufacturer’s Selling Prices, IQVIA market data, 2023

<sup>4</sup> In the UK, Ireland, Norway, Poland, New Zealand, and Switzerland, sildenafil 50mg can be purchased without prescription but still requires the involvement of the pharmacist. Cialis 10mg has switched OTC in the UK and also requires involvement of the pharmacist.

<sup>5</sup> Ipsos research carried out on behalf of Futura in the USA, 2022

<sup>6</sup> Jannini et al – Health-related characteristics and unmet needs of men with erectile dysfunction: a survey in five European countries, J Sex Med, 2014 Jan.

<sup>7</sup> EMA, Withdrawal assessment report for Viagra, 2008

<sup>8</sup> Feldman HA et al. J Urol 1994; 151: 54 – 61

<sup>9</sup> Pozzi, J of Sexual Medicine, Volume 20, 2022

## Progress across the world in making Eroxon® accessible to men with ED

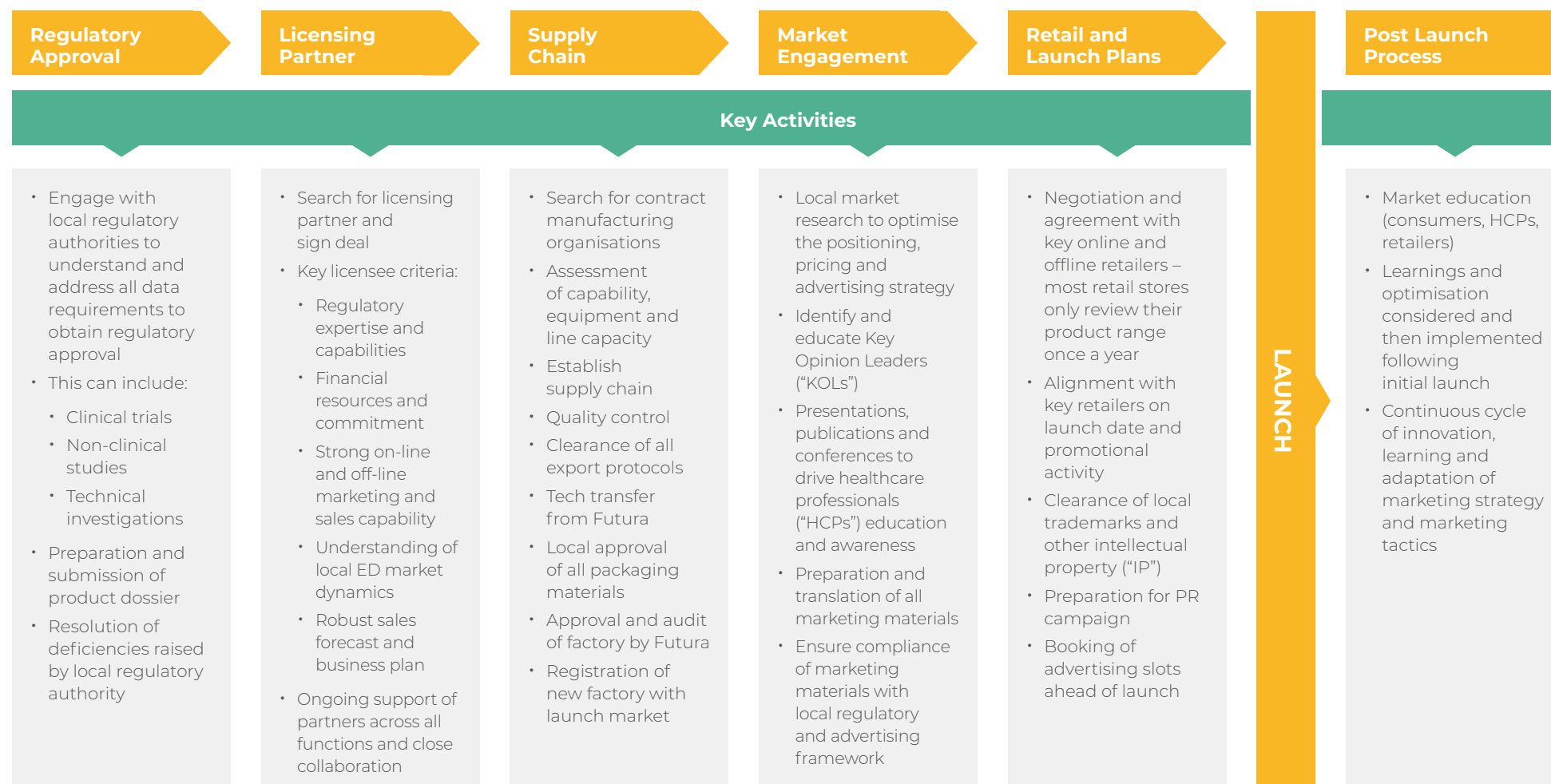
Futura's lead product is Eroxon®, a unique topical treatment for erectile dysfunction, available without the need for a prescription, which has launched in over 15 countries worldwide including in the USA, Mexico, throughout most of Europe and in the Middle East.

	Development	Regulatory	Commercial partners	Launch
EU	✓	✓ Eroxon® approved as a medical device in the EU ("CE mark approval"). UKCA mark approval received in 2022.	✓ Cooper Consumer Health.	✓ Launched in the UK and Belgium in 2023 and in France, Spain, Portugal and other EU countries in 2024.
USA	✓	✓ Marketing authorisation granted by the FDA in 2023.	✓ Licensing deal signed with Haeon in 2023.	✓ Launched in the USA in October 2024.
REST OF WORLD	LATAM	Marketing authorisation granted in Mexico.	M8 Pharmaceuticals	Launched in Mexico in August 2024.
	MIDDLE EAST	Approval received in seven countries. Further regulatory submissions have been made.	Labatec Pharma	Launched in the United Arab Emirates, the Kingdom of Saudi Arabia, Qatar, Jordan and Iraq.
	ASIA	Discussions being held with regulators to clarify regulatory pathways and scope of additional work.		
	AUSTRALIA	Marketing authorisation granted in Australia.		



# Our go-to-market process step-by-step

Once a product has completed the main development phase and before it can be on the shelf available to consumers, a number of key activities need to be undertaken in relation to: gaining regulatory approval, finding licensing partners, setting up the supply chain, and developing and implementing retail and launch plans. These activities do not always take place in the order below and some can also occur in parallel but this visual is intended to show the process that needs to be undertaken to commercialise the product and highlight the many key activities that need to have been completed to ensure a successful launch and highlight that the launch process is a dynamic one that carries on post launch with refining, learning and adapting post launch, a key part of the process. Some of those activities are undertaken by our commercial partners, particularly as we near commercial launch when commercial partners are responsible for all marketing and sales activities.



## COMMERCIALISATION AT A GLANCE

# The global expansion of Eroxon® and our partnerships

The following map is interactive and shows the countries in which Eroxon® has received regulatory approvals, the countries where we have a licensing partner and the countries where Eroxon® has been launched.

**Click on the tabs on the right to select one of these three options.**



## SPOTLIGHT ON COMMERCIAL PARTNERS

Building a global network of leading consumer healthcare partners who are well resourced to commit significant marketing spend and expertise

### HALEON

#### HALEON PLC (“HALEON”) – USA

In July 2023, Futura entered into a licensing agreement with world leading consumer healthcare Company Haleon (previously GSK Consumer Healthcare) for the rights to exclusively commercialise Eroxon® in the USA. As part of the agreement, Futura received an initial upfront payment of US\$ 4 million, a milestone payment on launch of US\$ 5 million and will receive further royalty payments on all sales, with potential commercial and performance driven sales milestone payments totalling between US\$ 5 million and US\$ 45 million payable over the course of several years (of which US\$ 5 million was received upon launch in 2024).

Haleon is responsible for all investment activities related to the launch and marketing of the product in the USA, with Futura providing ongoing technical support for OTC product development and commercialisation opportunities.



#### COOPER CONSUMER HEALTH (“COOPER”) - EUROPEAN ECONOMIC AREA, UNITED KINGDOM AND SWITZERLAND

Cooper is a leading European independent self-care organisation, and has the rights to commercialise Eroxon® throughout the European Economic Area (“EEA”), the United Kingdom and Switzerland. Under the terms of the agreement, Futura received an initial upfront payment, and will receive undisclosed cumulative sales milestone payments. The original agreement was for an initial term of five years complying with EU competition law but was extended in January 2024 to last another five years until January 2029. Futura remains legal manufacturer and is responsible for the supply of Eroxon®, through its third-party contract manufacturers.



#### LABATEC PHARMA (“LABATEC”) - GULF CO-OPERATION COUNCIL (“GCC”) REGION AND MIDDLE EAST

Swiss-based specialty pharma company Labatec has the rights to exclusively commercialise Eroxon® in the GCC region as well as Jordan, Lebanon and Iraq. The initial licence agreement term is for eight years with the ability to extend for successive two-year terms by mutual consent.



#### M8 PHARMACEUTICALS INC (“M8”) – CENTRAL AND SOUTH AMERICA

Specialty pharmaceutical company M8 Pharmaceuticals, an Acino Company, has the rights to exclusively develop and commercialise Eroxon®, in Central and South America, including Brazil which is the largest market for prescription treatments for erectile dysfunction. In November 2023 the agreement was extended from Brazil and Mexico to the rest of the Central and South American region. Futura received an undisclosed upfront milestone payment from M8 as part of the extended agreement. M8 is responsible for all costs related to the regulatory approval and marketing of the product. Futura will provide reasonable ongoing technical support for OTC product development and commercialisation.


# A sustainable model geared for our success

As Futura moves into a new phase of its development, in our last annual report we reflected and developed our new strategy and reviewed our business model which is centred on our ability to innovate, attract leading commercial partners and extend our reach. We developed two different operating models under which we work with our commercial partners.

## KEY RESOURCES

 People

- Highly experienced, loyal and motivated team focused on innovative solutions
- Access to a team of 30 consultants and Key Opinion Leaders used for their specialist knowledge and leadership in the pharmaceutical and consumer healthcare field
- Strong results-driven culture and teamwork

 Expertise and innovation

- Highly efficient patented proprietary topical formulation expertise
- Expertise in clinical development and clinical trials, regulatory, quality, manufacturing and supply chain management
- Semi-virtual structure with outsourcing optimised to maximise expertise and minimise overhead cost

 Strong leadership

- Experienced management team with expertise in researching and developing innovative products as well as business and commercial acumen in the global consumer healthcare market
- Expertise in US consumer healthcare market with two Directors based in the USA who have spent more than 30 years each in senior management roles in leading OTC consumer health businesses.

## ABILITY TO ADDRESS A LARGE UNDERSERVED MARKET THROUGH:

Innovate

Innovative and experienced R&D team with regulatory agility – proven ability to research and develop award-winning product

Attract

De-risked go-to-market strategy – attract leading consumer healthcare partners who are well resourced to commit significant marketing spend and expertise

Extend

Broaden the reach and extend the range of opportunities in the sexual health market

Outcomes

**Delivering solutions that make a difference**  
Sexual health issues, specifically ED and sexual dysfunction in women, can be detrimental to the quality of life of those who experience it and their partners. We provide clinically proven sexual health treatments that enhance their quality of life.




**Delivering sustainable profitability**  
Our aim is to deliver sustainable profits by using our ability to develop and globally commercialise our innovative products in a cost effective manner, maximising the significant opportunity in the OTC sexual health market.



OUR BUSINESS MODEL

We also wanted to share the two different operating models we have with our commercial partners.

TYPICAL OPERATING MODELS

	IP LICENCE MODEL	DIRECT SALES MODEL
 Manufacture	Licensee	Futura
 Regulatory and Quality	Licensee	Futura and Licensee
 Sales and Marketing	Licensee	Licensee
We generate revenue through:	<div>▶ Royalty payments</div> <div>▶ Milestone payments</div>	<div>▶ Direct sales</div> <div>▶ Milestone payments</div>

 Read more about our strategy on [page 21](#)



OUR STRATEGY

Address, Broaden, Commit: a refined strategy for our next phase of growth

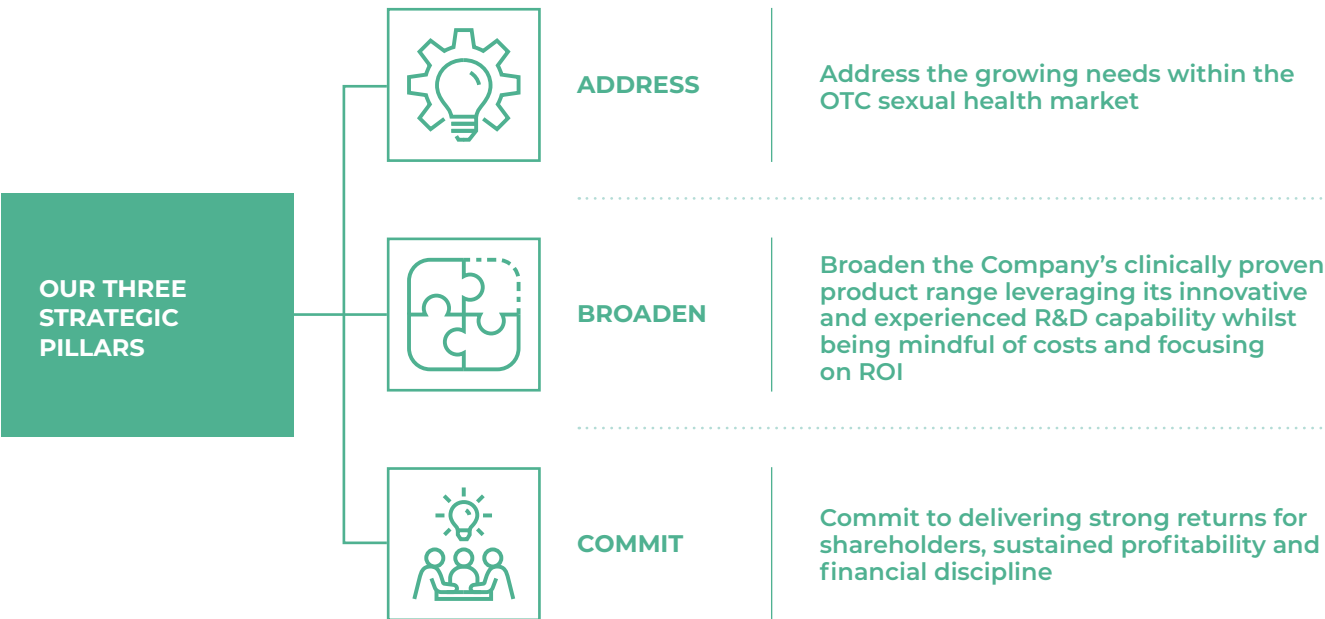
Over the past few years, the Group has moved from a pre-revenue R&D Group to a business with a commercialised product selling online and on the shelves at retailers with first meaningful revenues being generated. In our last annual report we refined our strategy.

Our strategy is to commercialise innovative and clinically proven products for the OTC sexual health market. We will then partner with leading consumer healthcare partners who are well resourced to commit significant marketing spend and expertise.

This strategy is aligned with the well-publicised demographic changes of ageing populations, increasing prosperity and the expectation of leading a full and active life no matter your age.

With an innovative R&D team, we will look to fulfil the needs of the large, underserved OTC sexual health market.

We now report against our three strategic pillars:



Priorities for 2025	
	Obtain Eroxon® Intense regulatory approvals to provide our commercial partners a product extension to Eroxon®.
	Conduct Early Feasibility Study for WSD4000 product to refine the clinical methodology, optimise the efficacy and further inform the consumer experience of the product.
	Continue to launch Eroxon® in other markets and work with our partners in geographies where we have already launched to build brand awareness, sales and ultimately revenue and profits.



OUR STRATEGY

Our three strategic pillars		2024 priorities (taken from previous Annual Report)	Performance vs priority
Address	Address worldwide demand for Eroxon® through strengthening our supply chain and commercial network whilst achieving further regulatory approvals and further launches across the world.		In FY24 we took significant steps towards addressing worldwide demand, with Eroxon® launched and now available in over 15 countries, including the key US launch in October 2024.
Broaden	Explore other range extensions as well as new innovative products within the sexual health category to meet further unmet demand, supported by clinical data whilst remaining mindful of costs.		<p>We have made good progress against this priority in the year with two new encouraging products advancing through our development pipeline.</p> <p>Eroxon® Intense is aimed at helping those men who would prefer a stronger sensation.</p> <p>WSD4000 is a topical treatment designed for sexual dysfunction in women.</p>
Commit	Deliver further revenue growth and progress on the path towards sustainable profitability in the next 12 months.		Following the further roll out of launches of Eroxon® in Europe, subsequent commercial sales and the availability of Eroxon® in the USA from October 2024, the Group saw significant revenue growth in the year, delivering revenues of £13.9 million (2023: £3.1 million). This was a mix of product sales (including channel fill), royalties and milestone payments. The Group also delivered its maiden profit after tax of £1.29 million.



KEY PERFORMANCE INDICATORS

A measure of our progress

The Directors consider the successful achievement of licensing and commercialisation to be the major drivers of value creation for the Group.

There are other financial and non-financial key performance indicators which the Directors use as a measure of the Group’s performance.

Key to strategy

-  Address
-  Broaden
-  Commit

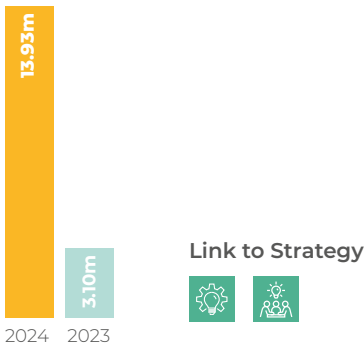
 Read our **Strategy** on **page 21**

 Read our **Financial Review** on **pages 35 to 36**

REVENUE

£13.93m

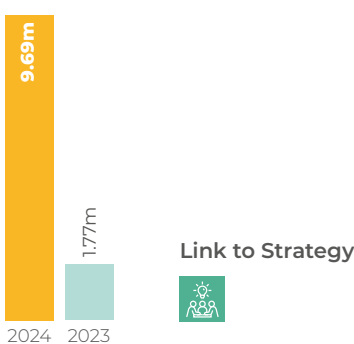
(2023: £3.10m)



GROSS PROFIT

£9.69m

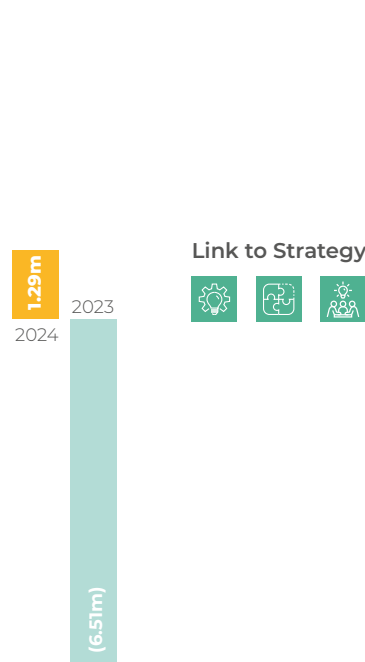
(2023: £1.77m)



NET PROFIT/(LOSS) AFTER TAX

£1.29m

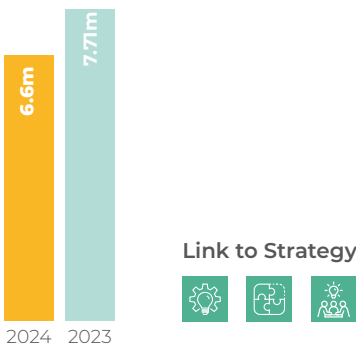
(2023: (£6.51m))



CASH RESOURCES AT 31 DECEMBER 2024

£6.6m

(2023: £7.71 m)









## A unique product targeting an unmet need



Pack from our licensing and distribution partner in Europe

### UNIQUE BENEFITS OF EROXON®



**Fast-acting, helping to achieve an erection within 10 minutes**



**Available without a prescription**



**Excellent safety profile**



**Can involve the partner in treatment and easy to use**

### WHAT IS EROXON®?

Eroxon® is a breakthrough treatment for ED available over the counter and without prescription, and which is clinically proven to help men achieve an erection within 10 minutes. Eroxon® is a clear gel that can be applied by the man or their partner, available in a single dose tube.

### WHAT UNMET NEEDS IS EROXON® ADDRESSING?

Prior to Eroxon®, existing treatments for ED were available only on prescription in most countries around the world, creating barriers to access.<sup>1</sup> Embarrassment, denial, reticence, cost of consultation and lack of awareness may prevent someone seeking the help of a doctor. Sexual partners of men with ED wishing to be supportive and solutions-oriented are doubly hindered by these factors as only the sufferer can be prescribed the treatment.

On-demand oral treatments such as sildenafil (brand name “Viagra®”) typically take between 30 minutes to one hour to work, requiring planning and patience, which stand in the way of intimacy and spontaneity, and put undue pressure on couples. Oral treatments can also have systemic side effects and cannot be taken in combination with several medications.

As a result of all these barriers and unmet needs most men with ED are either not diagnosed or not treating their ED.

### WHERE IS EROXON® AVAILABLE?

Eroxon® is a new brand and a new category in most markets. Eroxon® is now approved in a number of markets across the world

including in Europe, the USA, seven countries in the Middle East, Australia and Mexico. Eroxon® has now launched in over 15 countries throughout the world including the key market of the USA, most of Europe, Mexico and in several countries in the Middle East, being available to consumers for the first time and changing the lives of men with ED and their partners.

For more detail on which countries Eroxon® is approved in, which commercial partners cover which countries and where Eroxon® has been launched, go to our [map](#) on [page 17](#)

For more detail on the commercial launches read our [Chief Executive's Review](#) on [page 8](#) and read about the [launch in the USA](#) on [page 27](#) and the [launch in Mexico](#) on [page 29](#)

# 50%

**Approximately half of all men with ED do not discuss their condition with their doctor<sup>2</sup>**



OTC STATUS

Eroxon® can be purchased online or in person without a doctor's prescription, making treatment for ED easier to access and addressing some of the barriers to treatment mentioned previously.

FAST-ACTION HELPS RESTORE SPONTANEITY

A key advantage of Eroxon® is that it works fast helping men get an erection within 10 minutes which means Eroxon® can be used as part of foreplay helping to restore intimacy and spontaneity in the relationship. Partners can also be part of the solution and apply Eroxon® to their partner.



<sup>1</sup> In the UK, Ireland, Norway, Poland, New Zealand, and Switzerland, sildenafil 50mg can be purchased without prescription but still requires the involvement of the pharmacist. Cialis 10mg has switched OTC in the UK and also requires involvement of the pharmacist.  
<sup>2</sup> Jannini et al – Health-related characteristics and unmet needs of men with erectile dysfunction: a survey in five European countries, J Sex Med, 2014 Jan.

CLINICALLY PROVEN EFFICACY

60%

of erections occurred within 10 minutes of application (FM57)

63%

of men using Eroxon® met or exceeded the MCID\* at 12 weeks (FM57 and FM71)

\* MCID is the minimal clinically important difference (4 IIEF-EF Units) a criteria used by regulators when assessing efficacy, Rosen et al 2011.

Eroxon® is a gel that has a unique evaporative physical action which, through a rapid cooling and then warming effect, stimulates nerve endings on the head of the penis which increases blood flow and ultimately leads to erections. The action of Eroxon® as a local gel is fast, helping men achieve an erection within 10 minutes.

