



Futura Medical plc

A year of strategic realignment

INTRODUCING

Our 2025 Annual Report

WELCOME TO THE FUTURA MEDICAL ANNUAL REPORT

Futura Medical is a consumer healthcare Group that specialises in the development and global commercialisation of innovative, consumer-focused sexual health products. Our lead projects are Eroxon[®], a clinically proven treatment for erectile dysfunction (commercially available in multiple markets), Eroxon[®] Intense (a new line extension in development) and WSD4000 which is our in-development female sexual health portfolio.



Our vision is to be recognised as a global leader in the development of clinically proven, innovative, consumer-focused sexual health products.

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BUSINESS AT A GLANCE

Delivering clinically proven and consumer-focused products to improve sexual health



Through our expertise in research and development, regulatory and business development, we develop innovative clinically proven, insight-led and effective products to support our customers in the growing sexual health market.

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 in all of the key global consumer healthcare markets.

Futura's business model is based on a hybrid R&D and commercial strategy, providing flexibility to develop the most appropriate commercial structure by market. Futura has distribution or license partners in place for Eroxon® in a number of major consumer markets and we continue to seek new market opportunities with leading consumer healthcare companies to drive long-term sustainable market growth.

Eroxon®, Futura's clinically proven lead project, has been developed for the treatment of erectile dysfunction ("ED"). Eroxon® is now approved and available to purchase in 27 markets across the world including in much of Europe and the USA. It is the only known regulatory approved topical gel treatment for ED available without the need of a doctor's prescription. Eroxon® is proven to help men get an erection fast and can be used as part of foreplay, helping to restore intimacy and sexual spontaneity addressing significant unmet needs in the ED market.

WSD4000 (project name), Futura's new portfolio for female sexual health, is in the development phase and currently focuses on a range of topical gels specifically designed to treat impaired sexual response or function (sexual dysfunction) in women. WSD4000 will address significant gaps in the market for treating and supporting women's sexual health. According to published data, between 40 to 50% of women experience at least one symptom of sexual dysfunction¹ and globally there is currently no known regulatory approved topical treatment for female sexual dysfunction available over the counter.

Read more about our **Business model** on **page 13**

Read more about **WSD4000** on **page 17**

Read about **our Investment case** on **page 3**

Read more about **Eroxon®** on **page 11**

¹ McCabe MP, Sharlip ID, Lewis R, Atalla E, Balon R et al. Incidence and Prevalence of Sexual Dysfunction in Women and Men: A Consensus Statement from the Fourth International Consultation on Sexual Medicine 2015. J Sex Med. 2016 Feb;13(2):144-52.