The efficacy of Eroxon® was proven in two Phase 3 clinical trials conducted in Europe and the USA which were used to obtain regulatory approval in countries around the world including Europe and the USA.

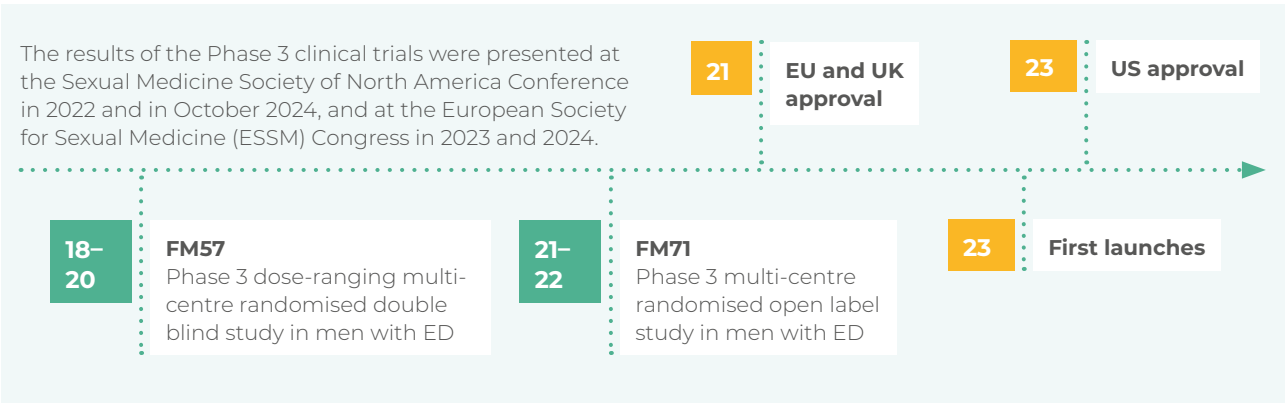
EXCELLENT SIDE EFFECTS PROFILE

Eroxon® has an excellent side effect profile with no known drug interactions. The overall rate of side effects for the two Phase 3 studies was very low. The table below shows a list of side effects experienced by men and women that occurred in more than 1% of subjects.

Men – Adverse events (1% or more)	Percentage of subjects
Headache	3.0%
Penile burning sensation	1.0%

Women – Adverse events (1% or more)	Percentage of subjects
Headache	1.3%

The table above lists adverse events that occurred at 1% or more in the clinical studies when the data is combined (FM57 and FM71). The adverse events are Treatment Emergent Adverse Events defined as AE's that begin after the start of trial medication and the percentages are based on the combination of the side effects for both studies with 297 subjects.



## Our strategy in action – US launch

Eroxon® launched in the largest consumer healthcare market

### HALEON – US COMMERCIAL PARTNER

In July 2023, Futura entered into a licensing agreement with world leading consumer healthcare company Haleon plc (“Haleon”) for the rights to exclusively commercialise Eroxon® in the USA. As part of the agreement, Futura received an initial upfront payment of US\$ 4 million, a milestone payment of US\$ 5 million on launch and will receive further royalty payments on all sales, and potential commercial and performance driven sales milestone payments totalling between US\$ 5 million and US\$ 45 million payable over the course of several years (of which US\$ 5 million was received upon launch in 2024).

## HALEON

### ABOUT HALEON

Haleon (previously GSK Consumer Healthcare) is a global leader in consumer health with a turnover in 2024 of £11.2 billion<sup>1</sup>. The group's product portfolio spans five major categories - Oral Health, Vitamins, Minerals and Supplements (“VMS”), Pain Relief, Respiratory Health and Digestive Health and Other. Its longstanding brands - such as Advil, Sensodyne, Panadol, Voltaren, Theraflu, Otrivin, Polident, Parodontax and Centrum - are built on trusted science, innovation and deep human understanding, making them an ideal partner for commercialising Eroxon® in the USA, which is the largest consumer health market in the world.



### FDA APPROVED

In June 2023, Eroxon® received FDA marketing authorisation in the USA. Eroxon® is the first OTC topical gel available to treat ED in the USA. The FDA sets a very high standard in evaluating the effectiveness and safety of De Novo Medical Devices. We met this standard with our submission of 22 clinical, biocompatibility, human factor studies, and performance bench tests which were rigorously reviewed and accepted by the FDA.

### US UNMET NEEDS AND MARKET OPPORTUNITY

The USA is the largest consumer healthcare market and has the potential to be the largest market for Eroxon® helping to address the unmet needs of men with ED. There are around 23 million men with ED in the USA<sup>2</sup> but three out of four are not on treatment<sup>3</sup> highlighting significant unmet needs.

### EROXON® LAUNCH IN THE USA

Eroxon® launched in October 2024 in the USA, a landmark moment for the Group and the product is now available across the USA including in leading retailers such as Walmart, Walgreens, CVS and on many online platforms. Our commercial partner undertook a full launch, and as part of its Key Opinion Leader (“KOL”) programme,

attended the Sexual Medicine Society of North America (“SMSNA”) in October 2024 and presented three abstracts at the Conference on the benefits of Eroxon®.

Haleon had a strong retail execution with good levels of distribution. Strong sell-in to the retailers drove the initial demand reflecting the previous unmet consumer need for men with erectile dysfunction. While early sales levels have been satisfactory, the rate of sales has fallen short of early estimates. While the pace of uptake has been softer than initially expected, feedback from our commercial partner on launch execution has been positive.

Consumer data from the first quarter post launch has provided insights and learnings and our commercial partner is committed to implementing those learnings to optimise their next phase of the launch, including mitigating barriers to purchase, such as lockboxes that prevent theft but require the intervention of a shop assistant when purchasing, which many men find embarrassing and therefore impact sales. This includes placing QR codes at the point of purchase to provide accessibility. However retailers have been pleased with Eroxon's performance, with the product attracting new consumers to the category.

This launch is of a new brand in a new category, therefore we expect it will take time to build consumer awareness and education as noted by Haleon in its recent FY24 results update. Our commercial partner continues to invest in Advertising & Promotion (“A&P”) to educate consumers on the treatment and drive momentum, including TV advertising and working to refine consumer messaging and target the optimal target audience.

<sup>1</sup> Haleon 2024 full year results, February 2025

<sup>2</sup> 2021 JSB Partners estimate based on US Census International Programs Population by age groups and “Prevalence of erectile dysfunction: Massachusetts Male Aging Study”, 1987 ± 1989 (n=1626); source Kleinman et al. J Clin Epidemiol 2000.

<sup>3</sup> Frederick L., “Undertreatment of erectile dysfunction: claims analysis of 6.2 million patients”, J Sex Med, 2014, Oct, (10):2546-53.

<sup>4</sup> SMSNA - Sexual Medicine Society of North America



PR Campaign

The launch was supported by a PR effort which achieved a wide reach.



HCP engagement

Three presentations and abstracts were showcased at the SMSNA in October 2024<sup>4</sup>.



Digital strategy

A digital direct to consumer strategy for Eroxon® leveraged expert HCPs and lifestyle creators.

EROXON® LAUNCH



TV Advertising

The Eroxon® TV advert was featured on TV in Q4 2024 and Q1 2025.



Website

The Eroxon® website has also now launched an AI tool called Ed to help men talk about ED and understand if Eroxon® is suitable for them.



Retailer activation in store and online

Eroxon® is available in major retailers. The launch was supported with in store activity (banners, displays, promotions, etc.) and online.



## Our strategy in action – Mexican launch

### Leading with a focused digital strategy

M8 Pharmaceuticals, an Acino Company, has the rights to exclusively develop and commercialise Eroxon® in Central and South America, including Mexico and Brazil, which is the largest market for prescription treatments for erectile dysfunction. In 2023, the agreement was extended from Brazil and Mexico to the rest of the Central and South American region. Futura received an undisclosed upfront milestone payment as part of the extended agreement.



#### ABOUT M8 PHARMACEUTICALS INC (“M8”)

M8 is a specialty pharmaceutical company focused on licensing, marketing and distributing innovative and established brands in Latin America with a focus on Brazil and Mexico. They also partner with leading global pharmaceutical companies to commercialise their medicines in these markets. Since December 2023, M8 has been part of Acino, a pharmaceutical company headquartered in Switzerland. Acino is part of Arcera, a global company in the life sciences sector headquartered in Abu Dhabi, United Arab Emirates (“UAE”). Arcera was established by ADQ, an Abu Dhabi-based investment and holding company, to build a global life sciences powerhouse poised to make significant contributions to realising the UAE’s aspiration to emerge as a frontrunner in science and technology.



#### EROXON® LAUNCH IN MEXICO

Eroxon® was launched in Mexico in August 2024 and early signs are encouraging with consumer sales showing growth month on month since the launch. Our commercial partner was able to lean on the learnings we and our partners in other countries had taken from previous launches, as well as learn from their own extensive market research and, while still early in the process, both parties are pleased with early uptake. We see this use of learnings as a potential template for future launches across Latin America. M8 has undertaken a targeted and digitally focused launch and continues to invest in the brand and increase awareness. Their launch event in August 2024 was targeted at the press as well as Digital Opinion Leaders and Lifestyle influencers and Healthcare professionals (“HCPs”) and was well attended. Eroxon® is available in leading healthcare retail chains and pharmacies across Mexico and online platforms including their own online platform Club Salud.

Our commercial partner is actively engaging with HCPs and educating them about the condition and the place of Eroxon® in treating ED as well as who it may be best suited

through their pharmacy training programme which is delivered digitally, building product and new treatment awareness which are supporting conversations with consumers.

They created an online tool to understand more about men with ED and what their ED experience was like which enabled them to analyse who Eroxon® was best suited to and build a detailed picture of their customer base, using the learnings to

optimise their marketing and positioning to develop a more focused strategy that resonated with the identified user demographics. This enabled them to create tailored content through effective consumer profiling and segmentation, ensuring marketing efforts were precisely targeted at potential customers.

They have invested in their online presence and digital activity with advertising through social media, and are working with multiple healthcare Digital Opinion Leaders and Lifestyle influencers. Based on the shared data, platforms like Meta, Google, and TikTok have proven to be the most cost-effective tools for targeting their audiences. Recently they have launched “Club Eroxon®” to build a supportive ED community for men with ED concerns and to help get conversations going. This strategic approach has so far led to greater customer satisfaction and higher ratings compared to the UK, a number of European countries, and the USA.





PR Campaign

The launch was supported by a PR effort.



HCP engagement

Training to over 15,000 pharmacy staff was delivered as well as to HCPs via webinars.



Digital strategy

A digital direct to consumer strategy for Eroxon® leveraged expert HCPs and lifestyle creators.

EROXON® LAUNCH



Club Eroxon®

Club Eroxon® produces videos, podcasts, newsletters to subscribers and blogs to provide a supportive and engaged ED community.



Website

An online tool was developed which has enabled our partner to understand their consumer base and best target them in their marketing.



Retailer activation in store

Eroxon® is available in major retailers. The product is supported with in-store activity.

# Building a broader portfolio

Marketing experience with Eroxon® has shown that whilst many men are satisfied with the current sensorial effect of the product, some men would prefer a stronger sensation.

Eroxon® Intense will help those men, thereby broadening the existing Eroxon® range. As part of managing the product's life cycle and the brand, innovation is important to ensure that new products or variations are launched under the Eroxon® brand.

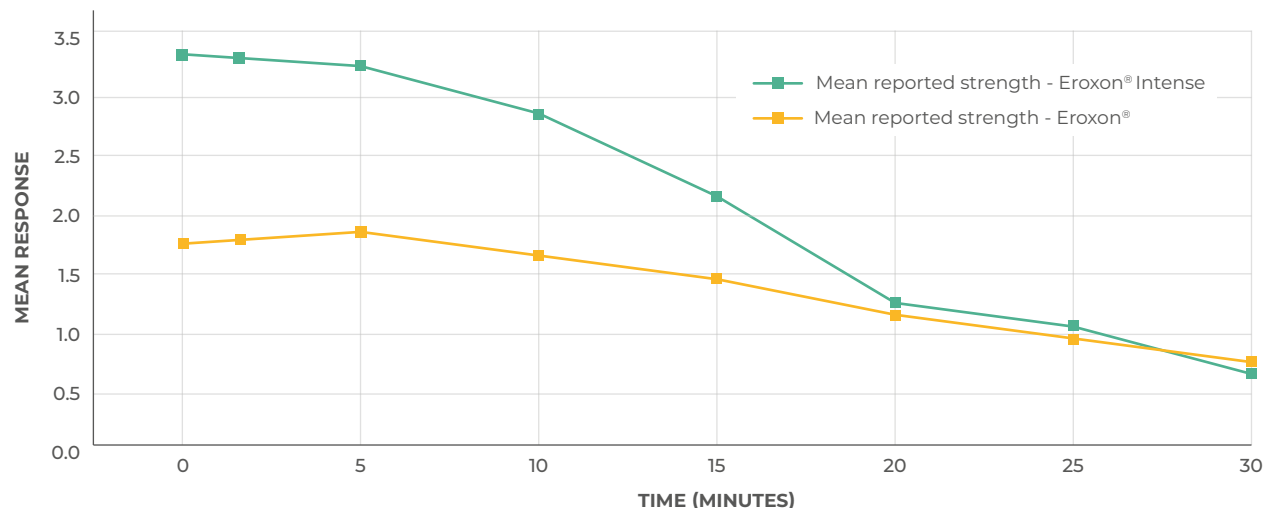
### SENSORY STUDY

In a single-blind randomised crossover design study carried out in 2024, 16 male subjects blind tested three enhanced formulations compared with Eroxon®. 67% of the men experienced greater sensorial sensitivity on the preferred formulation compared to Eroxon®. A preferred enhanced formulation with a favourable side effect profile was selected for further testing.

### PIVOTAL CLAIM SUPPORT STUDY

The further study which concluded in March 2025 is a pivotal claim support study in 45 healthy male subjects aged 18-70 years in the UK. The study was a blinded, comparator controlled crossover design with a randomised treatment sequence and compared the chosen formula from the smaller sensory study conducted in 2024, referred to as Eroxon® Intense with Eroxon®. The results strongly support the previous study findings. The results showed statistically significantly stronger sensation for Eroxon® Intense, observed within 15 seconds of application up to 10 minutes from application vs Eroxon®. There was a low incidence of adverse events for both treatment groups.

### STRENGTH OF SENSORY RESPONSE



### REGULATORY PATHWAY AND LAUNCH

The Group's commercial partners have shown strong interest for new variants beyond the original Eroxon® product to expand the product range as they seek to build out the sexual health category within their own businesses and aid in the enhancement of customer awareness around the Eroxon® brand. Therefore, an additional treatment option for erectile dysfunction that is aimed at helping the cohort of men that may prefer a stronger sensation from Eroxon® is commercially attractive to support users' needs as well as commercial partners' strategic ambitions. Eroxon® Intense will be covered under Futura's existing intellectual property.

Futura expects the regulatory pathway to be straightforward for Eroxon® Intense as Futura will utilise the prior regulatory approvals already in place in the EU and USA. In the USA, the Group will submit a 510k submission later in 2025 with marketing authorisation from the US FDA expected around two months later

subject to further questions from the FDA. We are therefore expecting regulatory approval in the EU and USA by the end of 2025, giving our commercial partners a product extension to Eroxon®.









# An exciting commercial opportunity for a breakthrough treatment for women

In line with our strategic objective to broaden our product range, we have been exploring other opportunities within sexual health.

We believe that there is a large and significant commercial opportunity for a treatment for the symptoms of sexual dysfunction in women with an estimated 34 million women<sup>1</sup> in the USA alone motivated to treat their symptoms of sexual dysfunction. There is a lack of effective and easily available treatments on the market. Female sexual health is an underserved market and under discussed problem where women are needlessly suffering in silence with unsatisfactory options available to them.

WSD4000 is a topical gel that is being specifically designed to treat symptoms of sexual dysfunction in women, providing improvements in sexual desire, arousal, lubrication, pain during intercourse, orgasm and overall sexual satisfaction. Currently, no regulatory approved topical treatment for sexual dysfunction in women is available over the counter. We therefore see this as an incredibly exciting market opportunity. WSD4000 is expected to work very quickly by stimulating nerve endings on the vulva, increasing blood flow for a rapid warming sensory response and provoking fast arousal. This will trigger the body to produce its own natural vaginal lubrication and improve the body's natural ability to orgasm for a more satisfying sexual experience.

34 million

women are motivated to treat their symptoms in the USA<sup>1</sup>

### ENGAGEMENT WITH KOLS

Over the last year or so we have consulted with a number of Key Opinion Leaders ("KOLs") in Europe and the USA to understand what the unmet needs in this field were, what treatment options were available, to what degree they met women's needs, how our product could help women and what the regulatory pathway and requirements would be. Our engagement with KOLs has strengthened our views that there was a significant unmet need.

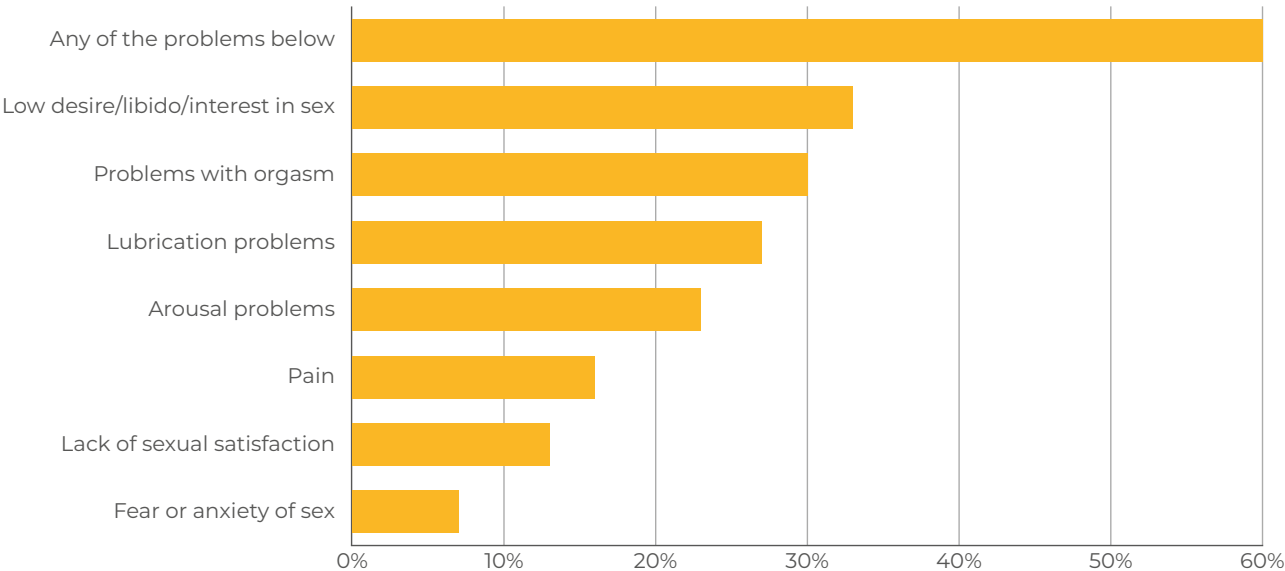
### IPSOS MARKET RESEARCH

We commissioned Ipsos to carry out independent market research in the USA in 2024 to understand the unmet needs in women with symptoms of sexual dysfunction as well as how common these symptoms were and what

women thought of our product concept for WSD4000. The research included interviews with 40 women and an online survey with 1,000 women aged 22 to 75.

The results showed that symptoms are very common, affecting 6 in 10 women over the last twelve months. What we also saw is that this is not an issue that affects older women more than younger women. The percentage of women experiencing at least one symptom was similar across the age groups, with variations in the symptoms experienced. Most women experience more than one symptom and often there are causal relationships between the various symptoms. Many women are dissatisfied with the amount of sex they are having and wish they were having more.

### INCIDENCE OF SYMPTOMS OF SEXUAL DYSFUNCTION IN WOMEN\*

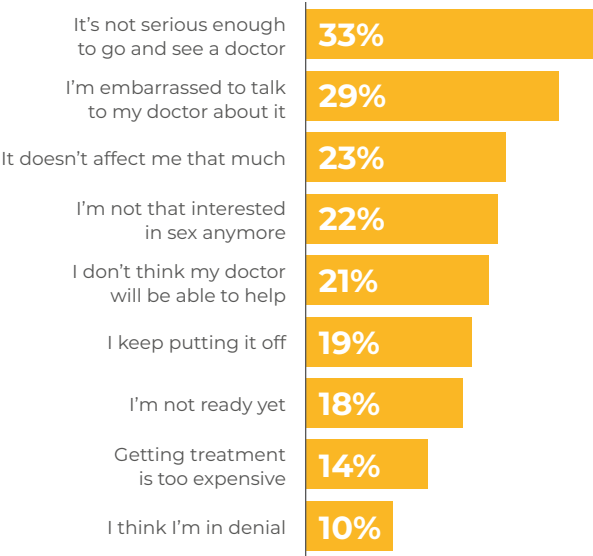


\* This list consists of symptoms of sexual dysfunction in women that WSD4000 is expected to treat and that women had experienced over the last twelve months.

NEW PRODUCT DEVELOPMENT PIPELINE – WSD4000

Only 1 in 4 women discussed their problems with a healthcare professional. The reasons for not seeking help are listed below and highlight the many negative emotions and barriers that stand in the way of treatment with many women feeling embarrassed or that the problem is not serious enough to go to the doctor despite the impact that the symptoms have on their lives. For most women who are impacted by their symptoms, the main aspect of their life that is affected is their sex life. However for 37% of them it is their marriage or relationship, 35% their confidence and self esteem, 27% their mental health and 19% their day-to-day lives, showing how problems with sexual dysfunction can impact negatively every aspect of their lives. Many women continue to struggle with symptoms of sexual dysfunction with few women (13%) experiencing an improvement in symptoms over time and 37% getting worse over time.

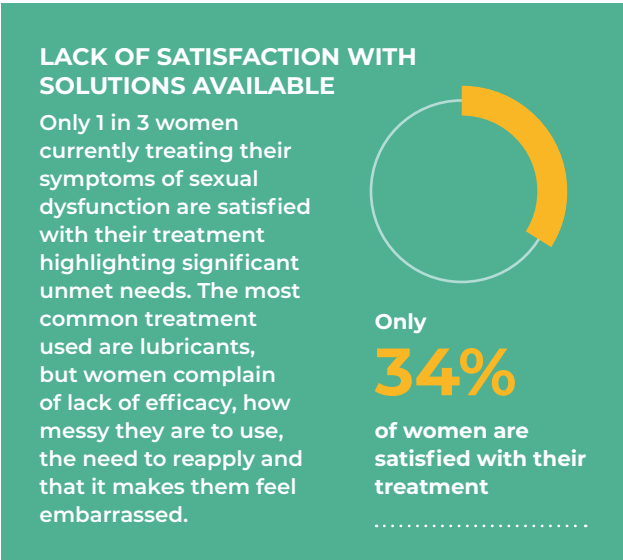
TOP REASONS FOR NOT SEEKING HELP FOR SYMPTOMS



MARKET OPPORTUNITY

The reaction from women to the concept for WSD4000 was very positive. The concept was well received and resonated with women who felt it was written by women for women with 88% of respondents in the market research saying they would not change anything about the concept. As a concept it scored at the top of the Ipsos norms average with three areas scoring well above average including in particular “New and Different”. Interest was high and, depending on the price point, up to around 60% of women were likely or very likely to purchase WSD4000. The concept resonated particularly well in younger women.

The commercial opportunity is large and significant with an estimated 34 million women in the USA alone motivated to treat their symptoms of sexual dysfunction and 1 in 3 women dissatisfied with their treatment.



PROMISING EARLY HOME USER STUDY RESULTS

Futura conducted a sensory<sup>2</sup> study at the end of 2024 which comprised 67 women, which included women suffering from some degree of sexual dysfunction, which delivered an overall positive change in sexual function after four weeks. The majority of respondents reported increased vaginal lubrication, increased genital sensation, improved genital pleasure and an improvement in their satisfaction with the sexual experience. 57% of women used the product on more occasions than the stated minimum which is a strong indication of the respondents' positive response to the product. 87% of women reported they would like to continue using the product. In those that experienced some degree of sexual dysfunction, there was a notable uplift from the baseline with positive responses in arousal, lubrication, orgasm, satisfaction and discomfort (pain).

A further pre-submission meeting with the US FDA has taken place, where good progress was made to clearly define the product's indications for use, the potential claims, and how these should be proven during the clinical phase of development. Following the FDA meeting and the success of the study the Board is recommending to proceed with an Early Feasibility Study to be completed in the first half of 2026. This will enable the Group to consider refinements to the methodology in a population more representative of the target user and therefore hope to increase efficacy still further, as well as further inform on perceptions of the product. WSD4000 has the potential to be an effective breakthrough treatment for the common symptoms of sexual dysfunction in women and is a large and significant commercial opportunity in a market where there are very few treatments available to women.

<sup>1</sup> Market research conducted by Ipsos showed 60% of women have experienced symptoms of sexual dysfunction over the last twelve months and 49% of women want to treat their symptoms. Current US female population between the ages of 22 and 75 is 113 million, of which 69 million are sexually active and experience symptoms.

<sup>2</sup> A scientific study, generally in healthy volunteers, that assesses how people perceive product characteristics through their senses.



# Significant revenue growth and maiden profits delivered



**ANGELA HILDRETH**  
Finance Director and Chief  
Operating Officer



“Futura continued to work with its commercial partners to expand the launch of Eroxon® into other geographies, including the USA.”

## FINANCIAL HIGHLIGHTS

- ▶ Revenues £13.9 million (2023: £3.1 million)
- ▶ Operating profit £1.2 million (2023: loss £6.9 million)
- ▶ Adjusted operating profit<sup>1</sup> £3.3 million (2023: loss £4.2 million)
- ▶ Cash and cash equivalents as at 31 December 2024 £6.6 million (2023: £7.7 million)

As outlined in the Chairman's Statement and Chief Executive's Review, Futura continued to work with its commercial partners to expand the launch of Eroxon® into other geographies, including the USA which launched nationwide across all major retailers in Q4 24. The launch of Eroxon® resulted in Futura reporting its first annual profit before tax of £1.3 million compared to a loss before tax in 2023 of £6.9 million. On an adjusted basis (excluding non cash share-based payment) £3.3 million (2023: loss £4.2 million).

## FINANCIAL RESULTS AT A GLANCE

	FY 24	FY 23
Revenue	13,926,122	3,100,968
Cost of goods	(4,236,788)	(1,326,743)
<b>Gross profit</b>	<b>70% 9,689,334</b>	<b>1,774,225</b>
Research and development costs	(1,742,274)	(2,045,988)
Administrative costs: excluding share-based payments	(4,808,674)	(3,971,710)
Other operating income	127,611	–
<b>Adjusted operating profit/(loss)<sup>1</sup></b>	<b>3,265,997</b>	<b>(4,243,473)</b>
Administrative costs: share-based payments (non-cash)	(2,022,091)	(2,720,297)
<b>Operating profit/(loss)</b>	<b>1,243,906</b>	<b>(6,963,770)</b>

<sup>1</sup> Adjusted for a non-cash share-based payment charge of £2.02 million (2023: £2.72 million). The share-based payment charge predominantly relates to the Long-Term Incentive Plan ("LTIP") awards in 2023.

## REVENUE

In the year 2024, the Group reported sales of £13.9 million (2023: £3.1 million) which included milestone payments of £7.1 million (2023: £0.06 million) of which £3.2 million was received in 2023 but not recognised in the Statement of Comprehensive Income until 2024 and a further milestone which was received in 2024 and recognised in the period of £3.9 million. The balance of £6.8 million related to Eroxon® product sales and royalties.

## COST OF SALES

Cost of sales were £4.2 million (2023: £1.3 million) and reflected a gross margin of 70% (2023: 57%) and generating a gross profit of £9.7 million (2023: £1.8 million). With the nature of our different revenue streams, the margin delivered will vary period on period dependent on the revenue mix.

## FINANCIAL REVIEW

### RESEARCH AND DEVELOPMENT

Expanding our portfolio of products and extending product ranges, while being mindful of cost is a key pillar of our growth strategy. In line with this, Research and Development ("R&D") costs for the period ended 31 December 2024 were £1.7 million and broadly in line with £2.0 million of R&D costs for the period ended 31 December 2023. The costs incurred were reflective of R&D activities relating to Eroxon® Intense and WSD4000, a topical treatment for the symptoms associated with sexual dysfunction in women.

### ADMINISTRATIVE EXPENSES

Administrative expenses were £6.8 million for the period ended 31 December 2024 compared to £6.7 million for the period ended 31 December 2023. This expense includes a non-cash share based payment charge of £2.0 million (2023: £2.7 million) predominantly relating to the LTIP awards made in 2023 which vest annually to 2027. The slight increase in administrative expenses relate to the ongoing supply chain set-up costs in the EU and the USA.

### EARNINGS PER SHARE

In 2024 the basic profit per share was 0.43 pence compared to basic loss per share in 2023 of 2.21 pence. Details of the profit/loss per share calculations are provided in Note 10 of the consolidated financial statements.

### BALANCE SHEET

The cash balance at 31 December 2024 was £6.6 million (2023: £7.7 million). Current cash runway extends through to H2 2026 with the Company continuing to retain a tight control on costs.

Trade and other payables were £6.3 million as at 31 December 2023 and have decreased to £3.6 million as at 31 December 2024. The reduction is partly related to the £3.2 million upfront payment received in 2023 which was recognised and released in 2024, offset by an increase in procuring goods associated with higher trading volumes.

Trade and other receivables increased from £1.2 million at 31 December 2023 to £2.4 million at 31 December 2024 reflecting the increase in sales activities and volumes.

### GOING CONCERN

The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, they acknowledge that a material uncertainty exists that may cast significant doubt on the Group's ability to generate sufficient net revenues and resulting cash inflows and raise sufficient finance to discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Further information in relation to going concern can be found in Note 2.2 of the consolidated financial statements.

### ANGELA HILDRETH

Finance Director and Chief Operating Officer

.....  
View our **consolidated financial statements** on **pages 72 to 75**

.....  
Read our **Chief Executive's Review** on **page 8**



# Taking the long-term interests of key stakeholders into account

The Board recognises its responsibility to take into consideration the needs and concerns of Futura's key stakeholders. The Board sought to understand the views of its stakeholders through its interactions with them during the year and had regards for their interests in Board discussion and decision-making.






### S172 COMPANIES ACT 2006

The Board is aware of its duties under s172 of the Companies Act and has worked throughout the year to promote the success of the Group for the benefit of its members as a whole. In doing so, it has regard to those stakeholders identified under s172, as well as the additional stakeholders set out here.








## STAKEHOLDER ENGAGEMENT

	How we engage	Outcome of our engagement
<b>Shareholders</b> 	<p>The Group engages with its shareholders and potential shareholders on a regular basis with investor meetings throughout the year as well as focused roadshows at the time of our published results. In addition, in 2024, the Group met with retail investors via two virtual investor meetings and engaged with potential investors in the USA via three investor roadshows. The Group produces regular webcasts and video interviews which are posted to the Investor section of the website.</p>	<p>The Board naturally considers its shareholders to be key stakeholders of the Group and is focused upon delivering long-term value for their benefit. The results of our investor engagement are reported to the Board to help inform our strategy and communications.</p>
<b>Consumers</b> 	<p>The people our products are designed to treat are at the heart of why we do it. Our purpose is clear, “to enhance quality of life”. We consult with KOLs regularly, hold Advisory Boards at key stages and conduct market research to help us with consumer insights.</p> <p>As our commercial partners launch their products they are sharing with us their in-market experience and insights. Our Quality team monitors customer complaints as part of our robust Quality Management System (“QMS”). In 2024 we carried out extensive market research with women in the USA to understand the unmet needs of women experiencing symptoms of sexual dysfunction.</p>	<p>We are focused on bringing innovative products to the sexual health market where there are unmet needs with existing treatments. We are excited that men with ED and their partners can now purchase Eroxon® in many markets including the USA, most countries in the EU, Mexico and various countries in the Middle East and we are working hard to ensure we make it accessible to more people across the world.</p>
<b>Healthcare professionals</b> 	<p>We continue to support our commercial partners in their HCP and KOL engagement programmes. We attended the last two European Society of Sexual Medicine (“ESSM”) Congresses to support Cooper. At the February 2024 ESSM Conference KOLs presented Eroxon®’s mode of action and the clinical evidence to over 150 delegates and several hundreds visited the Eroxon® booth over three days. We have also engaged with pharmacists on the ground in countries including the USA, Mexico and the United Arab Emirates. With our product for the treatment of symptoms of sexual dysfunction in women WSD4000, we are also engaging with leading KOLs in the field in Europe and the USA to gain insights and understand the unmet needs.</p>	<p>We learn from our interactions with HCPs and KOLs and refine our product positioning and the information we provide our commercial partners to address questions from HCPs and consumers. Discussions with KOLs help us understand unmet needs and new product opportunities in sexual health.</p>
<b>Commercial partners</b> 	<p>The Board places great emphasis on selecting the most suitable consumer healthcare partners who are well resourced to commit significant marketing spend and expertise as well as have the drive and enthusiasm to make our products a success. When looking to license the rights to one of our products, the Group appoints specialist advisers to identify and target the right potential partners and facilitate discussions and negotiations.</p> <p>The Group is working closely with its new commercial partners building mutually beneficial long-term relationships to ensure the success of Eroxon®.</p>	<p>The Group has signed a number of deals around the world to build a network of licensing and distribution partners for Eroxon® covering the USA, Europe and the rest of the world.</p> <p>The Group, where applicable, is supporting commercial partners with regulatory, IP, manufacturing and commercial input.</p> <p>.....   Read about our <b>commercial partners</b> on <b>page 18</b></p>

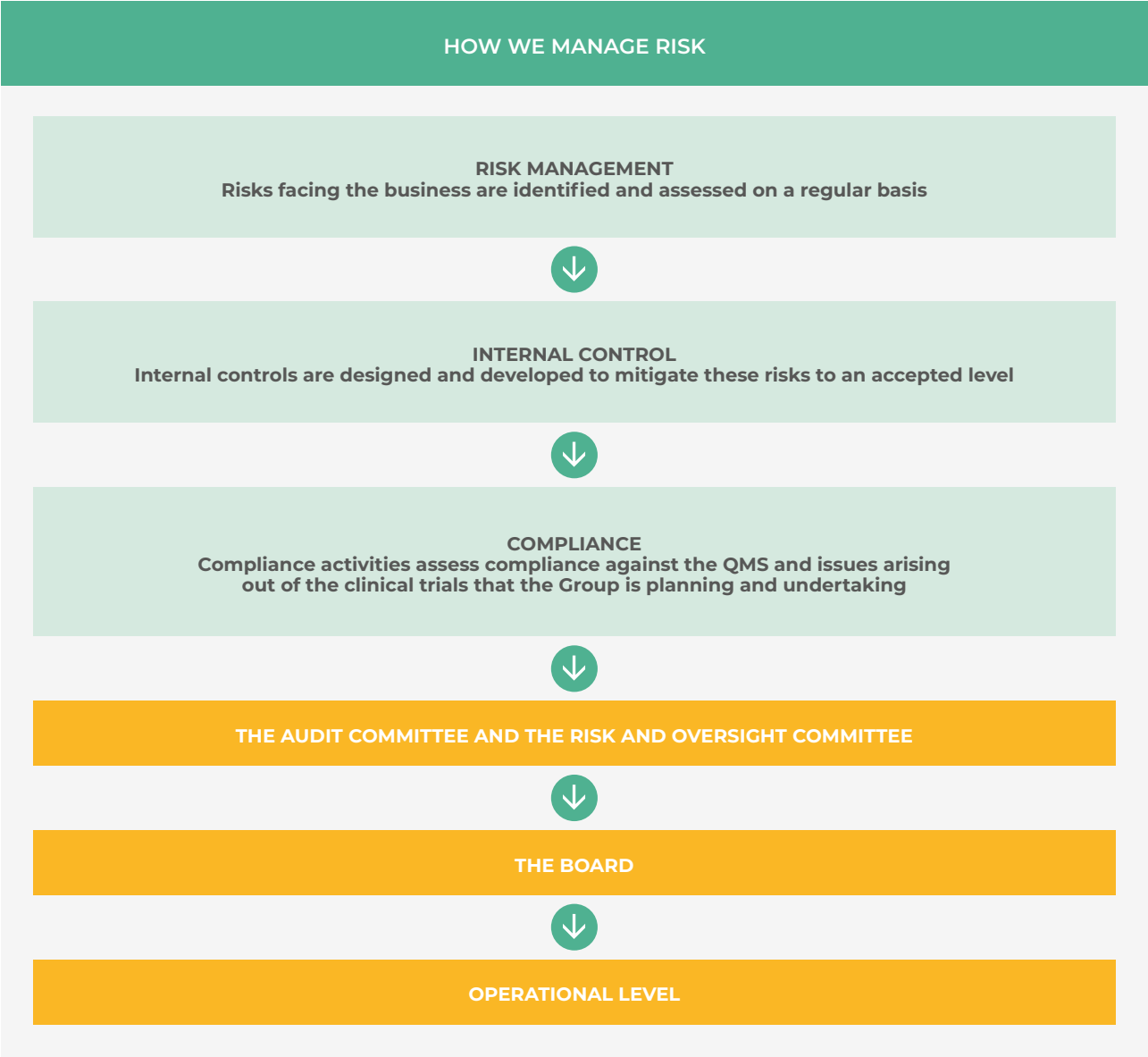
## STAKEHOLDER ENGAGEMENT

	How we engage	Outcome of our engagement
<b>Development partners and manufacturers</b> 	<p>We work with our development partners and manufacturers in a collaborative way that allows them to plan work and become part of the team. As a semi-virtual Group, Futura relies upon its relationships with external service providers, manufacturers, consultants and subcontractors to provide resources on an “as needed” basis. These resources provide the Group with specialist skills and insights as well as additional capacity. As the business grows these relationships, particularly with partners in our supply chain, are critical. We therefore work closely with our suppliers, define clear responsibilities, work in an ethical and collaborative manner to achieve mutually beneficial outcomes to build sustainable and long-term relationships.</p>	<p>As the Group develops and strengthens its supply chain for Eroxon® around the globe our contract manufacturing organisations are central to the long-term success of the product. We are working with two new contract manufacturers, one located in the USA and the other in the EU to supply product to our commercial partners. We are working closely with them to deliver continuity of supply, with a product of high quality at the lowest cost possible.</p>
<b>Employees</b> 	<p>The Board considers its employees to be a primary stakeholder of the Group and is conscious of the regard it has to them under s172. Employees want to be valued and rewarded for their contribution to the Group's development and success. The executive team favours an open-door policy where employee feedback is encouraged. There are regular formal and informal meetings and gatherings to keep employees informed of key developments in the Group as well as Group events to promote team spirit and thank employees.</p>	<p>The Board, and especially the Remuneration Committee, have particular regards to employees as they complete their review of the most appropriate incentivisation approach which includes consideration of the most appropriate measure and timing to introduce new long-term incentive arrangements as part of their strategy to attract, retain and motivate employees in order to deliver value for shareholders.</p>
<b>Regulators</b> 	<p>Regulators are agencies that regulate medicines and/or medical devices in their territories. They play a leading role in protecting and improving public health and supporting innovation. Futura works proactively and collaboratively with regulators through the pre-submission and submission process with an open and constructive dialogue.</p>	<p>Constructive discussions with regulators enables Futura to optimise its clinical development costs and timeline and shorten the time from development of the product to access by consumers. This approach led to the approval of Eroxon® OTC in the USA by the FDA.</p>

KEY RISKS AND MITIGATION

The Audit Committee and the Risk and Oversight Committee are responsible to the Board for risk management and internal controls and for ensuring that procedures are in place, and are being effectively implemented to identify, evaluate and manage the significant risks faced by the Group. The internal controls are designed to manage rather than eliminate risk and provide assurance against material misstatement or loss. Given the current size and transparency of the operations of the Group, the Board has concluded that an internal audit function is not required, and this will be continually reviewed as the Group grows.



The Group is at an early stage of its commercial execution and faces a number of operational, strategic and financial risks frequently encountered by R&D companies transitioning from being pre-revenue generating and loss making to launching their first product. The development of medical devices and consumer healthcare products requires the necessary safety, quality and efficacy to be demonstrated in clinical and technical programmes in order to meet the requirements of the appropriate regulatory bodies.





## KEY RISKS AND MITIGATION


The Board considers that the key risks of the Group are:

Risk	Potential impact	Mitigation
<b>Commercial risk</b> 	<p>It is still very early in the launch phase in most key markets with some key markets not yet launched. There can be no guarantee that the Group will succeed in establishing and maintaining the necessary contractual relationships with licensing partners for the Group's products already commercialised or under development. Even when the Group's products are successfully developed and approved by the appropriate regulatory bodies, they may not be launched by the Group's licensing partners, be successfully promoted or enjoy commercial acceptance. The Group is reliant on commercial partners to carry out their contractual obligations and the degree to which these can be enforced by the Group is limited.</p> <p>The Group has very little historical sales data to accurately predict revenues generated from commercial sales of the products and revenues may fall short of expectations.</p>	<p>The Group seeks to reduce this risk by carefully selecting experienced commercial and distribution partners, maintaining and developing these relationships and seeking to develop new products of commercial interest to these and other partners.</p> <p>Prior to 2023, the Group entered into licensing and distribution agreements for the European Economic Area, United Kingdom and Switzerland and Eroxon® has now launched in many markets with further launches planned throughout 2025. In 2023, the Group entered into a commercial agreement with Haleon plc for the USA. The agreements ensure that the commercial partners are contractually and financially committed to advertise and promote the product.</p> <p>The Group works with partners to understand their commercial forecasts and will continue to monitor sales against forecast expectations but acknowledges that it is still early days with most partners and there is a limited amount of data to rely upon.</p>
<b>Financial risk</b> 	<p><i>Availability of capital</i></p> <p>The Group is focused on delivering revenue following the launch and roll out of its lead product Eroxon®. However, the Group has not yet generated a sustained net positive operating cash flow and its ultimate success will depend on the Board's ability to implement the Group's strategy and generate sustained positive cash flow.</p> <p>Lower revenues received or increase in costs of capital and/or unavailability of requisite, additional capital may constrain growth.</p> <p><i>Income</i></p> <p>Shortfalls in income mean inability to fund additional R&amp;D activities and/or result in the need to cut overheads and/or announce to the market lower than expected revenues.</p>	<p>Whilst the Group is still at an early stage of its commercial execution, a number of commercial agreements in key markets have been entered into with further launches of Eroxon® expected to result in continued revenue generation through 2025 and beyond. The Group will work closely with commercial partners to understand their commercial forecasts and monitor sales against forecast expectations. The Group is also committed to mitigating this risk by delivering against the Group's growth strategy, generating revenue through existing and new commercial agreements with partners. The Board reviews financial performance on a frequent basis in order to ensure that Management are delivering against plan. The Group held cash and cash equivalents of £6.6 million at the end of 2024 and will continue to be cost conscientious throughout 2025.</p> <p>Market research suggests that demand for a fast-acting topical, clinically proven treatment for ED, that is available without a doctor's prescription is high. The Group is focused upon delivering revenue growth and avoiding the need to reduce discretionary R&amp;D and/or overheads as this would impact on the Group's growth potential.</p>

## KEY RISKS AND MITIGATION

Risk	Potential impact	Mitigation
<b>Disruption to supply products</b> 	<p>The Group relies upon third-party manufacturers to supply its products to commercial partners. Failure to provide products at prices and quantities that are commercially acceptable could potentially result in a financial and reputational loss to the Group and compromise the commercial success of its products.</p>	<p>The Group has clearly defined agreements with its suppliers and maintains close oversight of their processes. In addition, the Group has ensured that the third-party manufacturers have stockpiled key raw materials and packaging.</p> <p>The Group has also expanded its manufacturing network to add capacity, protect prices and reduce risk of reliance on individual sources of supply.</p>
<b>Intellectual property risk</b> 	<p>The commercial success of the Group and its ability to compete effectively with other companies depend, amongst other things, on its ability to obtain and maintain patents sufficiently broad in scope to provide protection for the Group's intellectual property rights against third-parties and to exploit its medical products. The absence of any such patents may have a material adverse effect on the Group's ability to develop its business.</p>	<p>The Group seeks to reduce this risk by only developing products where legal advice indicates patent protection would be available, seeking patent protection for the Group's products, maintaining confidentiality agreements regarding Group know-how and technology and monitoring technological developments and the registration of patents by other parties.</p>
<b>Key people</b> 	<p>The expertise and experience of its key people can have an enormous impact on business results. Poor recognition and incentivisation could undermine the Group's success.</p>	<p>The Group appreciates the high level of expertise and contributions made by its key people. It offers a merit-based, stimulating work environment with a culture focused on teamwork and freedom to operate. In addition, there is a competitive performance-based reward structure, including annual performance bonus and share options that vest over a number of years.</p>

The following risk has also been identified by the Group and will be kept under review as the situations develop, and any potential impact becomes clearer.

Risk	Potential impact	Mitigation
<b>Economic and political conditions</b> 	<p>The Group is not immune from the risk of downturn in economic conditions resulting from events outside of its control. Whilst the impact of Brexit and COVID-19 was relatively low, the Russia-Ukraine conflict (as an example) did impact on the prices of raw materials and energy and other conflicts that could occur could also potentially impact in the same way.</p> <p>Ongoing changes in international trade policies, such as renegotiated trade deals, shifting tariff schedules, or geopolitical tensions, can introduce unpredictability in the cost and availability of goods.</p> <p>The availability of capital could also be impacted in any economic downturn.</p>	<p>The impact of economic and political events continues to be monitored as they arise. To date, there has been limited impact from events such as Brexit, COVID-19 and the Ukraine-Russia conflict.</p> <p>The current uncertainty relating to potential changes in global trade tariffs will be kept under review. However, maintaining a diversified supply chain will help to provide choices where more favourable tariffs exist.</p>

### Key

 Up trend
  Down trend
  No change

# A core aspect of our business

Our approach to sustainability is an important part of living our purpose. We are committed to maintaining a culture whereby we behave in a responsible and ethical manner and make a positive impact on all our stakeholders. We believe that operating responsibly and ethically is vital to our long-term success. Our approach is underpinned by our Corporate Governance principles of responsibility, transparency and integrity for the benefit of our shareholders, employees, commercial partners and other stakeholders. We strive to be fair, accountable and responsible in all our dealings. We monitor and report on our activities in a way that is accurate, balanced, reliable and clear and enables our shareholders and stakeholders to compare our progress year on year.

The focus of our sustainability reporting is the UN Sustainable Development Goals (“SDGs”). The UN SDGs are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Each SDG has global sustainable development priorities and aspirations for 2030, which give a common set of goals and targets to mobilise global efforts around.

The strategic report, which incorporates the s172(1) statement on page 37 and comprises pages 2 to 43, has been approved by the Board and is signed by order of the Board by

**JAMES BARDER**  
Chief Executive Officer

14 April 2025

Our focus is on the four SDGs where we believe we can have the greatest impact and therefore the greatest opportunity to make a real and lasting difference. These are:



### GOOD HEALTH AND WELLBEING

- We are developing sexual health products that are optimised for clinical efficacy, safety, mode of administration and consumer convenience, and will lead to improved health and wellbeing.
- We continue to place the health and safety of our staff and consultants at the heart of our business and have adopted a policy to allow our staff to optionally work approximately 50% of the time from home giving them the flexibility to balance their work and family commitments.



### INDUSTRY, INNOVATION AND INFRASTRUCTURE

- We invest in R&D to develop a portfolio of innovative products based on our expertise in topically delivered gel formulations to generate future revenue and value for our shareholders. We invest in clinical research to test our products and optimise their safety and efficacy and we share and publish the results of this research with the medical community to enhance scientific research.
- Our semi-virtual structure supports economic and infrastructure development through the outsourcing of numerous activities including most recently the manufacturing of our lead product. If we are successful with our products this creates more opportunities for our partners.



### DECENT WORK AND ECONOMIC GROWTH

- Our employees are our most important asset. We are reliant on a skilled workforce for the success of the Group. We treat our employees fairly and support their ongoing development. We seek to empower them and ensure that they are fully engaged in all aspects of Futura's objectives and high quality standards. Each of our employees contributes and shares in Futura's success.
- We are focused on commercialising our products and growing the value of the Group, which will lead to developmental benefits for the shareholders and employees of the Group.



### GENDER EQUALITY

- We believe in a diverse and gender balanced workforce. We are committed to supporting employment policies and practices that make provision for equal opportunities and non-discrimination in our workforce. We aim to have a balanced workforce across the Group.

### TOTAL WORKFORCE GENDER SPLIT





# Governance

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# A driven and experienced team

The Board is responsible to shareholders for the proper management of the Group and meets at least six times per year to set the overall direction and strategy of the Group, to review scientific, operational and financial performance and to advise on other strategic matters as they arise. All key operational and investment decisions are subject to Board approval.



**JEFF NEEDHAM**  
Non-Executive Chairman

### CURRENT ROLES

Jeff Needham is Non-Executive Chairman of Futura Medical plc. He was previously a Non-Executive Director of Futura Medical plc since 2021. He is also Chair of the Nominations Committee. Jeff is also currently on the Board of McKee Foods Corp.

### PAST ROLES

President of Perrigo Consumer Self-Care Americas (including USA) and Executive Vice President at Perrigo Company plc, the US-based manufacturer and marketer of consumer healthcare products, and a board director of the US Consumer Healthcare Products Association ("CHPA") for 11 years.

### BRINGS TO THE BOARD

Over 35 years of experience in manufacturing and marketing of consumer healthcare products with strategic and corporate management expertise, with particular expertise in the US market.



**JAMES BARDER**  
Chief Executive

### CURRENT ROLES

James Barder is the Group's Chief Executive. He assists the Remuneration Committee and the Nominations Committee (but is not a member of and does not vote on either). He has overall responsibility for all activities of the Group, is a principal contact for shareholder and investor relations and leads commercial negotiations. He is also a Non-Executive Director of Caisson IO Group Limited and a Director of the Mary How Trust for Cancer Prevention.

### PAST ROLES

Managing Director of Aon Capital Markets Limited and Non-Executive Director of Lorega Limited. James predominantly worked in the field of reinsurance and finance, including firms he founded.

### BRINGS TO THE BOARD

Over 30 years of experience in setting up, managing and running companies.



**ANGELA HILDRETH**  
Finance Director, Chief Operating Officer, and Company Secretary

### CURRENT ROLES

Angela Hildreth leads the Group's finance, HR and IT functions, drives commercial and financial strategy, ensures its compliance procedures and is a principal contact for shareholder and investor relations matters.

### PAST ROLES

Senior financial roles in a diverse range of industries, including seven years as UK Finance Director at Shield Therapeutics plc (quoted on AIM). She was also an Independent Non-Executive Director and Chair of the Audit Committee at AIM-listed Aptamer plc.

### BRINGS TO THE BOARD

Over 15 years' strategic and operational financial experience of developing and commercialising pharmaceutical and healthcare products.

## BOARD OF DIRECTORS



**KEN JAMES**  
Executive Director  
and Head of R&D

### CURRENT ROLES

Ken James is the Head of R&D. He oversees the development, regulatory, quality and manufacturing strategies for the Group's existing pipeline and the evaluation of early stage pipeline opportunities. He is also an Executive Director.

### PAST ROLES

Senior Vice President of Research and Development for GlaxoSmithKline Worldwide Consumer Healthcare, having worked in the UK and the USA.

### BRINGS TO THE BOARD

Over 40 years' experience in the research, development and commercialisation of consumer healthcare products.



**ANDREW UNITT**  
Senior Independent  
Non-Executive Director

### CURRENT ROLES

Andrew Unitt is an Independent Non-Executive Director and Chair of the Audit Committee. He is also a member of the Remuneration Committee and the Nominations Committee.

### PAST ROLES

Chief Financial Officer at the University of Nottingham until 2016. Andrew spent eleven years at Boots plc, where he was Managing Director and Finance Director for four years of Boots Healthcare International, its over-the-counter medicines business.

### BRINGS TO THE BOARD

Over 20 years of experience as a Finance Director in a wide range of industries with strong financial experience and OTC market expertise.



**ROY DAVIS**  
Independent Non-Executive  
Director (joined 9 January 2024)

### CURRENT ROLES

Roy Davis is an Independent Non-Executive Director and Chair of the Remuneration Committee. He is a member of the Audit Committee and the Nominations Committee. He is also a Non-Executive Chair at Inspiration Healthcare Group plc, Foster and Freeman (the trading name of the Galton group of companies) and Lunglife AI plc.

### PAST ROLES

Leadership positions at a number of publicly quoted med tech companies, including CEO of Optos plc and Gyrus Group plc and Non-Executive Chair at Medica Group plc.

### BRINGS TO THE BOARD

Over 35 years of commercial experience including in medical devices companies and strategic consulting and has a proven track record of successfully scaling companies and delivering substantial value for shareholders.



**HARMESH SUNIARA**  
Non-Executive Director  
(joined 31 March 2025)

### CURRENT ROLES

Harmesh Suniara is a Non-Executive Director. He is a Portfolio Manager at Lombard Odier Asset Management (Europe) Limited. He is also a Non-Executive Director at C4X Discovery, IQE plc and Actual Experience plc.

### PAST ROLES

Investment Manager at Henderson Volantis Capital and Gartmore Investment Management.

### BRINGS TO THE BOARD

Over 15 years' experience of working in investment management, with a particular focus on UK small and mid-cap equities.



# Committed to the highest standards in Corporate Governance



**JEFF NEEDHAM**  
Non-Executive Chairman

Dear Shareholder,

As Chairman of Futura Medical, and on behalf of the Board, I am pleased to present our Corporate Governance Statement for the year ended 31 December 2024. The Board is committed to the highest standards of corporate governance and to maintaining a sound framework for the control and management of the Group's business.

As Chairman, I have overall responsibility for corporate governance and in promoting high standards throughout the Group. As well as leading and chairing the Board my responsibilities are to ensure:

- Committees are properly structured and operate with appropriate terms of reference;
- The performance of individual Directors, the Board and its committees are reviewed on a regular basis;
- The Group has a coherent strategy and sets objectives against this;
- There is effective communication between the Group and its shareholders.

Futura Medical has adopted the QCA Corporate Governance Code (the "QCA Code") as it considers that this is the most suitable framework for smaller listed companies. The Board is committed to the highest standards of corporate governance and to maintaining a sound framework for the control and management of Futura Medical plc. The Board is responsible for leading and controlling the activities of the Group, with overall authority for the management and conduct of the business, together with its strategy and development. The Board believes that good corporate governance improves long-term success and the support from our shareholders is vital to our success. We remain responsive to our shareholders' and stakeholders' views to deliver on our strategy and objectives.



The principal methods of communicating our application of the QCA Code are this Annual Report and the Investor section of our website at [www.futuramedical.com](http://www.futuramedical.com). The QCA Code sets out ten principles and in the Corporate Governance Report on pages 49 to 52 we have set out the Group's application of the QCA Code, including, where appropriate, cross references to other sections of this Annual Report and to our website.

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**JEFF NEEDHAM**  
Non-Executive Chairman

14 April 2025

## OUR GOVERNANCE STRUCTURE

## THE BOARD

Responsible for the Group's vision, business model, risk and strategy. Together, the Directors are responsible for providing effective leadership to promote the long-term success of the Group. View our Board of Directors' biographies on pages 45 and 46.

## CHIEF EXECUTIVE OFFICER

Responsible for the day-to-day running of the business and the implementation of the Group's strategy.

## BOARD CHAIR

Leads the Board and facilitates the effective contribution of all members to meetings.

## BOARD COMMITTEES

Three Committees operate under delegated powers and with clear terms of reference.

## SENIOR MANAGEMENT TEAM

Supports the CEO and has management responsibility for the business operations and its support functions.

## NOMINATIONS COMMITTEE

Reviews the leadership needs of the organisation and monitors succession planning for both Board and senior executive roles. Responsible for the selection process and nomination of all Directors to the Board, and reviews the structure, size, and composition of the Board.



Committee Chair:  
**Jeff Needham**

Members: 3

Meetings: 1

## AUDIT COMMITTEE

Monitors and reviews the financial results and other reporting and oversees the effectiveness of risk management and systems of internal control. Provides confidence to shareholders on the integrity of reported financial results and challenge to the External Auditor and senior management.



Read their report on **page 53**

Committee Chair:  
**Andrew Unitt**

Members: 2

Meetings: 2

## 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.



Read their report on  
**page 54**

Committee Chair:  
From January 2024  
**Roy Davis**

Members: 3

Meetings: 4

## RISK AND OVERSIGHT COMMITTEE (“ROC”)

Provides additional oversight of the Group's operational compliance in respect of its assets.



**JEFF NEEDHAM**  
Non-Executive Chairman

### PRINCIPLE 1 – BUSINESS MODEL AND STRATEGY

The strategy and business operations of the Group are set out in the Strategic Report section of the Annual Report. The full Board meets formally at least six times per year and informally as required. It is responsible for formulating and monitoring Group strategy, as well as complying with legal, regulatory and corporate governance matters. The strategy and business model and amendments thereto, are developed by the Chief Executive Officer and his senior management team and approved by the Board. The management team, led by the Chief Executive Officer, is responsible for implementing the strategy and managing the business at an operational level.

The Group's overall strategic objective is to commercialise innovative and clinically proven products for the OTC sexual health market. We then partner with leading consumer healthcare companies who are well resourced to commit significant marketing spend and expertise. This strategy is aligned with the demographic changes of ageing populations, increasing prosperity and the expectation of leading a full and active life, no matter your age. With an innovative R&D team and capabilities, we look to fulfil the needs of the large, underserved OTC sexual health market.

Following regulatory approval of Eroxon® in the USA, EU and other key markets, the Group chose to realise monetary value via out-licensing deals with commercial partners and those commercial partners have now launched Eroxon® across those key markets. As resources permit, the Group may choose to advance other products through clinical development and approval in order to retain the full value of the product within the Group and in 2024, it was decided that the Group would focus available resources on the development of Eroxon® Intense, a range extension product to address the needs of men who may prefer an enhanced sensorial effect and WSD4000, a treatment for the symptoms associated with sexual dysfunction in women.

The Group operates in a high-risk and heavily regulated sector and this is reflected in the principal risks and uncertainties set out on pages 40 to 42 of our Strategic Report. The key challenge to the successful development of this strategy is ensuring that there are sufficient financial resources that can be deployed in the short-term in advance of the products being able to generate sufficient financial rewards for the Group in the longer term.

### PRINCIPLE 2 – UNDERSTANDING SHAREHOLDER NEEDS AND EXPECTATIONS

The Group seeks to maintain a regular dialogue with both existing and potential new shareholders in order to communicate the Group's strategy and progress and understand the needs and expectations of shareholders. Institutional shareholders and analysts have the opportunity to discuss general issues and provide feedback at meetings with the Group. In addition, all shareholders are encouraged to attend the Group's Annual General Meeting.

### PRINCIPLE 3 – STAKEHOLDER RESPONSIBILITIES

The Group is aware of its corporate and social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. In addition to shareholders, these include the Group's employees, regulators, commercial partners, manufacturers, consumers and healthcare professionals. The Group's operations and working practices need to balance the needs of all of these stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of the Group for the benefit of its members as a whole.

The Group endeavours to take feedback received from stakeholders by meeting regularly and responding accordingly. This feedback ensures that the Group can respond to new issues and opportunities that arise to further the Group in the delivery of its long-term strategy. Further information can be found on pages 37 to 39.



PRINCIPLE 4 – RISK MANAGEMENT

The Audit Committee and the Risk and Oversight Committee are responsible to the Board for risk management and internal controls and for ensuring that procedures are in place, and are being effectively implemented to identify, evaluate and manage the significant risks faced by the Group. The internal controls are designed to manage rather than eliminate risk and provide assurance against material misstatement or loss.

The Audit Committee is responsible for reviewing the effectiveness of these internal controls on an annual basis and the Risk and Oversight Committee ("ROC") provides additional oversight of its operational compliance in respect of its assets. During 2024 the ROC provided oversight of the Group's Medical Device Quality Management System ("QMS") as defined in the Medical Device Quality Manual. The ROC meets at least once a year or more frequently if required and agenda items are driven by a management review which assesses compliance against the QMS and any issues arising out of the commercial activities and clinical trials that the Group is planning and undertaking.

Given the current size and transparency of the operations of the Group, the Board has concluded that an internal audit function is not required and this will be continually reviewed as the Group grows. A summary of principal risks and uncertainties facing the Group, as well as mitigating actions, are set out on pages 40 to 42 of our Strategic Report.

PRINCIPLE 5 – A WELL-FUNCTIONING BOARD OF DIRECTORS

Futura's Board comprised of three Non-Executive Directors and three Executive Directors during 2024 with an additional Non-Executive Director appointed in March 2025. All of the Directors are subject to election by shareholders at the first Annual General Meeting after their appointment and will continue to seek re-election by rotation at least once every three years.

Board of Directors

During the year under review, the Board comprised three Executive Directors, a Non-Executive Chairman and two Non-Executive Directors. Details of the Directors who served in the year can be found on page 60.

Attendance at Board and Committee meetings

The Board is responsible to shareholders for the proper management of the Group and meets at least six times per year to set the overall direction and strategy of the Group, to review scientific, operational and financial performance and to advise on other strategic matters as they arise. All key operational and investment decisions are subject to Board approval. The Board met formally six times during 2024 and, in addition, authority was delegated on an ad hoc basis to subcommittees to deal with statutory matters, such as the approval of the full year results and interim statements.

Director	Board	Audit Committee	Remuneration Committee	Nominations Committee
Andrew Unitt	6/6	2/2	4/4	1/1
Jeff Needham	6/6		4/4	1/1
Roy Davis	6/6	2/2	4/4	1/1
James Barder	6/6			
Angela Hildreth	6/6			
Ken James	6/6			

Attendance is expressed by the number of meetings attended/number eligible to attend. Directors' attendance by invitation at meetings of committees of which they are not a member is not reflected in the table above.

Non-Executive Directors' letters of appointment stipulate that they are expected to devote such time as is necessary for the proper performance of their duties, being not less than 25 days per year. Non-Executive Directors are required to notify the Chairman before taking on any additional commitments that may impact the time available to devote to the Non-Executive Director role. The Board is satisfied that all Directors have continued to be effective and demonstrate commitment to their respective roles.

Independence of Board Directors

The Board considers itself independent. The QCA code suggests that a Board should have at least two independent Non-Executive Directors who currently sit on the Board of the Group and are regarded as independent under the QCA's guidance for determining such independence.

The Non-Executive Directors receive their fees in the form of a basic cash fee and an equity-based fee which takes the form of nominal price share options under the Group's Non-Executive Share Option Scheme. To avoid any incentive that may influence the Non-Executive Directors' independence, the options grants are not deemed significant, either for any individual Non-Executive Director or in aggregate. The current remuneration structure for the Board's Non-Executive Directors is deemed to be proportionate and in line with market rates. The Directors commit the time required to fulfil their duties.

PRINCIPLE 6 – APPROPRIATE SKILLS AND EXPERIENCE OF THE DIRECTORS

The Board considers that all of the Non-Executive Directors are of sufficient competence and calibre to add strength and objectivity to its activities and bring significant experience in the commercial, operational and financial development of the Group's products.

The Board regularly reviews the composition of the Board to ensure that it has the necessary depth and breadth of skills to support the ongoing delivery of the Group's long-term strategy and the Board is committed to ensuring diversity of skill, experience and gender.

Board members maintain their skill set through practice in day-to-day roles, enhanced with attending specific training where required. This is a combination of in-house Group-arranged briefings and external courses.

The Board uses external advisers where necessary to enhance knowledge or to gain access to particular skills or capabilities. Accountants and lawyers are used for diligence work on specific projects. Both the Nominations Committee and the Remuneration Committee use recruitment and employment consultants and specialist advisers have been used by the Board to ensure compliance in specific areas.

The Chairman, in conjunction with the Company Secretary, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational activities and the Directors' responsibilities as members of the Board. During the course of the year, the Directors received updates from the Company Secretary on a number of corporate governance matters.

The Company Secretary provides information and advice on corporate governance and to individual Directors on any aspect of their role, particularly supporting the Chairman and those who chair Board Committees. The Company Secretary is also responsible for ensuring that Board procedures are followed, that the Group complies with company law and AIM Rules and that the Board receives the information it needs to fulfil its duties effectively.

The skills and experience of the Board members are shown in the table below:

Director	Pharma/ OTC sector	Financial	General management	Other public company (Board level)
Jeff Needham	✓		✓	
Andrew Unitt	✓	✓	✓	✓
James Barder	✓	✓	✓	✓
Roy Davis	✓		✓	✓
Angela Hildreth	✓	✓	✓	✓
Ken James	✓		✓	

PRINCIPLE 7 – EVALUATION OF BOARD PERFORMANCE

Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis and was recently completed in March 2025 in the form of peer appraisal, questionnaires and discussions led by the Chairman to determine their effectiveness and performance as well as the Non-Executive Directors' continued independence. The Board may utilise the results of the evaluation process when considering the adequacy of the composition of the Board, to identify any training and development needs and for succession planning.

The Board as a collective is evaluated on diversity, balance, governance and strategy and individual members are evaluated on a range of criteria such as leadership, strategy, governance, interpersonal skills and integrity. The performance of the Chairman was also evaluated and this was led by Senior Non-Executive Director Andrew Unitt.

The Chairman is responsible for the annual performance assessment of the Chief Executive Officer and the Chief Executive Officer reviews the performance of the Finance Director/Chief Operating Officer and Head of R&D where performance against corporate objectives set at the start of the year is measured.

The review in March 2025 concluded that the Directors were satisfied with Board operations and processes with no major issues raised.

The Nominations Committee continues to monitor the requirement for succession planning.

PRINCIPLE 8 – CORPORATE CULTURE

The Board recognises that its decisions regarding strategy and risk will impact on the culture of the Group as a whole and that this will impact the performance of the Group. The Board seeks to maintain the highest standards of integrity in the conduct of the Group's operations. An open culture is encouraged within the Group with regular communications with staff regarding progress and staff feedback regularly sought. The Board assessment of the culture within the Group at the present time is one where there is respect for all individuals, there is open dialogue within the Group and there is a commitment to provide the best service possible to all the Group's customers which include commercial partners and consumers.

### PRINCIPLE 9 – MAINTENANCE OF GOVERNANCE STRUCTURES AND PROCESSES

The Board has overall responsibility for promoting the success of the Group. The Executive Directors have day-to-day responsibility for the operational management of the Group's activities. The Non-Executive Directors are responsible for the overall operational management of the Group's activities and for bringing independent and objective judgement to Board decisions.

There is a clear separation of the roles of Chief Executive Officer and Non-Executive Chairman. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-Executive Directors are properly briefed on matters. The Chairman has overall responsibility for corporate governance matters in the Group and chairs the Nominations Committee. The Chief Executive Officer has responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Group. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

#### The Audit Committee

The Audit Committee normally meets two or three times per year and has responsibility for, amongst other things, reviewing the annual report and accounts and interim statements involving, where appropriate, the External Auditor. The Committee also approves the External Auditor's fees and ensures the Auditor's independence as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for approving the annual financial statements and interim statements remains with the Board.

The Finance Director and Chief Operating Officer, and the External Auditor attend meetings by invitation only.

The Audit Committee meets privately (without any other Board member present) with the External Auditor at least once per year.

The Group's Auditor is Grant Thornton UK LLP based at 101 Cambridge Science Park, Milton Road, Cambridge, CB4 0FY and was appointed in 2019 as part of a tender process. The senior statutory auditor is Stephen J Wyborn.

#### The Remuneration Committee

The Remuneration Committee, which meets as required, but at least once per year, has responsibility for making recommendations to the Board on the compensation of senior executives and determining, within agreed terms of reference, the specific remuneration packages for each of the Executive Directors. It also supervises the Group's share incentive schemes and sets performance conditions for share options granted under the schemes. The Independent Non-Executive Directors and the Non-Executive Chairman sit on the Committee, and the Chief Executive Officer attends by invitation only.

The Directors' remuneration can be found in the Remuneration Committee Report on pages 54 to 59.

The Directors believe that the disclosures in that report constitute sufficient disclosure to meet the requirements of the QCA Code for a Remuneration Committee Report. Consequently, a separate Directors' Remuneration Report is not presented in the Group's Annual Report. However, the Committee will continue to review guidance in relation to the contents of remuneration reports and ensure the reporting evolves as the Committee considers appropriate.

#### The Nominations Committee

The Nominations Committee, which meets as required, has responsibility for reviewing the size and composition of the Board, the appointment or replacement of Directors, the monitoring of compliance with applicable laws, regulations and corporate governance guidance and making appropriate recommendations to the Board.

The Independent Non-Executive Directors and the Non-Executive Chairman sit on the Committee, and the Chief Executive Officer attends by invitation only.

The terms of reference for the above committees can be found in the Investors section of our website at [www.futuramedical.com](http://www.futuramedical.com).

The Board also oversees the Group's share dealing code and its whistle-blowing policies and procedures.

### PRINCIPLE 10 – SHAREHOLDER COMMUNICATION

The Group places a high priority on regular communication with its shareholders and aims to ensure that all communications concerning the Group's activities are clear, fair and accurate. The website is regularly updated and users can register to be alerted when announcements or details of presentations and events are posted onto the website.

The Group's financial reports can be found in the Investor section of our website at [www.futuramedical.com](http://www.futuramedical.com).

Notice of General Meetings of the Group and results of voting on all resolutions in future general meetings can be found in the RNS section of our website at [www.futuramedical.com](http://www.futuramedical.com).

The results of voting on all resolutions in future general meetings will be posted to the Group's website after the relevant meeting.

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#### JEFF NEEDHAM

Non-Executive Chairman

14 April 2025





**ANDREW UNITT**  
Chairman of the Audit Committee

### THE AUDIT COMMITTEE

During the year the Audit Committee considered the adequacy of financial standards and how existing and new accounting standards apply to the business. In addition, the Audit Committee considered how applying these standards may flow through into internal processes and controls, the Group's accounting policies and the Group's financial reporting to shareholders.

Whilst the Board has overall responsibility for the review and approval of the annual and interim accounts, certain aspects are delegated to the Audit Committee including:

- Monitoring the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance.
- Reviewing accounting standards, policies and judgements.
- Reviewing internal controls and risk management procedures which arise during the external audit process, or if concerns are raised by a member of the Board or by an employee under the Group's whistle-blowing process.
- Oversight of the Group's compliance with legal requirements ensuring that an effective internal control system is maintained.

Full terms of reference for the Audit Committee can be found in the Investor section of the Group website at [www.futuramedical.com](http://www.futuramedical.com).

There were two meetings held in the year and matters discussed were as follows:

#### April 2024

- Presentation of 2023 Audit Report (see 2023 Annual Report for 2023 Audit Report)
- Review of 2023 audit performance

#### December 2024

- Presentation of the 2024 Audit Plan

### EXTERNAL AUDITOR

The Audit Committee has responsibility for the relationship between the Group and its External Auditor. Representatives from the External Auditor are invited to attend Audit Committee meetings and whilst the Finance Director and other Executives are invited to attend the Committee meetings, time at the end of a meeting is allowed without any other Executive Directors or other executives present, to give the External Auditor an opportunity to raise any issues of concern.

The Audit Committee is responsible for reviewing the scope of work and fee proposals presented by the External Auditor to ensure that its independence is not compromised. The independence of the Auditor is kept under review and is reported once per year, as part of the Audit Committee Report presented to the Audit Committee by the External Auditor.

The Group's External Auditor, Grant Thornton UK LLP, is engaged to provide its independent opinion on the Group's financial statements. A full scope of its work for the year ended 31 December 2024 is included within the Independent Auditor's Report on pages 63 to 71. Grant Thornton was appointed in 2019 following a tender process. The senior statutory auditor is Stephen J Wyborn.

### INTERNAL AUDIT

The Audit Committee reviews the requirement for an internal audit function on an annual basis, taking into account the scale and complexity of the Group's activities and any issues identified in the assessment of controls. The Committee remains of the opinion that an internal audit function is currently not appropriate for the Group and the Committee will continue to review the appropriateness of these arrangements.

### ANDREW UNITT

Chairman of the Audit Committee



**ROY DAVIS**  
Chairman of the Remuneration  
Committee

This report is prepared with reference to the AIM Rules and the QCA's recommendations for Remuneration Committees and is designed to provide shareholders and stakeholders with sufficient relevant information about the decisions taken by the Remuneration Committee during the year. It does not constitute a full Director's Remuneration Report in accordance with the Companies Act 2006. As an AIM-listed Group, it is not required by the Companies Act to prepare such a report.

### REMUNERATION COMMITTEE: COMPOSITION AND TERMS OF REFERENCE

During the period under review the Remuneration Committee comprised the independent Non-Executive Directors and was chaired by Roy Davis upon joining in January 2024. The Group has adopted the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code") and the report has been prepared in accordance with the principles of the QCA Code. The contents of this report are unaudited unless otherwise stated.

The purpose of the Remuneration Committee is to ensure that the Executive Directors and other employees are fairly rewarded for their individual contribution to the overall performance of the Group. The Committee considers and recommends to the Board the remuneration of the Executive Directors and is kept informed of the remuneration packages of senior staff and invited to comment on these. There were four Remuneration Committee meetings during 2024.

The Board retains responsibility for overall remuneration policy. The terms of reference of the Remuneration Committee are set out in the Investor Centre/Corporate Governance section on the Group's website at [www.futuramedical.com](http://www.futuramedical.com).

### POLICY ON EXECUTIVE DIRECTORS' REMUNERATION

Executive remuneration packages are designed to attract and retain executives of the necessary skill and calibre to run the Group. Direct benchmarking of remuneration is difficult given the specialised nature and size of the Group. The Remuneration Committee recommends to the Board remuneration packages by reference to individual performance and uses the knowledge and experience of the Committee members, published surveys relating to AIM companies, the healthcare and medicine industry and market changes generally. The Remuneration Committee has responsibility for recommending any long-term incentive plans. The Remuneration Committee is currently reviewing the most appropriate long-term incentivisation approach and has therefore paused awards under the current scheme until this review is completed.

The Board determines whether or not Executive Directors are permitted to serve in roles with other companies. Such permission is only granted where a role is on a strictly limited basis, where there are no conflicts of interest or competing activities and providing there is not an adverse impact on the commitments required to the Group. Earnings from such roles are not disclosed to the Group.

## REMUNERATION COMMITTEE REPORT

The table below sets out the elements of the Executive Directors' compensation and how each element operates as well as the maximum level of each element and any applicable performance measures.

Element and Purpose	Operation	Maximum Level
<b>Fixed Remuneration</b>		
Basic Salary		
To provide a competitive base salary for the market and size of the Group in order to attract and retain Executive Directors of a suitable calibre.	<p>Usually reviewed annually by the Remuneration Committee and recommended to the Board, taking account of:</p> <ul style="list-style-type: none"> <li>• Salary increases awarded to the wider workforce</li> <li>• Group performance</li> <li>• Role and experience</li> <li>• Individual performance; and</li> <li>• Competitive environment</li> </ul>	<p>Salary increases will generally be in line with salary increases to other employees, but may be adjusted to take account of:</p> <ul style="list-style-type: none"> <li>• Promotion</li> <li>• Change in scope of role</li> <li>• Realignment with market; and</li> <li>• Development and performance in the role</li> </ul>
Benefits		
To provide a competitive range of benefits as part of total remuneration.	<p>Executive Directors usually receive:</p> <ul style="list-style-type: none"> <li>• Private medical insurance</li> <li>• Salary-related death-in-service life insurance</li> </ul>	No overall maximum has been set, but the level of benefits provided is determined taking into account the overall cost to the Group.
Retirement Benefits		
To provide an appropriate level of retirement benefit (or cash allowance equivalent).	Executive Directors are eligible to participate in the Group defined contribution pension scheme. In appropriate circumstances, Directors may be permitted to take benefits as a salary cash supplement (which will usually be reduced to take into account employer National Insurance contributions).	Contributions for 2023 and 2024 were set at 10% of base salary.

## SERVICE CONTRACTS

The Executive Directors are employed under service contracts requiring six months' notice by either party. Non-Executive Directors and the Chairman receive payments under appointment letters which are terminable by three months' notice by either party. The service contracts of the Non-Executive Directors are made available for inspection on request.



## REMUNERATION COMMITTEE REPORT

Element and Purpose	Operation	Maximum Level
<b>Variable Remuneration</b>		
Annual Bonus		
Rewards performance over the financial year, including in relation to performance which supports the Group's longer-term objectives.	Awards for Executive Directors are based on performance, measured over the financial year to which they relate, and based on corporate objectives set out at the beginning of the financial year.	The maximum annual bonus level in 2023 and 2024 was 80% of salary. Any bonus is granted on a discretionary basis.
Annual Share Options Awards		
To create alignment between Executive Directors' and shareholders' interests through annual share options issued through the approved and unapproved share options schemes.	Awards have previously been made annually in the form of market value share options. Vesting is subject to performance criteria being met and the Directors remaining in office. Awards of annual share options have been paused after 2024 until the Remuneration Committee have completed their review of the most appropriate incentivisation approach.	The schemes are overseen by the Remuneration Committee, which recommends to the Board all grants of share options based on the Remuneration Committee's assessment of personal performance and specifying the terms under which eligible individuals may be invited to participate. The share options granted in 2024 will vest <b>three years</b> from the date of grant providing the Executive Director remains in office, or is not under notice, at the date of vesting.
Long-term Incentive Plan ("LTIP")		
To create alignment between Executive Directors' and shareholders' interests through the delivery of performance-based awards.	Share options are awarded in the form of nominal cost share options with the quantum of options dependent on a target share price achieved.	<p>In 2023, performance milestones were achieved, and the target share price reached. 25% of the options granted vested immediately with a further 25% vesting annually following the date of grant, subject to the Executive Directors remaining in office at the date of vesting.</p> <p>Further awards under any LTIP scheme have been paused whilst the Remuneration Committee complete their review of the most appropriate incentivisation approach which includes consideration of the most appropriate measure and timing to introduce a further scheme.</p>

### POLICY ON NON-EXECUTIVE DIRECTORS' REMUNERATION

The Non-Executive Directors and the Chairman each receive a fee for their services as a director, which is approved by the Board, mindful of the time commitment and responsibilities of their roles and of current market rates for comparable organisations and appointments. Non-Executive Directors and the Chairman are reimbursed for travelling and other incidental expenses incurred on Group business in line with the Group Expenses Policy.

The Board encourages the ownership of Futura shares by Executive and Non-Executive Directors alike and in normal circumstances does not expect Directors to undertake dealings of a short-term nature.

The Non-Executive Directors receive a proportion of their remuneration in the form of shares. The quantum of shares is determined at the start of each calendar year based on the average closing mid-price of the last ten trading days prior to the year-end. The award for 2024 was settled in January 2025 by the issue of 126,116 shares at 27.10 pence per share. The 2025 award has been determined at 32.17 pence per share and the Non-Executive Directors will accrue these shares over 2025 and receive them, or such lower number as have accrued if they leave the Group earlier, in January 2026.

The Board considers ownership of Futura shares by Non-Executive Directors as a positive alignment of their interest with shareholders. The Board periodically reviews the shareholdings of the Non-Executive Directors and will seek guidance from its advisers if, at any time, it is concerned that a shareholding may, or could appear to, conflict with their duties as an independent Non-Executive Director of the Group.

## REMUNERATION COMMITTEE REPORT

### DIRECTORS' EMOLUMENTS

The emoluments of the Directors, who represent the key management personnel were as follows, in 2024:

	Year ended 31 December 2024							Year ended 31 December 2023
	Salary and Directors' Fees	Bonus	Share Awards	Benefits in Kind	Total Excluding Pension	Pension	Total	
	£	£	£	£	£	£	£	£
James Barder	291,278	179,928	–	10,277	481,483	–	481,483	469,554
Ken James	210,000	141,120	–	–	351,120	–	351,120	344,000
Angela Hildreth	215,250	144,648	–	2,464	362,362	21,525	383,887	374,785
<b>Non-Executive Directors</b>								
Jeff Needham	75,338	–	25,113	–	100,451	–	100,451	66,947
Roy Davis*	40,950	–	13,650	–	54,600	–	54,600	–
Andrew Unitt	40,950	–	13,650	–	54,600	–	54,600	52,000
John Clarke**	–	–	–	–	–	–	–	71,155
<b>Totals</b>	<b>873,766</b>	<b>465,696</b>	<b>52,413</b>	<b>12,741</b>	<b>1,404,616</b>	<b>21,525</b>	<b>1,426,141</b>	<b>1,378,441</b>

\* Appointed January 2024

\*\* Resigned July 2023

The above fees and emoluments exclude reimbursed expenditure incurred in the conduct of Group business.

### DIRECTORS' INTERESTS IN SHARES

	31 December 2024		31 December 2023	
	Beneficial Interests	Non-beneficial Interests	Beneficial Interests	Non-beneficial Interests
James Barder	1,363,472	107,500	1,323,472	117,500
Ken James	299,501	–	299,501	–
Angela Hildreth	142,857	–	142,857	–
Jeff Needham	27,961	–	27,961	–
Roy Davis	83,561	–	–	–
Andrew Unitt	68,717	–	38,496	–
<b>Totals</b>	<b>1,986,149</b>	<b>107,500</b>	<b>1,832,367</b>	<b>117,500</b>

## REMUNERATION COMMITTEE REPORT

### DIRECTORS' INTERESTS IN SHARE OPTIONS

The Board uses share options to align Directors and employees' interests with those of shareholders in order to provide incentives and reward them based on improvements in Group performance. Options granted to the Directors included options granted under the LTIP scheme and were as follows:

	31 December 2024		31 December 2023	
	Options Held	Share-based Payment Expense	Options Held	Share-based Payment Expense
James Barder	3,660,927	280,280	3,615,927	386,893
Ken James	3,455,953	257,097	3,375,955	341,500
Angela Hildreth	3,320,082	241,392	3,040,081	330,191
Totals	10,436,962	778,769	10,031,963	1,058,584

Share options granted under the annual Enterprise Management Incentive Scheme ("EMI") and Unapproved Option Scheme were granted with an exercise price at or above market value on the date of grant. The main vesting condition of the share options is that the Director remains employed with the Group as at the date of exercise or continues to provide consultancy services as at the date of exercise. The share options of the Directors under the Futura Medical plc EMI Scheme are set out below:

	Grant Date	Number Awarded	Exercise Price/Share	Earliest Exercise Date	Expiry Date
James Barder	17 September 2019	250,000	31.00 pence	1 October 2021	30 September 2026
James Barder	21 September 2020	250,000	15.50 pence	1 October 2022	30 September 2027
James Barder	5 October 2021	94,322	37.90 pence	1 October 2023	30 September 2028
James Barder	6 April 2023	43,000	43.60 pence	1 April 2026	31 March 2033
James Barder	19 April 2024	195,000	35.50 pence	1 April 2027	31 March 2034
Ken James	19 November 2018	200,000	7.50 pence	1 October 2020	30 September 2025
Ken James	17 September 2019	200,000	31.00 pence	1 October 2021	30 September 2026
Angela Hildreth	19 November 2018	200,000	7.50 pence	1 October 2020	30 September 2025
Angela Hildreth	17 September 2019	200,000	31.00 pence	1 October 2021	30 September 2026
Angela Hildreth	21 September 2020	240,000	15.50 pence	1 October 2022	30 September 2027
Angela Hildreth	5 October 2021	264,000	37.90 pence	1 October 2023	30 September 2028
Angela Hildreth	14 September 2022	79,425	45.00 pence	1 October 2025	30 September 2030
Totals		2,215,747			



## REMUNERATION COMMITTEE REPORT

The share options of the Directors under the Futura Medical plc Unapproved Option Scheme are set out below:

	Grant Date	Number Awarded	Exercise Price/Share	Earliest Exercise Date	Expiry Date
James Barder	5 October 2021	235,678	37.90 pence	1 October 2023	30 September 2028
James Barder	14 September 2022	165,000	45.00 pence	1 October 2025	30 September 2030
James Barder	6 April 2023	287,000	43.60 pence	1 April 2026	31 March 2033
James Barder	19 April 2024	150,000	35.50 pence	1 April 2027	31 March 2034
Ken James	21 September 2020	240,000	15.50 pence	1 October 2022	30 September 2027
Ken James	5 October 2021	264,000	37.90 pence	1 October 2023	30 September 2028
Ken James	14 September 2022	132,000	45.00 pence	1 October 2025	30 September 2030
Ken James	6 April 2023	264,000	43.60 pence	1 April 2026	31 March 2033
Ken James	19 April 2024	280,000	35.50 pence	1 April 2027	31 March 2034
Angela Hildreth	14 September 2022	52,575	45.00 pence	1 October 2025	30 September 2030
Angela Hildreth	6 April 2023	264,000	43.60 pence	1 April 2026	31 March 2033
Angela Hildreth	19 April 2024	280,000	35.50 pence	1 April 2027	31 March 2034
Totals		<b>2,614,253</b>			

### DIRECTORS' INTERESTS IN LONG-TERM INCENTIVE PLAN

There were no awards made under any LTIP scheme in 2024. Some performance milestones, which are non-market related milestones, were met in 2023. 25% of the options granted vested immediately with a further 25% vesting annually following the date of grant. In 2022 and 2023, a performance milestone was met at the target share price and the following number of share options were granted:

	Grant Date	Number Awarded	Exercise Price/Share	Earliest Exercise Date	Expiry Date
James Barder	7 December 2022	540,716	0.2 pence	10 January 2023	6 December 2032
Ken James	7 December 2022	509,225	0.2 pence	10 January 2023	6 December 2032
Angela Hildreth	7 December 2022	472,340	0.2 pence	10 January 2023	6 December 2032
James Barder	10 October 2023	1,450,211	0.2 pence	10 October 2023	30 October 2033
Ken James	10 October 2023	1,366,728	0.2 pence	10 October 2023	30 October 2033
Angela Hildreth	10 October 2023	1,267,742	0.2 pence	10 October 2023	30 October 2033
Totals		<b>5,606,962</b>			

A share-based remuneration charge has been included in the Consolidated Statement of Comprehensive Income in respect of the Approved Share Option scheme, Unapproved Share Option scheme and the LTIP scheme.

### ROY DAVIS

Chairman of the Remuneration Committee

# DIRECTORS' REPORT

## DIRECTORS

The Directors during the year and up to the date of this report were:

Jeff Needham	Non-Executive Chairman
Andrew Unitt	Non-Executive Director
Roy Davis	Non-Executive Director <sup>1</sup>
James Barder	Chief Executive Officer
Angela Hildreth	Finance Director/Chief Operating Officer
Ken James	Head of R&D/Executive Director
Harmesh Suniara	Non-Executive Director <sup>2</sup>

<sup>1</sup> Appointed 9 January 2024.

<sup>2</sup> Appointed 31 March 2025.

## GENERAL INFORMATION

Futura Medical plc is a public limited company incorporated in the United Kingdom, registered number 04206001, which is listed on the Alternative Investment Market ("AIM") of the London Stock Exchange.

## REVIEW OF BUSINESS

The Group continues to invest in the development of innovative and proprietary sexual health products, utilising its expertise in the research, development and commercialisation of topically delivered gel formulations to improve sexual health. The Strategic Report on pages 2 to 43 provides a review of the business, including the Group's trading for the year ended 31 December 2024, an indication of likely future developments, key performance indicators and risks.

## DIVIDENDS

The Group has reported its consolidated financial statements in accordance with UK-adopted International Accounting Standards. The results for the year and financial position of the Company and the Group are set out in the financial statements and reviewed in the Financial Review within the Strategic Report. The Directors do not recommend the payment of a dividend (2023: £nil).

## DIRECTORS' INTERESTS

The Directors' interests in the Group's shares and options over ordinary shares are shown in the Remuneration Committee Report on pages 54 to 59. No Director has any beneficial interest in the share capital of any subsidiary or associate undertaking.

## DIRECTORS' REMUNERATION

Details of the Directors' remuneration appear in the Remuneration Committee Report on pages 54 to 59.

## DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Group has, as permitted by the Companies Act 2006, maintained insurance cover on behalf of the Directors, indemnifying them against certain liabilities which may be incurred by them in relation to the Group.

## POLITICAL DONATIONS

The Group made no political donations during the current or prior year.

## FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Group's financial risk management policy is set out in Note 4 to the financial statements.

## RESEARCH AND DEVELOPMENT ("R&D")

During the year ended 31 December 2024 the Group's expenditure on R&D was £1,742,274 (2023: £2,045,988).

## ADEQUACY OF INFORMATION SUPPLIED TO EXTERNAL AUDITOR

Each Director who held office at the date of approval of this Report confirms that, so far as the Director is aware, there is no relevant audit information of which the Group's External Auditor is unaware and the Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Group's External Auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Group's Auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

## CHANGE OF CONTROL PROVISIONS

There are some agreements that may take effect, alter or terminate on a change of control of the Group, such as commercial contracts, property leases and share option schemes. None of these are considered to be significant in their likely impact on the business as a whole.

## STATEMENT OF ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE GROUP

The Directors are mindful of their statutory duty to act in the way they each consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, as set out in our s.172(1) statement on page 37. A consideration of the Group's relationship with wider stakeholders, including manufacturers and commercial partners, is disclosed in the Stakeholders section on pages 37 to 39.

# DIRECTORS' REPORT

## SIGNIFICANT INTERESTS

As at 14 April 2025 the Group had been notified of the following shareholders with 3% or more of the issued share capital of the Group in accordance with the Disclosure Guidance and Transparency rules:

Lombard Odier Asset Management (Europe) Limited	28.01%
T Adams	6.89%
WT Lamb Investments Limited	4.51%
RA Lamb	3.28%

Most recently notified details of significant shareholdings may be found in the Investor section of our website, at [www.futura-medical.com](http://www.futura-medical.com).

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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 (IFRSs as adopted by the UK) and applicable law and they have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law 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 their 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, reliable and prudent;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

## GOING CONCERN

The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, they also acknowledge that a material uncertainty exists that may cast significant doubt on the Group's ability to generate sufficient net revenues and resulting cash inflows and raise sufficient finance to meet its expected costs to discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate. Further details can be found in Note 2.2.

## WEBSITE PUBLICATION

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

By order of the Board

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**ANGELA HILDRETH**  
Company Secretary

14 April 2025



# Financial Statements

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# Independent Auditor's Report to the Members of Futura Medical plc

for the year ended 31 December 2024

## OPINION

### **Our opinion on the financial statements is unmodified**

We have audited the financial statements of Futura Medical Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024, which comprise the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the Consolidated statement of financial position, the Consolidated statement of cash flows, the Parent company balance sheet, the Parent Company statement of changes in equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-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 Financial Reporting Standard 101 'Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements 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 profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## 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 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.

## MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN

We draw attention to note 2.2 in the financial statements, which indicates the risk of the Group's and Parent Company's ability to continue as a going concern due to the uncertainties around receiving the amounts forecast in relation to milestone and royalty receipts. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that material uncertainties exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

## Our evaluation of management's assessment of the entity's ability to continue as a going concern

The existence of material uncertainties related to going concern was assessed as a matter that was one of the most significant assessed risks of material misstatement due to the uncertainties associated with the ability of the Group and Parent Company to receive the amounts forecast in relation to milestone and royalty receipts.

We performed the following procedures to evaluate management's assessment of the Group's and Parent Company's ability to continue as a going concern:

- Obtained and evaluated management's assessment of going concern, which includes their baseline and downside scenario forecasts.
- Compared management's historical forecasting to actual results to assess the accuracy of that forecasting.
- Challenged the key inputs and assumptions underpinning the baseline forecast, including key assumptions relating to sales of Eroxon® to the Group's distributors and the receipt of royalties/milestones from the Group's licencing partner.
- Evaluated the availability and impact of mitigating actions and assessing the uncertainty associated with management's assumptions relating to the availability of additional funding.
- Performed arithmetical and consistency checks on management's baseline forecast.
- Assessed the adequacy and completeness of related disclosures within the annual report.

# Independent Auditor's Report to the Members of Futura Medical plc

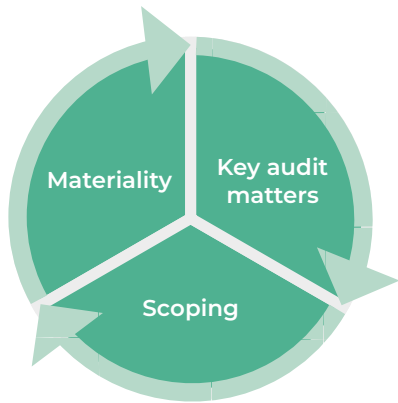
for the year ended 31 December 2024

### Our responsibilities

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

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

### OUR APPROACH TO THE AUDIT



#### OVERVIEW OF OUR AUDIT APPROACH

Overall materiality:

Group: £208,000, which represents approximately 1.5% of the group's revenue.

Parent company: £755,000, which represents approximately 1% of the parent company's total assets.

Key audit matters were identified as:

**Group:** Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no other key audit matters to be communicated in our report.

**Parent Company:** In addition to the matter described in the Material uncertainty related to going concern section, we have determined the carrying value of the investment in Futura Medical Developments Limited to be a key audit matter to be communicated in our report.

Our auditor's report for the year ended 31 December 2023 included a key audit matter in relation to the Group's revenue recognition from license income that has not been reported as a key audit matter in our current year's report because the accounting implications were assessed last year and have not changed.

We performed a full-scope audit on the Parent Company and Futura Medical Developments Limited using component performance materiality. 100% of the revenue and profit before tax for the year ended 31 December 2024 and 100% of the assets and liabilities as at 31 December 2024 were included within full-scope audit procedures. This approach is the same as the previous year.

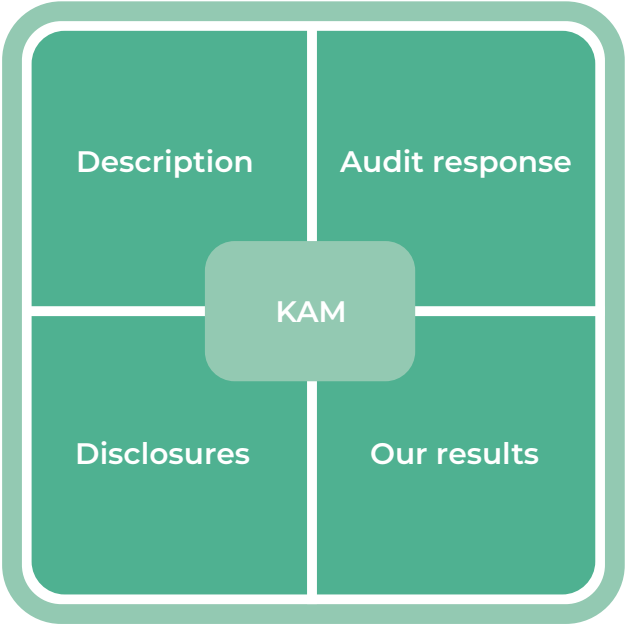
# Independent Auditor’s Report to the Members of Futura Medical plc

for the year ended 31 December 2024

## 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 that 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.

In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.





# Independent Auditor’s Report to the Members of Futura Medical plc

for the year ended 31 December 2024

Key Audit Matter – Parent Company	How our scope addressed the matter – Parent Company
<p><b>Carrying value of Investment in Futura Medical Developments Limited</b></p> <p>We identified the carrying value of investments in Futura Medical Developments Limited ('FMDL') as one of the most significant assessed risks of material misstatement due to error.</p> <p>The carrying value of the investment in FMDL is £73.6 million (2023: £70.1 million).</p> <p>Management perform an annual assessment of the carrying value of the investment for any impairment indicators.</p> <p>The determination of whether there are indicators of impairment under International Accounting Standard ('IAS') 36 'Impairment of assets' includes significant judgement and estimates to be applied including the consideration of internal and external factors such as changes in technology; economic performance; and a consideration of the carrying amount of the investment compared with the subsidiary's net assets.</p>	<p><b>In responding to the key audit matter, we performed the following audit procedures:</b></p> <ul style="list-style-type: none"><li>• Obtained an understanding of, and evaluated the design effectiveness of controls over management's impairment assessment process for evaluating the carrying value of the investment in FMDL;</li><li>• Challenged the conclusions reached by management as to whether there are impairment indicators requiring the need for an impairment review to be performed;</li><li>• Obtained management's model and compared it to the carrying value of the investment;</li><li>• Assessed the mathematical accuracy of the model;</li><li>• Compared the revenue forecast in year one to the most recent sales forecast/confirmed order provided by the group's distributors and licensing partner;</li><li>• Where longer term sales forecasts have been provided to the Group, agreed those forecasts to the revenue forecast included within the value in use calculation. Where longer term sales forecasts have not been provided to the Group, we assessed the growth rates applied in years two to five;</li><li>• Considered the consistency of the key assumptions used within the impairment review to the budget and forecast used by the directors to assess going concern;</li><li>• Considered management's historical forecasts against actual results as part of other audit testing, to assess the reliability of management's forecasts;</li><li>• Used our internal valuation experts to assess whether the discount rates and longer term growth rates used by management were within the range expected; and</li><li>• Assessed whether the accounting disclosures included within the financial statements are in accordance with the requirements of IAS 1.</li></ul>
<p><b>Relevant disclosures in the Annual Report and Accounts 2024</b></p> <ul style="list-style-type: none"><li>• Notes 2 and 3 of the Parent Company financial statements</li></ul>	<p><b>Our results</b></p> <p>Based on our audit work, we are satisfied that the valuation methodologies and assumptions made in management's assessment of the carrying value of the investment in FMDL are appropriate. We consider that the Parent Company's disclosure are in accordance with IAS 1.</p>

# Independent Auditor's Report to the Members of Futura Medical plc

for the year ended 31 December 2024

## OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Group	Parent Company
<b>Materiality for financial statements as a whole</b>	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£208,000 (2023: £329,000), which represents approximately 1.5% of revenue.	£755,000 (2023: £720,000), which represents approximately 1% of total assets.
Significant judgements made by auditor in determining materiality	<p>In determining materiality, we made the following significant judgements::</p> <ul style="list-style-type: none"> <li>• Whilst in previous years we have used loss before tax as the underlying benchmark, in the current year, revenue is considered to be the most appropriate benchmark as the group is essentially operating at a break even level.</li> <li>• Revenue is the most appropriate reflection of the Group's level of activity. It is also a key performance indicator used by management.</li> <li>• 1.5% was deemed to be an appropriate measurement percentage after consideration of industry materiality benchmarks for entities of similar size.</li> </ul> <p>Materiality for the current year is lower than the level that we determined for the year ended 31 December 2023 due to the move to a revenue based materiality metric rather than a metric based on loss before tax.</p>	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>• We selected total assets as the benchmark as the Parent Company is not a trading entity; therefore, total assets are of most relevance to the users of the financial statements.</li> </ul> <p>Materiality for the current year is higher than the level that we determined for the year ended 31 December 2023 to reflect an increase in total assets.</p>
<b>Performance materiality used to drive the extent of our testing</b>	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	<p>£146,000 (2023: £230,000), which is 70% (2023: 70%) of financial statement materiality.</p> <p>The range of component performance materialities used across the group was £81,000 to £139,000.</p>	<p>£528,500 (2023: £504,000), which is 70% (2023: 70%) of financial statement materiality. Parent company component performance materiality has been capped at an amount less than group performance materiality for group audit purposes.</p>

# Independent Auditor's Report to the Members of Futura Medical plc

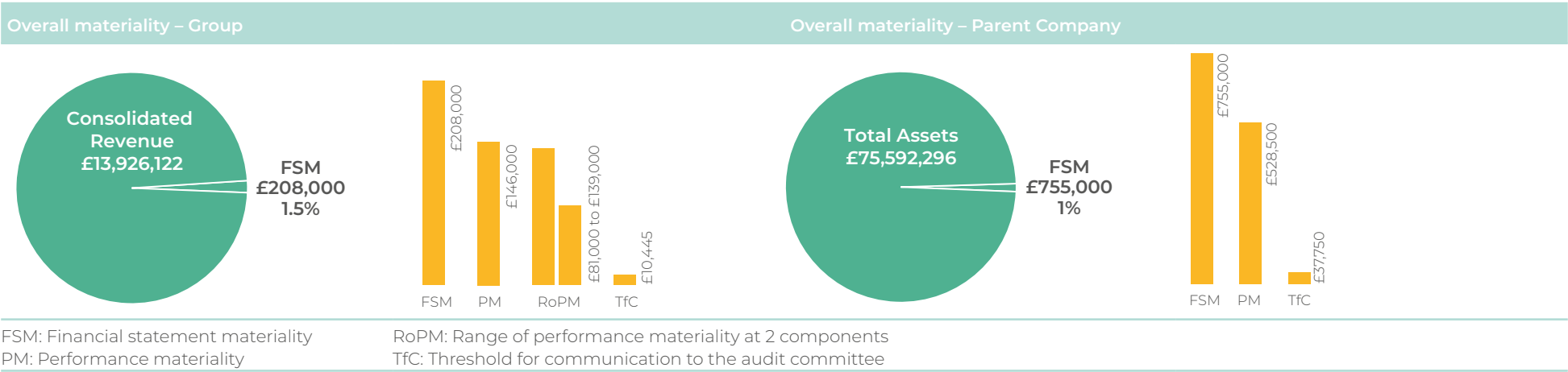
for the year ended 31 December 2024

Materiality measure	Group	Parent Company
Significant judgements made by auditor in determining performance materiality	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>• Our understanding of the entity, updated during the performance of risk assessment procedures; and</li> <li>• Our experience with auditing the financial statements of the group in previous years (for example, the level of uncorrected misstatements in the prior year).</li> </ul> <p>In determining component performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>• Extent of disaggregation of financial information across components, including the relative risk and size of a component to the group.</li> </ul> <p>For each component in scope for our group audit, we allocated a performance materiality that is less than our overall group performance materiality.</p>	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>• Our understanding of the entity, updated during the performance of risk assessment procedures; and</li> <li>• Our experience with auditing the financial statements of the parent company in previous years (for example, the level of uncorrected misstatements in the prior year).</li> </ul>
<b>Specific materiality</b>	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> <li>• Directors Remuneration; and</li> <li>• Related party transactions.</li> </ul>	
<b>Communication of misstatements to the audit committee</b>	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£10,445 (2023: £16,500), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£37,750 (2023: £36,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

# Independent Auditor's Report to the Members of Futura Medical plc

for the year ended 31 December 2024

The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.





# Independent Auditor's Report to the Members of Futura Medical plc

for the year ended 31 December 2024

The components within scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matters identified:

Audit approach	No. of components	% coverage total assets	% coverage revenue	% coverage PBT
Full-scope audit	2	100%	100%	100%
Analytical procedures	1 (2023: 1)	0% (2023: 0%)	0% (2023: 0%)	0% (2023: 0%)
<b>Total</b>	<b>3 (2023: 3)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Changes in approach from previous period

There are no changes in the scope of the current year audit from the scope of that of prior year.

## OTHER INFORMATION

The other information comprises the information included in the Annual report and Accounts 2024, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual report and Accounts 2024. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

## OUR OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006 IS UNMODIFIED

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.

## MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

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

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the statement of directors' responsibilities in respect of the annual report and financial statements set out on page 61, 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.

# Independent Auditor's Report to the Members of Futura Medical plc

for the year ended 31 December 2024

## 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent Company and determined that the most significant which are directly relevant to the financial statements are those related to the reporting framework, being the Companies Act 2006, UK-adopted international accounting standards (for the Group) and Financial Reporting Standard 101 (for the Parent Company), together with the QCA Corporate Governance Code, the AIM Rules for Companies and the relevant UK tax compliance legislation.
- We obtained an understanding of how the Group and Parent Company are complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Group's and the Parent Company's financial statements to material

misstatement, including how fraud might occur. Audit procedures performed included:

- identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
  - obtaining an understanding of how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - challenging assumptions and judgements made by management in its significant judgements and accounting estimates, including those inherent to the forecasting performed for the purposes of the going concern assessment and impairment assessments;
  - identifying and testing journal entries, with a focus on journals indicating large or unusual transactions or account combinations based on our understanding of the business; and
  - assessing the extent of compliance with the relevant laws and regulations.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations through an assessment of the engagement team's:

- understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
  - knowledge of the industry in which the Group and Parent Company operate.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

## 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.

## STEPHEN WYBORN

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants  
Cambridge

14 April 2025

# Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	Notes	Year ended 31 December 2024 £	Year ended 31 December 2023 £
<b>Revenue</b>	5	<b>13,926,122</b>	3,100,968
<b>Cost of sales</b>		<b>(4,236,788)</b>	(1,326,743)
<b>Gross profit</b>		<b>9,689,334</b>	1,774,225
Research and development costs		<b>(1,742,274)</b>	(2,045,988)
Administrative expenses		<b>(6,830,765)</b>	(6,692,007)
Other operating income		<b>127,611</b>	–
<b>Operating profit/(loss)</b>	6	<b>1,243,906</b>	(6,963,770)
Finance income		<b>46,939</b>	71,797
<b>Profit/(loss) before tax</b>		<b>1,290,845</b>	(6,891,973)
Taxation	9	<b>2,165</b>	379,074
<b>Profit/(loss) for the year being total comprehensive profit/(loss) attributable to owners of the Parent Company</b>		<b>1,293,010</b>	(6,512,899)
Basic profit/(loss) per share (pence)	10	<b>0.43</b>	(2.21)
Diluted profit/(loss) per share (pence)	10	<b>0.41</b>	(2.21)

All amounts relate to continuing activities.

The Notes on pages 76 to 92 form part of these consolidated financial statements.

# Consolidated Statement of Financial Position

as at 31 December 2024

	Notes	As at 31 December 2024 £	As at 31 December 2023 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	4,089,607	2,484,748
<b>Total non-current assets</b>		4,089,607	2,484,748
<b>Current assets</b>			
Inventories		455,906	339
Trade and other receivables	14	2,448,465	1,240,174
Current tax asset	9	–	376,910
Cash and cash equivalents		6,596,201	7,714,182
<b>Total current assets</b>		9,500,572	9,331,605
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	(3,557,813)	(6,339,534)
Provisions	17	(286,948)	–
<b>Total current liabilities</b>		(3,844,761)	(6,339,534)
<b>Net current assets</b>		5,655,811	2,992,071
<b>Non-current liabilities</b>			
Contract liabilities (long-term)	16	(342,587)	–
Provisions	17	(440,000)	–
<b>Total non-current liabilities</b>		(782,587)	–
<b>Total liabilities</b>		(4,627,348)	(6,339,534)
<b>Total net assets</b>		8,962,831	5,476,819
<b>Capital and reserves attributable to owners of the Parent Company</b>			
Share capital	18	607,407	602,812
Share premium		71,235,261	71,068,945
Merger reserve		1,152,165	1,152,165
Retained losses		(64,032,002)	(67,347,103)
<b>Total equity</b>		8,962,831	5,476,819

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 14 April 2025.

By order of the Board

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**JAMES BARDER**

Chief Executive Officer

Registered number: 04206001



# Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Notes	Share Capital £	Share Premium £	Merger Reserve £	Warrant Reserve £	Retained Losses £	Total Equity £
<b>At 1 January 2023</b>		<b>576,093</b>	<b>66,545,796</b>	<b>1,152,165</b>	<b>165,868</b>	<b>(63,720,369)</b>	<b>4,719,553</b>
Total comprehensive loss for the year		–	–	–	–	(6,512,899)	(6,512,899)
Share-based payment	19	–	–	–	–	2,720,297	2,720,297
Shares issued during the year	18	4,844	170,024	–	–	–	174,868
Warrant exercise		21,875	4,353,125	–	(165,868)	165,868	4,375,000
<i>Transactions with owners</i>		26,719	4,523,149	–	(165,868)	2,886,165	7,270,165
<b>At 31 December 2023</b>		<b>602,812</b>	<b>71,068,945</b>	<b>1,152,165</b>	<b>–</b>	<b>(67,347,103)</b>	<b>5,476,819</b>
Total comprehensive profit for the year		–	–	–	–	1,293,010	1,293,010
Share-based payment	19	–	–	–	–	2,022,091	2,022,091
Shares issued during the year	18	4,595	166,316	–	–	–	170,911
<i>Transactions with owners</i>		4,595	166,316	–	–	2,022,091	2,193,002
<b>At 31 December 2024</b>		<b>607,407</b>	<b>71,235,261</b>	<b>1,152,165</b>	<b>–</b>	<b>(64,032,002)</b>	<b>8,962,831</b>

The Merger reserve represents the reserve arising on the acquisition of Futura Medical Developments Limited in 2001 via a share for share exchange accounted for as a group reconstruction previously using merger accounting under UK GAAP.

Retained losses represent all other net gains and losses not recognised elsewhere.

Share premium represents amounts subscribed for share capital in excess of nominal value, less the related costs of share issues.

The Notes on pages 76 to 92 form part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	Notes	Year ended 31 December 2024 £	Year ended 31 December 2023 £
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax		1,290,844	(6,891,973)
Adjustments for:			
Depreciation	11	121,832	130,272
Loss on disposal of fixed assets		612	48,865
Finance income		(46,939)	(71,797)
Share-based payment charge	19	2,022,091	2,720,297
<b>Cash flows generated by/(used in) operating activities before changes in working capital</b>		<b>3,388,440</b>	<b>(4,064,336)</b>
(Increase) in inventories	13	(455,567)	(339)
(Increase) in trade and other receivables	14	(1,208,290)	(974,490)
Increase/(decrease) in trade and other payables	15	(1,712,186)	(4,586,424)
<b>Cash generated by/(used in) operations</b>		<b>12,397</b>	<b>(452,741)</b>
Income tax received		379,075	1,022,994
<b>Cash generated by/(used in) operating activities</b>		<b>391,472</b>	<b>570,253</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	11	(1,726,965)	(1,505,849)
Interest received		46,939	71,797
<b>Cash used in investing activities</b>		<b>(1,680,026)</b>	<b>(1,434,052)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares	18	170,911	174,868
Exercise of warrants		–	4,375,000
<b>Cash generated by financing activities</b>		<b>170,911</b>	<b>4,549,868</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(1,117,643)</b>	<b>3,686,069</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>7,714,183</b>	<b>4,026,112</b>
Net foreign exchange differences		(339)	2,001
<b>Cash and cash equivalents at end of year</b>		<b>6,596,201</b>	<b>7,714,182</b>

The Notes on pages 76 to 92 form part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 1. CORPORATE INFORMATION

Futura Medical plc (the “Company”) is a public limited company incorporated and domiciled in England and Wales and whose shares are publicly traded on the AIM Market of the London Stock Exchange. The registered office is located at Surrey Technology Centre, 40 Occam Road, Guildford, Surrey, GU2 7YG.

These consolidated financial statements consolidate those of the Company and its subsidiaries (together referred to as “the Group” and individually as “Group entities”) for the year ended 31 December 2024.

The consolidated financial statements of the Company and the Group for the year ended 31 December 2024 were authorised for issue by the Board of Directors on 14 April 2025.

The Group is principally engaged in the development and sale of consumer healthcare products.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention and have been prepared and approved by the Directors in accordance with UK-adopted International accounting standards (“IFRS”). The principal accounting policies applied in the preparation of the consolidated financial information are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Monetary amounts in these financial statements are rounded to the nearest pound sterling (£), unless otherwise stated, which is also the functional currency of the Company.

### 2.2 Going concern

The Board has considered the applicability of the going concern basis in the preparation of the financial statements. The Group generated a profit of £1.3 million and consumed cash of £1.1 million in 2024. The Board considers that, based on the reasons set out below, the preparation of the Group’s and Parent Company’s financial statements on a going concern basis remains appropriate.

In assessing the appropriateness of adopting the going concern assumption, the Group has prepared a detailed budget (“the budget”) for the period ending 31 December 2025 and a further forecast (“the forecast”) for the period ending 30 June 2026.

The Board considers that the budget and the forecast represent a reasonable best estimate of the Group’s performance over the period to 30 June 2026 and the Directors are satisfied that in the scenario modelled in the budget and the forecast, the Group and Parent Company would be able to continue as a going concern.

However, in preparing the budget and forecast, the Board also noted the existence of a number of factors that increase the difficulty inherent in predicting the Group’s performance, in particular its revenue generation and timing of key milestone receipts. These include a lack of any historical information from which to reliably predict sales volume and growth and timing of receipts from customers in respect of Eroxon® as the product has continued to launch in key markets throughout FY24. Forecasts provided by commercial partners continue to be encouraging but are not guaranteed. In addition to the budget and forecast, the Board therefore considered a possible scenario in which Eroxon® revenues were reduced and milestone receipts were delayed compared to the budget and forecast (the “downside scenario”). The Board further considered remedial action within Management’s control to delay some discretionary spending. In this downside scenario, despite taking the remedial actions, additional funding may be required within the going concern assessment period.

The Board does not believe that the Group’s position at this point in the execution of its strategy is unusual. However, should the forecast revenue (in particular, royalty receipts and milestone receipts) not be achieved, it may require further funding within the going concern assessment period. As such funding is not committed, this indicates the existence of a material uncertainty that may cast significant doubt on the Group and Parent Company’s ability to continue as a going concern and, therefore, they may be unable to realise its assets and discharge their liabilities in the normal course of business.

### 2.3 Standards, amendments and interpretation to existing standards

The Group applied the accounting standards and amendments listed below for the first time in these financial statements. Unless noted, the standards or amendments had no material impact on the 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 Financial Instruments – Supplier Finance Arrangements.

#### Applicable accounting standards and interpretations issued but not yet adopted

At the date of authorisation of the financial statements, the following Standard and Amendments which have been issued and endorsed by the UK, have not been applied by the Group and Parent Company in preparing the financial statements:

- Amendments to IAS 21 – Lack of exchangeability (effective date: 1 January 2025)
- Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments (effective date: 1 January 2026)

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 2. ACCOUNTING POLICIES CONTINUED

- IFRS 18 – Presentation of financial statements (effective date: 1 January 2027)
- IFRS 19 – Subsidiaries without public accountability disclosures (effective date: 1 January 2027).

### 2.4 Basis of consolidation

The Financial Statements of the Group consolidate the Financial Statements of Futura Medical Plc and its subsidiary undertakings (together referred to as the “Group”) up to 31 December each year. All subsidiaries have a reporting date of 31 December.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. All subsidiaries are 100% owned.

The Financial Statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases, in accordance with IFRS 10. Intra group transactions and balances, and any unrealised gains or losses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

### 2.5 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The Board of Directors consider that it is appropriate to report results as one single business segment. This is consistent with management accounting information reported regularly to the Board. The Group's Chief Operating Decision Maker (“CODM”) is considered to be the Board.

### 2.6 Revenue

To determine whether to recognise revenue, the Group follows a five-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

In accordance with IFRS 15, revenue is calculated based on the consideration to which the Group expects to be entitled and is recognised over the length of services provided under the contract and once performance obligations have been met. The transaction fee is allocated over the length of the service being provided in accordance with the project plan. It is recognised as a contract liability at the time of the initial transaction and is recognised on a straight-line basis over the lifetime of the contracts. The progress is re-evaluated by Management at each reporting date and the revenue recognised is re-measured accordingly.

#### Product revenue

The Group enters into contracts for supply of goods to external customers against orders received. The majority of contracts that the Company enters into relate to sales orders containing single performance obligation for the delivery of consumer healthcare products. Revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs when title passes to the customer, on receipt of the goods on an ex-works basis.

Product revenue represents net invoice less estimated volume discounts, which are considered to be variable consideration and include significant estimates.

Other variable considerations such as milestone receipts and royalties are not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. In Management's opinion, that will be when the Group's customer confirms that the milestone has been met or that a royalty is due. Estimates associated with variable consideration are revisited at each reporting date or when the related uncertainty is resolved and revenue is adjusted accordingly.

Contracts with customers carry no obligations relating to returns or refunds of the product. As such, no provision has been made in respect of returns or refunds.

#### Commercialisation and licensing revenue

The Group entered into commercialisation agreements to license the Group's products to other parties. These contracts give rise to fixed and variable consideration from upfront payments, development milestones, sales-based milestones and royalties.

The licenses that the Group grant are typically rights to use intellectual property which do not change significantly during the period of the license and therefore related non-conditional licensing revenue is recognised at the point where the license is granted and variable consideration as soon as recognition criteria are met. Where control of a right to use license for an intangible asset passes at the outset of a contract, revenue is recognised at the point in time when control is transferred.

Income dependent on the achievement of a development milestone is recognised when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur, which is usually when the related event occurs. In general, when triggering of a milestone is subject to the decisions of third parties (e.g. the acceptance or approval of a filing by a regulatory authority), the Group does not consider that the threshold for recognition is met until that decision is made.



# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 2. ACCOUNTING POLICIES CONTINUED

Sales-based milestone income is recognised when it is highly probable that the sales threshold will be reached. Sales-based royalties on a license of intellectual property are not recognised until the relevant product sale occurs.

### Upfront milestone receipts

In accordance with IFRS 15, revenue is calculated based on the consideration to which the Group expects to be entitled and is recognised over the length of services provided under the contract and once performance obligations have been met. The transaction fee is allocated over the length of the service being provided in accordance with the project plan. It is recognised as a contract liability at the time of the initial transaction and is recognised on a straight-line basis over the lifetime of the contracts. The progress is re-evaluated by Management at each reporting date and the revenue recognised is re-measured accordingly.

### 2.7 Leased assets

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- The Group has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

The Group makes use of leasing arrangements principally for the provision of the main office space and IT equipment. The rental contracts for offices are typically negotiated on a short-term rolling basis with one month's notice. Lease terms for IT equipment have lease terms of three years without any extension terms. The Group does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to items of certain low value IT equipment and short-term office leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

### 2.8 Intangible assets

#### Research and development (“R&D”)

Expenditure incurred on the development of internally generated products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to out-license or sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs, including patents and trademarks, are amortised over the periods in which the Group expects to benefit from selling the products developed. The amortisation expense is included in R&D costs recognised in the Consolidated Statement of Comprehensive Income. The useful life and the value

of the capitalised development cost are assessed for indicators of impairment at least annually. The value is written down immediately if impairment has occurred and the unimpaired cost amortised over the remaining useful life.

Although Eroxon® has been now launched in major markets, the development phase has been completed, and as such, development expenditure is no longer applicable for this product.

The Directors consider that the criteria for capitalising development expenditure are not yet met for any of its other products under development.

Development expenditure, not satisfying the above criteria, and expenditure on the research phase of internal projects are included in R&D costs recognised in the Consolidated Statement of Comprehensive Income as incurred.

### 2.9 Property, plant and equipment

Plant and equipment is initially recognised at cost, and subsequently at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is charged to the Consolidated Statement of Comprehensive Income at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over their estimated useful lives.

Plant and equipment	2 – 5 years straight-line
---------------------	---------------------------

Furniture and fittings	3 – 10 years straight-line
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The assets' residual values and useful lives are determined by the Directors and reviewed and adjusted, if appropriate, at each reporting date.

### 2.10 Impairment of non-financial assets

Assets are assessed for indicators of impairment at each reporting date. Where indicators are identified, an impairment review is carried out for assets being amortised or depreciated when a change in market conditions and other circumstances indicate that the

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 2. ACCOUNTING POLICIES CONTINUED

carrying value may not be recoverable. The recoverable amount is the higher of an asset's value in use less costs to sell and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

### 2.11 Classification of financial instruments issued by the Group

In accordance with the requirements of IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

### 2.12 Financial instruments

#### i) Recognition and initial measurement

At the year-end, the Group had no financial assets or liabilities designated at fair value through the profit and loss (2023: £nil). Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provisions in the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or a financial liability is initially measured at fair value plus, for items not measured at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is measured at the transaction price.

#### ii) Classification and subsequent measurement

##### *Financial assets*

On initial recognition a financial instrument is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on a specified date to cash flows that are solely the payment of principal and interest on the principal outstanding.

##### *Financial liabilities*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss. At the year-end, the Group had no financial assets or liabilities designated at FVOCI (2023: £nil).

#### iii) Derecognition

##### *Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The Group applies a simplified approach in calculating expected credit losses. The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses on a customer by customer basis.

##### *Financial liabilities*

The Group derecognises a financial liability when the contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

### 2.13 Taxation

Income tax is recognised or provided at amounts expected to be recovered or to be paid using the tax rates and tax laws that have been enacted or substantively enacted at the Consolidated Statement of Financial Position date. R&D tax credits are recognised on an accruals basis and are included as an income tax credit under current assets.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 2. ACCOUNTING POLICIES CONTINUED

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability on the Consolidated Statement of Financial Position date differs from its tax base, except for differences arising on:

- the initial recognition of an asset or liability in a transaction which is not a business combination and which at the time of the transaction affects neither accounting profit nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profits will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the Consolidated Statement of Financial Position date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different group entities which intend to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, on each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

### 2.14 Foreign currency translation

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing on the transaction dates. For the purpose of profit and loss, foreign exchange gains and losses are translated using the average exchange rate from the preceding month. Foreign exchange gains and losses arising from the settlement of these transactions, as well as from the translation of monetary assets and liabilities denominated in foreign currencies at period-end exchange rates, are recognised in the Consolidated Statement of Comprehensive Income in the period in which they occur.

### 2.15 Employee benefits

#### Defined contribution plans

The Group provides retirement benefits to all employees who wish to participate in defined contribution pension schemes. The assets of these schemes are held separately from those of the Group in independently administered funds. Contributions made by the Group are charged to the Consolidated Statement of Comprehensive Income in the period in which they become payable.

#### Accrued holiday pay

A liability is recorded at each reporting date for holidays accrued but not taken, at applicable rates of salary. The expected cost of compensated short-term absence (holidays) is charged to the Consolidated Statement of Comprehensive Income on an accruals basis.

#### Share-based payment transactions

The Group operates an annual equity-settled share-based compensation plan. For all share options awarded to employees, and others providing similar services, the fair value of the share options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Consolidated Statement of Financial Position date so that, ultimately,

the cumulative amount recognised over the vesting period is based on the number of share options that eventually vest. There are no market-based vesting conditions. If the terms and conditions of share options are modified before they vest, any incremental increase in the fair value of the share options, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period. The proceeds received when share options are exercised, net of any directly attributable transaction costs, are credited to share capital (nominal value) and the remaining balance to share premium. All employee share option holders enter into an HM Revenue & Customs joint election to transfer the employers' National Insurance contribution potential liability to the employee, therefore no Group asset or liability arises.

#### Long-term incentive plan

The Group operates a long-term incentive plan ("LTIP") for all staff and Directors. The quantum of any awards receivable will depend on the Group achieving set milestones and the share price at the time relative to targets set in advance. The Group plan is intended to be settled in equity with cash settlement possible at the discretion of the Board. For all LTIP share options awarded to employees, and others providing similar services, the fair value of the share options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the estimate of the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of share options that eventually vest. If the terms and conditions of share options are modified before they vest, the change in the fair value of the share options, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period. The proceeds received when share options are exercised, net of any directly attributable transaction costs, are credited to share capital (nominal value) and any remaining balance to

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 2. ACCOUNTING POLICIES CONTINUED

share premium. All employee share option holders enter into an HM Revenue & Customs joint election to transfer the employer's National Insurance contribution potential liability to the employee, therefore no Group asset or liability arises.

### 2.16 Finance income

Interest income is recognised as interest accrues.

### 2.17 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and comprise of cash at bank and in hand, and short-term deposits with original maturity of three months or less.

### 2.18 Inventories

Inventories are valued at the lower of cost and net realisable value ("NRV"). The cost of inventory includes the purchase price of finished goods. The company applies the "FIFO" (First-In, First-Out) method for determining the cost of finished goods. Under this method, finished goods that are produced or purchased first are assumed to be sold first, and the remaining finished goods are carried at the most recent cost.

At each reporting date, the company assesses whether the carrying value of its finished goods inventory exceeds the expected net realisable value ("NRV"). If the NRV of finished goods is lower than cost, the inventory is written down to its NRV.

### 2.19 Provisions

The company recognises provisions for obligations arising from penalties related to minimum order quantities in its contracts with suppliers. A provision is made when the company is unable to meet the minimum order requirements and expects to incur penalties. These penalties are recognised as provisions when it is probable that the penalties will be incurred and the amount can be reliably estimated.

## 2.20 Prior year adjustment

During the current year, the Group identified an error in the prior year's financial statements where a long-term liability was incorrectly classified as a current liability. This error has been corrected by reclassifying this amount to non-current liabilities in the current year's Consolidated Statement of Financial Position. The effect of this adjustment has not been reflected in the 2023 comparable figures as the impact is not material and there is no impact on the current period Consolidated Statement of Comprehensive Income.

## 3. ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The main judgements and estimates made in relation to the financial statements are:

### Share-based payments

The Group operates an equity-settled share-based compensation plan for employee services (and others providing similar services) to be received and the corresponding increases in equity are measured by reference to the fair value of the equity instruments as at the date of grant. The fair value determination is based on the principles of the Black-Scholes model which uses an input of volatility based on historical data. Historical volatility may not be indicative of future volatility, yet the Directors judge this to be the most appropriate method of calculation. Given the share-based payment expense of £2,022,091 (2023: £2,720,297), the volatility methodology used is not expected to have a material impact on these financial statements. Details of the fair value calculation for options granted during the year, including other inputs into the Black-Scholes model, are disclosed in Note 19.

There are no significant estimates which are expected to lead to material adjustments in the next accounting period.

## 4. FINANCIAL RISK

### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange rate risk, cash flow interest rate risk and fair value interest rate risk); credit risk and liquidity risk. It is Group policy not to enter into speculative positions using complex financial instruments.

#### (i) Market risk

##### Foreign exchange rate risk

The majority of operating costs are denominated in Sterling although certain expenditures were payable in Euros and US Dollars. At 31 December 2024 the Group had trade payables denominated in a foreign currency totalling £1,073,303 (31 December 2023: £115,071) and trade receivables denominated in foreign currency totalling £1,356,139 (31 December 2023: £1,147,709). The Group may use forward exchange contracts as an economic hedge against currency risk, where cash flow can be judged with reasonable certainty. There were no open forward contracts as at 31 December 2024 or at 31 December 2023.

At 31 December 2024, the Group held balances of the following denominated currencies:

		Year ended 31 December 2024 £	Year ended 31 December 2023 £
GBP	£	2,576,418	4,199,183
EUR	€	1,901,528	832,462
USD	\$	3,070,141	2,682,537



# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 4. FINANCIAL RISK CONTINUED

### Cash flow interest rate risk and fair value interest rate risk

The Group's interest rate risk arises from short-term money market deposits.

### (ii) Credit risk

Credit risk arises from cash and cash equivalents and money market deposits as well as credit exposure in relation to outstanding receivables and accrued income. Trade receivables have been reviewed and there are no historical cases of default or material balances which are past due. Management considers that the financial assets below are of good credit quality.

The carrying value of the financial assets recorded in the Consolidated Statement of Financial Position represents the Group's maximum exposure to credit risk.

The credit risk for liquid funds and short-term financial assets relates to banking institutions holding such funds or assets on behalf of the Group. The counterparties are considered to be reputable banks with high quality external risk ratings.

The exposure relating to outstanding receivables, accrued income and the carrying amount of cash balances is as follows:

	31 December 2024	31 December 2023
	£	£
Cash and cash equivalents	6,596,201	7,714,182
Trade receivables	1,269,838	1,147,709
Accrued income	869,243	1,147,709
	<b>8,735,282</b>	8,861,891

The Directors consider the Group's exposure to credit risk to be acceptable and normal for a similar entity at its stage in development.

### (iii) Liquidity risk

In the normal course of business the Group is exposed to liquidity risk. The Group's objective is to ensure that sufficient resources are available to fund short-term working capital and longer-term strategic requirements. The Group manages its liquidity needs by monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis. Long-term liquidity needs are monitored regularly.

At 31 December 2024 and 31 December 2023, the Group's liabilities had contractual maturities which are summarised as follows:

	Carrying amount £	2 months or less £	2 – 12 months £	More than 1 year £
<b>31 December 2024</b>				
Trade and other payables	3,399,681	3,399,681	–	–
	<b>3,399,681</b>	<b>3,399,681</b>	–	–
	Carrying amount £	2 months or less £	2 – 12 months £	More than 1 year £
<b>31 December 2023</b>				
Trade and other payables	2,491,818	2,491,818	–	–
	<b>2,491,818</b>	<b>2,491,818</b>	–	–

The Group manages all of its external bank accounts centrally and in accordance with defined treasury policies. The policies include a minimum acceptable credit rating of relationship bank accounts and financial transaction authority limits. Any material change to the Group's principal bank facility requires Board approval.

### 4.2 Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Group does not yet have significant recurring revenues and has mainly financed its operations through the issue of new shares and management of working capital. The Group's capital resources are managed to ensure it has resources available to invest in operational activities designed to generate future income. These resources were represented by £6,596,201 of cash at bank as at 31 December 2024 (31 December 2023: £7,714,182).

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 5. REVENUE AND SEGMENTAL ANALYSIS

The Group is focused on the development and commercialisation of Eroxon® and other treatments within sexual health therefore operates as one segment. The Group derives revenue from the transfer of goods and services over time and at a point in time in the following geographical split:

	31 December 2024	31 December 2023
EU and UK	<b>4,778,870</b>	2,725,475
USA	<b>7,835,054</b>	–
Rest of World	<b>1,312,198</b>	375,493
	<b>13,926,122</b>	3,100,968

	31 December 2024	31 December 2023
Revenue recognised at a point in time	<b>13,787,793</b>	3,044,075
Revenue recognised over time	<b>138,329</b>	56,893
	<b>13,926,122</b>	3,100,968

In the current year, two customers represented more than 10% (2023: 10%) of revenue.

All revenue reported by the Group is from contracts with customers.

The relationship between the timing of the satisfaction of the Group's performance obligations and the typical timing of payments from contracts with customers is as follows:

- Revenue for sale of goods is recognised at the point in time when the goods are delivered or collected under ex-works arrangements, which completes our performance obligation. At this point in time the consideration is unconditional because only the passage of time is required before payment is due. Payment is typically due between 30 and 60 days following delivery of the goods.

- For revenue recognised over time, payment is typically received in the form of upfront payments. The performance obligations are met over the duration of the contract. A contract liability is recognised and adjusted at each reporting period to reflect unsatisfied performance obligations based on a straight-lined apportioned basis over the term of the customer contract. Included in revenue for the year is £138,829 (2023: £24,832) which was included in the contract liability at the beginning of the period. See Note 16 on contract liabilities.

## 6. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Cost of inventories recognised as an expense	<b>3,586,498</b>	1,326,743
Depreciation of plant and equipment (Note 11)	<b>121,832</b>	128,360
Loss on disposal of plant and equipment	<b>612</b>	54,256
Short-term leases: property	<b>135,218</b>	128,205
(Gain)/loss on foreign exchange	<b>59,392</b>	(80,007)

The fees of the Group's Auditor Grant Thornton UK LLP for services provided are analysed below:

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
<b>Audit services</b>		
Parent Company	<b>62,198</b>	49,368
Subsidiaries	<b>36,529</b>	28,462
<b>Total fees</b>	<b>98,727</b>	77,830

## 7. STAFF NUMBERS AND COSTS

The average number of persons (including all Executive and excluding Non-Executive Directors) employed by the Group during the year, analysed by category, was as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
R&D staff	<b>7</b>	7
Finance and administration staff	<b>4</b>	2
Executive Directors	<b>3</b>	3
Non-Executive Directors	<b>3</b>	3
	<b>17</b>	15

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 7. STAFF NUMBERS AND COSTS CONTINUED

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Wages and salaries	2,361,756	2,284,686
Social security costs	492,621	448,689
Other pension and insurance benefits costs	356,702	196,252
<b>Total cash-settled remuneration</b>	<b>3,211,079</b>	<b>2,929,627</b>
Share-based payment remuneration charge	2,022,091	2,720,297
<b>Total remuneration</b>	<b>5,233,170</b>	<b>5,649,924</b>

All employees of the Group are employed by Futura Medical Developments Limited.

Directors' remuneration	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Wages and salaries	1,391,875	1,350,349
Other pension and other benefits costs	34,266	28,371
<b>Total cash-settled remuneration</b>	<b>1,426,141</b>	<b>1,378,720</b>
Share-based payment remuneration charge	778,769	1,058,584
Social security costs	235,355	256,535
<b>Total remuneration</b>	<b>2,440,265</b>	<b>2,693,839</b>

In 2024 there were two Directors (2023: nil) who exercised share options under the Group share option schemes and a gain of £45,333 was realised (2023: £nil). In respect of the highest paid Director there was a £25,185 gain realised (2023: £nil).

In 2024 there were no Directors (2023: no Directors) who participated in a private money purchase defined contribution pension scheme. Emoluments for individual Directors are disclosed within the Remuneration Committee Report.

The Directors consider that there are no Key Management Personnel other than the Directors.

Remuneration on the previous column includes the following amounts in respect of the highest paid Director:

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Wages and salaries	471,206	462,027
Employer pension contributions and other benefits	10,277	6,186
<b>Total cash-settled remuneration</b>	<b>481,483</b>	<b>468,213</b>
Share-based payment remuneration charge	280,280	386,893
Social security costs	92,724	76,391
<b>Total remuneration</b>	<b>854,488</b>	<b>931,497</b>

## 8. PENSION COSTS

The pension charge represents contributions payable by the Group to independently administered funds which during the year ended 31 December 2024 amounted to £282,934 (2023: £196,532). Pension contributions payable in arrears at 31 December 2024, included in accrued expenses at the relevant Consolidated Statement of Financial Position date, totalled £6,473.72 (2023: £5,258).

## 9. TAXATION

### 9.1 Current tax

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
UK corporation tax credit on loss on ordinary activities	2,165	379,074

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 9. TAXATION CONTINUED

The tax assessed for the year was lower than the UK corporation tax rate (2023: lower). The differences are explained below:

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Loss/(profit) on ordinary activities before tax	<b>(1,290,845)</b>	6,891,973
Loss/(profit) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2023: 23.5%)	<b>(322,712)</b>	1,621,028
Expenses not deductible for tax purposes	<b>(31,955)</b>	(42,579)
Movement in unrecognised deferred tax	<b>(174,378)</b>	(591,322)
Unutilised tax losses	–	(815,647)
Share scheme deduction	<b>168,536</b>	223,602
Surrender of tax losses for R&D tax credit refund	–	(402,538)
Additional deduction for R&D expenditure	<b>360,510</b>	386,530
UK corporation tax credit	–	379,074
Adjustment to tax charge relating to prior period	<b>2,165</b>	–
UK corporation tax credit reported in the Consolidated Statement of Comprehensive Income	<b>2,165</b>	379,074

An increase in the main rate of UK corporation tax from 19% to 25% came into force on 1 April 2023. As a result, the current tax charge is calculated using the average tax rate of 25% for the year ended 31 December 2024.

The corporation tax credit for the year represents research and development tax credits is £nil (2023: £379,074) arising from the surrender of losses for R&D credit as the company is profit making (2023: £3,323,097).

The Group has tax losses of approximately £40,907,007 (2023: £42,242,997) available for offset against future taxable profits.



# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 9. TAXATION CONTINUED

### 9.2 Deferred tax

Deferred tax assets amounting to £11,245,236 (2023: £11,577,733\*) have not been recognised due to it not being probable that taxable profits will be available against which these deductible temporary differences can be utilised.

The unrecognised asset comprises of:

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Depreciation differential versus capital allowances	(2,440)	(5,049)
Other short-term timing differences	1,020,925	1,022,033
Unutilised tax losses	10,226,751	10,560,749
	<b>11,245,236</b>	<b>11,577,733</b>

\*The prior year unrecognised tax asset has been updated due to an error made in the calculation on deferred tax arising on share based payments.

## 10. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the period. The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to reflect the potential dilution from share options that could result in the issuance of ordinary shares.

The calculation of basic and diluted earnings per share ("EPS") is based on the following data:

	2024	2023
Profit/(loss) for the purposes of basic EPS and diluted EPS (£)	<b>1,293,010</b>	(6,512,899)
Weighted average of ordinary shares for the purposes of basic EPS (number)	<b>302,117,963</b>	294,912,404
Dilutive effect of share options	<b>8,649,801</b>	–
Weighted average of ordinary shares of fully diluted EPS (number)	<b>310,767,764</b>	294,912,404
Profit/(loss) per share basic (pence)	<b>0.43</b>	(2.21)
Profit/(loss) per share fully diluted (pence)	<b>0.41</b>	(2.21)

In 2023, the diluted loss per share is identical to the basic loss per share, as potential dilutive shares are not treated as dilutive since they would reduce the loss per share.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 11. PLANT AND EQUIPMENT

	Property, Plant and Equipment £	Furniture and Fittings £	Total £
<b>Cost</b>			
At 1 January 2024	2,735,447	65,321	2,800,768
Additions	1,720,625	6,340	1,726,965
Disposals	–	(886)	(886)
<b>At 31 December 2024</b>	<b>4,456,072</b>	<b>70,775</b>	<b>4,526,847</b>
<b>Depreciation</b>			
At 1 January 2024	253,242	62,778	316,020
Eliminated on disposals	–	(612)	(612)
Charge for year	119,598	2,234	121,832
<b>At 31 December 2024</b>	<b>372,840</b>	<b>64,400</b>	<b>437,240</b>
<b>Net book value</b>			
<b>At 31 December 2024</b>	<b>4,083,232</b>	<b>6,375</b>	<b>4,089,607</b>
At 31 December 2023	2,482,205	2,543	2,484,748

	Property, Plant and Equipment £	Furniture and Fittings £	Total £
<b>Cost</b>			
At 1 January 2023	1,283,853	65,321	1,349,174
Additions	1,505,849	–	1,505,849
Disposals	(54,255)	–	(54,255)
<b>At 31 December 2023</b>	<b>2,735,447</b>	<b>65,321</b>	<b>2,800,768</b>
<b>Depreciation</b>			
At 1 January 2023	132,089	59,050	191,139
Eliminated on disposals	(5,391)	–	(5,391)
Charge for year	126,544	3,728	130,272
<b>At 31 December 2023</b>	<b>253,242</b>	<b>62,778</b>	<b>316,020</b>
<b>Net book value</b>			
<b>At 31 December 2023</b>	<b>2,482,205</b>	<b>2,543</b>	<b>2,484,748</b>
At 31 December 2022	1,151,764	6,271	1,158,035

All fixed assets of the Group are held in Futura Medical Developments Limited. At 31 December 2024, the Group was committed to purchase property, plant and equipment totalling £335,300 (31 December 2023: £2,200,218) and had paid advances on property, plant and equipment assets under construction of £3,220,862 (2023: £1,363,215).

## 12. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Assets as per Consolidated Statement of Financial Position	31 December 2024	31 December 2023
Receivables at amortised cost	£	£
Trade and other receivables (Note 14)	1,269,838	1,147,709
Cash and cash equivalents	6,596,201	7,714,182
<b>Total financial assets at amortised cost</b>	<b>7,866,039</b>	<b>8,861,891</b>

Liabilities as per Consolidated Statement of Financial Position at amortised cost	31 December 2024	31 December 2023
	£	£
Trade and other payables (Note 15)	3,399,681	6,339,534
<b>Total financial liabilities at amortised cost</b>	<b>3,399,681</b>	<b>6,339,534</b>

The Directors consider that there is no material difference between the carrying values of financial assets and liabilities and their fair value.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 13. INVENTORIES

Inventory is carried at cost and the balance of £455,906 (2023: £339) relates to finished goods and some product samples held for testing and marketing purposes.

## 14. TRADE AND OTHER RECEIVABLES

Amounts receivable within one year:	31 December 2024 £	31 December 2023 £
Trade receivables	1,269,838	1,147,709
Financial assets (Note 12)	1,269,838	1,147,709
Prepayments and accrued income	958,341	92,465
VAT receivable	220,286	–
	<b>2,448,465</b>	1,240,174

Trade and other receivables do not contain any impaired assets. The Group does not hold any collateral as security and the maximum exposure to credit risk at the Consolidated Statement of Financial Position date is the fair value of each class of receivable.

Trade receivables are measured initially at fair value and subsequently held at amortised cost less an allowance for expected credit losses. The Group has applied the simplified approach to measuring credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Standard credit terms are between 30 and 90 days from the date the invoice was issued.

The allowance for expected credit losses assessment requires a degree of judgement and estimation based on a combination of factors, including the Group's historical loss experience and any anticipated effects related to current economic conditions, as well as Management knowledge of the current composition of trade receivables. Trade receivables that Management believe to be ultimately not collectible are written off upon such determination. The Group defines default of customer balances as any amounts outside of the contractual repayment terms.

Trade receivables are regularly reviewed for impairment loss. The Group has assessed the credit risk of its financial assets measured at amortised cost and has determined that the loss allowance for expected credit losses of those assets is immaterial to the financial statements. As the Group has no material expected credit losses the disclosure of the ageing and credit risk relating to trade receivables is not required and therefore not presented.

The Group's trade receivables are denominated in GBP. The carrying value of trade and other receivables in the Group is consistent with fair value in the current and prior year.

The other classes of assets within trade and other receivables are denominated in GBP and do not contain impaired assets.

### Contracts with customers

No impairment losses (2023: £nil) were recognised on receivables arising from contracts with customers.

	31 December 2024 £	31 December 2023 £
Receivables included within 'Trade and other receivables'	1,269,838	1,147,709
Accrued income	869,243	–
Contract liabilities	440,324	3,847,716

## 15. TRADE AND OTHER PAYABLES

	31 December 2024 £	31 December 2023 £
Trade payables	1,493,238	1,006,054
Social security and other taxes	60,395	71,850
Contract liabilities	97,737	3,847,716
Accrued expenses	1,906,443	1,413,914
	<b>3,557,813</b>	6,339,534

## 16. CONTRACT LIABILITIES

Contract liabilities comprise of payments from commercial partners where performance obligations remain outstanding at the period end and revenue is recognised over time. The revenue recognition policy is explained in Note 2.6.

The significant changes in contract liabilities are presented below:

	31 December 2024 £	31 December 2023 £
Revenue recognised in the year that was included in the opening contract liability balance	3,407,392	24,832
Revenue recognised in the year that was received in the current year	–	32,061
Cash received, excluding amounts recognised as revenue in the period	–	3,472,475

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 16. CONTRACT LIABILITIES CONTINUED

The maturities of the contract liabilities are presented below:

	31 December 2024	31 December 2023
	£	£
Due within one year	<b>97,737</b>	3,847,716
Due after one year	<b>342,587</b>	–
	<b>440,324</b>	3,847,716

During the year ended 31 December 2024, the Group identified an error in its financial statements for the year ended 31 December 2023. The error related to the misclassification of certain liabilities between current liabilities and long-term liabilities. Specifically, the Group had incorrectly classified a portion of its contract liabilities as current liabilities. As a result, the Group had overstated its current liabilities and understated its long-term liabilities for the year ended 31 December 2023.

The Group has chosen not to restate the prior year financial statements on the basis the adjustment is not material by nature. Instead, the adjustment is reflected in the current year's financial statements. The error did not impact the Group's net income or cash flows for the prior year, but the balance sheet has been adjusted to reflect the corrected classification between current and long-term liabilities. No prior period adjustment has been made in the financial statements.

## 17. PROVISIONS

At the reporting date, the Group has recognised a provision of £726,948 (2023: £nil) for minimum order penalties under its supply contracts. The provision represents penalties expected to be incurred due to not meeting the agreed-upon minimum order quantities during the financial year. The Group estimates that £286,948 of this provision will be paid within the next 12 months, with the remainder expected to be paid over the following 12 to 24 months.

## 18. SHARE CAPITAL

	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Number	Number	£	£
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 0.2 pence each	<b>303,703,568</b>	301,405,950	<b>607,407</b>	602,812

The number of issued ordinary shares as at 1 January 2023 was 288,046,527. Each ordinary share carries the right to one vote and receive dividends from time to time. During the year ended 31 December 2023, the Company issued shares of 0.2 pence per share, as follows:

Month	Reason For Issue	Gross Consideration	Shares Issued
January 2023	Non-Executive Director award at 36.36 pence per share	31,790	87,430
June 2023	Exercise of warrants	4,375,000	10,937,500
July 2023	Exercise of share options at 15.5 pence per share	70,672	456,000
July 2023	Exercise of share options at 31 pence per share	46,500	150,000
July 2023	Exercise of share options at 30.50 pence per share	15,250	50,000
July 2023	Exercise of share options at 7.5 pence per share	7,500	100,000
July 2023	Exercise of share options at 0.2 pence per share	1,770	884,836
October 2023	Exercise of share options at 0.2 pence per share	530	265,000
November 2023	Exercise of share options at 0.2 pence per share	857	428,657
		<b>4,549,869</b>	<b>13,359,423</b>



# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 18. SHARE CAPITAL CONTINUED

The number of issued ordinary shares as at 1 January 2024 was 301,405,950. During the year ended 31 December 2024, the Company issued shares of 0.2 pence with each ordinary share carrying the right to one vote and receive dividends from time to time as follows:

Month	Reason For Issue	Gross Consideration £	Shares Issued Number
January 2024	Non-Executive Director award at 36.36 pence per share	22,403	43,500
June 2024	Exercise of share options at 0.2 pence per share	828	414,191
September 2024	Exercise of share options at 15.5 pence per share	7,750	50,000
September 2024	Exercise of share options at 30.50 pence per share	137,250	450,000
September 2024	Exercise of share options at 0.2 pence per share	79	39,362
October 2024	Exercise of share options at 0.2 pence per share	2,601	1,300,565
		<b>170,911</b>	<b>2,297,618</b>

Directors exercised the following share options in 2024 (2023: nil):

Month	Reason For Issue	Gross Consideration £	Shares Issued Number
September 2024	Director exercise of share options at 30.50 pence per share	137,250	450,000
September 2024	Director exercise of share options at 15.50 pence per share	7,750	50,000
		<b>145,000</b>	<b>500,000</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 19. SHARE OPTIONS

At 31 December 2024, the number of ordinary shares of 0.2 pence each subject to share options granted under the Company's Approved and Unapproved Share Option Schemes were:

Exercise Period	Exercise Price per Share Pence	At 1 January 2024 Number	Options Exercised Number	Options Lapsed Number	Options Granted Number	At 31 December 2024 Number
1 October 2019 – 30 September 2024	30.50	450,000	(450,000)	–	–	–
1 October 2020 – 30 September 2025	7.50	400,000	–	–	–	400,000
1 October 2021 – 30 September 2026	31.00	790,000	–	–	–	790,000
1 October 2022 – 30 September 2027	15.50	852,000	(50,000)	–	–	802,000
1 October 2023 – 30 September 2028	37.90	1,588,800	–	(198,000)	–	1,390,800
1 October 2023 – 30 September 2028	29.50	100,000	–	–	–	100,000
1 October 2025 – 30 September 2030	45.00	967,000	–	(100,000)	–	867,000
7 January 2023 – 6 January 2033	0.2	3,559,866	(516,850)	(224,924)	–	2,818,092
6 April 2026 – 31 March 2033	43.60	1,934,000	–	(200,000)	–	1,734,000
9 October 2023 – 30 September 2033	0.2	9,877,175	(1,237,031)	(905,190)	–	7,734,954
1 April 2027 – 31 March 2034	35.50	–	–	(210,000)	2,176,000	1,966,000
		<b>20,518,841</b>	<b>(2,253,881)</b>	<b>(1,838,114)</b>	<b>2,176,000</b>	<b>18,602,846</b>

On 6 April 2024 share options over 2,176,000 new ordinary shares were granted to employees (including Executive Directors) at a price of 35.5p. The options have a three-year vesting period and vesting is subject to satisfaction of a non-market performance condition. The exercise period for these options is 1 April 2027 to 31 March 2034.

On 9 October 2023 share options over 10,570,832 new ordinary shares were granted to employees (including Executive and Non-Executive Directors) at a price of 0.2p per share. 25% of the options granted vested immediately with a further 25% vesting annually following the date of grant.

The share options outstanding at 31 December 2024 represented 6.13% of the issued share capital as at that date (2023: 6.81%) and would generate additional funds of £2,821,033 (2023: £2,481,113) if fully exercised. The weighted average remaining life of the share options outstanding at 31 December 2024 was 88 months (2023: 98 months) with a weighted average remaining exercise price of 15.16 pence (2023: 11.96 pence).

The share options exercisable at 31 December 2024 totalled 7,934,841 (2023: 8,430,027) with an average exercise price of 12.16 pence (2023: 13.98 pence) and would have generated additional funds of £964,727 (2023: £1,202,739) if fully exercised.

The Group's share option scheme rules apply to all of the share options outstanding at 31 December 2024 (31 December 2023: 20,518,841) and include a rule regarding forfeiture of unexercised share options upon the cessation of employment (except in specific circumstances).

Options have historically been issued to advisers under the unapproved scheme. There were 765,598 share options outstanding to advisers at 31 December 2024 (31 December 2023: 910,506).

There were no market vesting conditions within the terms of the grant of the share options.

The Black-Scholes formula is the option pricing model applied to the grants of all share options made in respect of calculating the fair value of the share options.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 19. SHARE OPTIONS CONTINUED

An amount of £2,022,091 (2023: £2,720,297) has been recognised as a charge within administrative expenses in the Consolidated Statement of Comprehensive Income and a credit to retained earnings within equity. There were no cash settled share-based payment transactions.

### Share-based payments

	2024 annual award	LTIP Award 2023				2023 annual award
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	
Grant date	19 April 2024	9 October 2023	9 October 2023	9 October 2023	9 October 2023	6 April 2023
Number of shares under option	2,176,000	2,642,708	2,642,708	2,642,708	2,642,708	1,934,000
Vesting period ends	Apr 27	Oct 23	Oct 24	Oct 25	Oct 26	Apr 26
Share price as at date of grant	35.50p	40p	40p	40p	40p	43.00p
Option exercise price	35.50p	0.2p	0.2p	0.2p	0.2p	43.60p
Expected volatility	86.63%	88.26%	88.26%	88.26%	88.26%	89.58%
Dividend yield	0%	0%	0%	0%	0%	0%
Risk-free investment rate	4.61%	5.01%	4.86%	4.72%	4.60%	3.51%
Exercisable from/to	Apr 27–Mar 34	Oct 23–Oct 33	Oct 24–Oct 33	Oct 25–Oct 33	Oct 26–Oct 33	Apr 26–Mar 33
Expected life of options (years)	4	0.25	1.25	2.25	3.25	3
Fair value per share at grant date	23.03p	39.80p	39.81p	39.82p	39.83p	24.96p

## 20. COMMITMENTS

At 31 December 2024 the Group had operating short-term lease commitments in respect of property leases cancellable on one month's notice of £10,916 (2023: £10,916).

## 21. RELATED PARTY TRANSACTIONS

Related parties, as defined by IAS 24 'Related Party Disclosures', are the wholly owned subsidiary companies, Futura Medical Developments Limited, Futura Consumer Healthcare Limited and the Board. Transactions between the Company and the wholly owned subsidiary companies have been eliminated on consolidation and are not disclosed.

Details of share awards made to Non-Executive Directors and share options exercised by Directors can be found in note 18.

### Key management compensation

The Directors represent the key management personnel. Details of their compensation and share options are given in Note 7 and within the Remuneration Committee Report.

# Parent Company Balance Sheet

as at 31 December 2024

Company No. 04206001

	Notes	As at 31 December 2024 £	As at 31 December 2023 £
<b>Non-current assets</b>			
Investments	2	<b>73,605,224</b>	70,080,942
<b>Current assets</b>			
Trade and other receivables	4	<b>26,026</b>	50,519
Cash at bank and in hand		<b>1,961,046</b>	3,956,920
<b>Total current assets</b>		<b>1,987,072</b>	4,007,439
<b>Liabilities</b>			
Trade and other payables	5	<b>(246,231)</b>	(182,112)
<b>Total liabilities</b>		<b>(246,231)</b>	(182,112)
<b>Total net assets</b>		<b>75,346,065</b>	73,906,269
<b>Capital and reserves</b>			
Share capital	6	<b>607,407</b>	602,812
Share premium		<b>71,235,261</b>	71,068,945
Retained losses		<b>3,503,397</b>	2,234,512
<b>Total equity</b>		<b>75,346,065</b>	73,906,269

The loss in respect of the Company for the year was £753,206 (2023: £562,024). The Parent Company financial statements were approved and authorised for issue by the Board of Directors on 14 April 2025.

The Notes on pages 95 to 97 form part of these Parent Company financial statements.

By order of the Board

.....  
**JAMES BARDER**

Chief Executive



# Parent Company Statement of Changes in Equity

for the year ended 31 December 2024

	Notes	Share Capital £	Share Premium £	Warrant Reserve £	Retained Losses £	Total Equity £
<b>At 1 January 2023</b>		<b>576,093</b>	<b>66,545,796</b>	<b>165,868</b>	<b>(89,629)</b>	<b>67,198,128</b>
Total comprehensive loss for the year		–	–	–	(562,024)	(562,024)
Share-based payment	19	–	–	–	2,720,297	2,720,297
Shares issued during the year	18	4,844	170,024	–	–	174,868
Warrant exercise		21,875	4,353,125	(165,868)	165,868	4,375,000
<i>Transactions with owners</i>		<i>26,719</i>	<i>4,523,149</i>	<i>(165,868)</i>	<i>2,886,165</i>	<i>7,270,165</i>
<b>At 31 December 2023</b>		<b>602,812</b>	<b>71,068,945</b>	<b>–</b>	<b>2,234,512</b>	<b>73,906,269</b>
Total comprehensive loss for the year		–	–	–	(753,206)	(753,206)
Share-based payment	19	–	–	–	2,022,091	2,022,091
Shares issued during the year	18	4,595	166,316	–	–	170,911
<i>Transactions with owners</i>		<i>4,595</i>	<i>166,316</i>	<i>–</i>	<i>2,022,091</i>	<i>2,193,002</i>
<b>At 31 December 2024</b>		<b>607,407</b>	<b>71,235,261</b>	<b>–</b>	<b>3,503,397</b>	<b>75,346,065</b>

Share premium represents amounts subscribed for share capital in excess of nominal value, less the related costs of share issues.

Retained loss account represents the cumulative net profit recognised. The total comprehensive loss for the year represents the total recognised income and expense for the year.

The Notes on pages 95 to 97 form part of these Parent Company financial statements.

# Notes to the Parent Company Financial Statements

for the year ended 31 December 2024

## 1. ACCOUNTING POLICIES

The Parent Company financial statements have been prepared on a going concern basis and under the historical cost convention and have been prepared and approved by the Directors in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The principal accounting policies applied in the preparation of the financial information and where advantage of the FRS 101 disclosure exemptions have been taken are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Monetary amounts in these financial statements are rounded to the nearest pound sterling (£), unless otherwise stated, which is also the functional currency of the Company.

As a Consolidated Statement of Comprehensive Income is published, no separate Statement of Comprehensive Income for the Parent Company has been included in these financial statements, as permitted by section 408 of the Companies Act 2006. The loss in respect of the Company for the year was £753,206 (2023: £562,024). The remuneration of the Directors of the Company is disclosed in Note 7 to the consolidated financial statements. Auditor's remuneration is disclosed in Note 6 to the consolidated financial statements.

### Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by UK endorsed IFRS;
- financial instrument disclosures;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;

- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the Group.

The Company's financial position and performance is included in the consolidated financial statements presented on pages 72 to 92.

### Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other debtors, cash and cash equivalents and trade and other creditors.

### Trade and other receivables

Trade and other debtors 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.

### Trade and other payables

Trade and other creditors 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.

### Share-based employee remuneration

The Company has no employees but does issue shares to satisfy share option awards made by its subsidiary company Futura Medical Developments Limited.

The grant date fair value of share-based payments awards granted to employees is recognised as an increase in the investment, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using the Black-Scholes

model, taking into account the terms and conditions upon which the awards are granted.

## 2. SIGNIFICANT ESTIMATES

### Recoverability of investments

The assessment of the recoverability of investments involves critical estimates and judgements regarding the future performance and cash flows of the investments. The Company regularly evaluates the carrying value of its investments based on available market data, financial performance, and forecasts.

Where there are indications that an investment may be impaired, the recoverable amount is estimated by comparing the carrying value to the value in use, based on the higher of fair value less selling costs or value in use. The determination of the value in use involves assumptions about future cash flows, discount rates, and growth rates, which are subject to uncertainty. These estimates may change based on future market conditions, regulatory developments, or operational performance.

## 3. INVESTMENT IN SUBSIDIARY

The investment represents 100% of the issued ordinary £1 shares in the subsidiary undertaking Futura Medical Developments Limited whose registered address is: 40 Occam Road, Guildford, Surrey GU2 7YG. The principal activity of Futura Medical Developments Limited is the research and commercialisation of consumer healthcare products. The investment is stated at cost plus amounts capitalised in respect of the intercompany receivable, less accumulated impairment losses. The results of the subsidiary are included in the consolidated financial statements.

The Company capitalises intercompany balances with its subsidiaries at each month-end (creating an investment in subsidiaries) up to the point where it believes the subsidiary is in a position to repay any balances within the next 12 months. Capitalised balances are reviewed for impairment annually.

# Notes to the Parent Company Financial Statements

for the year ended 31 December 2024

### 3. INVESTMENT IN SUBSIDIARY CONTINUED

The investment in Futura Medical Developments Limited is held at a carrying value of £73.6 million (2023: £70.1 million). During the year, Management identified indicators of potential impairment, including the possibility of slower than anticipated sales growth. As a result, an impairment review was conducted to assess whether the carrying value of the investment remains recoverable.

The recoverable amount has been calculated on a value in use basis, using assumptions which include cashflows associated with Eroxon® and WSD4000. Eroxon® is approved and commercially available in most key markets whilst WSD4000 is not yet approved. The impairment review applied significantly higher discount rates to WSD4000 than Eroxon® and concluded that no impairment of the investment is currently required, as the recoverable amount of the investment is higher than its carrying value.

The impairment review and any potential impairment of the investment in Futura Medical Developments Limited are specific to the Parent Company only and do not impact the results of the Group.

#### Sales growth

Management estimated the future compound sales growth for the investment based on limited historical performance and current estimates from commercial partners and potential commercial partners, market conditions, and product outlook.

#### Discount rates

The impairment review applied different discount rates to the cash flows of Eroxon® and WSD4000. A lower discount rate was applied to Eroxon®, reflecting its commercial availability. In contrast, a significantly higher discount rate was applied to WSD4000, reflecting the risks associated with uncertain regulatory approval and delayed market launch.

#### Cash flow projections

Management's projections of future cash flows were based on assumptions about the growth and market share of Eroxon®, which is commercially available in most key markets, and WSD4000, which is not yet approved. These projections are inherently uncertain and depend on factors such as market acceptance, pricing and regulatory approvals for WSD4000.

#### Sensitivity to key assumptions

The impairment review considered a sensitivity analysis, highlighting that if the sales growth were to fall short by 20% of the original forecast, an impairment would arise.

Management believes that the assumptions used in the impairment review are reasonable given the current market and product outlook.

#### Stage of development of WSD4000

The higher level of uncertainty surrounding WSD4000, which is currently unapproved, requires Management to make judgements about its future success in the market. These judgements included the timing of potential regulatory approvals, the likelihood of successful market penetration and the long-term potential of the product. The value in use calculation reflects these uncertainties, with higher discount rates applied to account for the risks associated with WSD4000.

	£
At 1 January 2023	65,244,565
Additions in the year	4,836,377
At 31 December 2023	70,080,942
Additions in the year	1,502,191
Share based payments	2,022,091
At 31 December 2024	73,605,224

Futura Medical Developments Limited owns 100% of the issued ordinary £1 shares of Futura Consumer Healthcare Limited whose registered address is: 40 Occam Road, Guildford, Surrey GU2 7YG. The principal activity of Futura Consumer Healthcare Limited is the commercial exploitation and branding of pharmaceutical drugs and medical devices developed by Futura Medical Developments Limited. This is an indirect investment and Futura Consumer Healthcare Limited has been dormant since the start of 2018.

# Notes to the Parent Company Financial Statements

for the year ended 31 December 2024

## 4. TRADE RECEIVABLES

	31 December 2024	31 December 2023
	£	£
Amounts receivable within one year:		
prepayments	26,026	34,163
VAT receivable	–	16,356
	26,026	50,519

## 5. TRADE PAYABLES

	31 December 2024	31 December 2023
	£	£
Trade creditors	140,620	116,742
Accruals	105,611	65,370
	246,231	182,112

## 6. CALLED UP SHARE CAPITAL

	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Number	Number	£	£
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 0.2 pence each	303,703,568	301,405,950	607,407	602,812

Details of shares issued by the Company in the year, shares issued to Directors in the year and details of share options outstanding are given in Notes 18 and 19 to the consolidated financial statements.

## 7. RELATED PARTY TRANSACTIONS

The Company has taken the exemption in line with FRS 101 not to disclose related party transactions between wholly owned subsidiaries.

Details of share awards made to Non-Executive Directors and share options exercised by Directors can be found in Notes 18 and 19 of the consolidated financial statements.



# Company Information

## COMPANY NUMBER

04206001

## DIRECTORS

Jeff Needham	Non-Executive Chairman
James Barder	Chief Executive Officer
Angela Hildreth	Finance Director and Chief Operating Officer
Ken James	Executive Director
Andrew Unitt	Non-Executive Director
Roy Davis	Non-Executive Director
Harmesh Suniara	Non-Executive Director (appointed 31 March 2025)

## COMMITTEE MEMBERS SERVING DURING THE YEAR WERE:

### Audit committee

Andrew Unitt  
Roy Davis

### Remuneration committee

Andrew Unitt  
Roy Davis

### Nominations committee

Jeff Needham  
Andrew Unitt  
Roy Davis

### Secretary and registered office

Angela Hildreth  
Futura Medical plc  
Surrey Technology Centre  
40 Occam Road  
Guildford  
Surrey  
GU2 7YG

### Auditor

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### Nominated adviser and broker

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### Patent attorney

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### Public relations adviser

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### Principal banker

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### Registrar

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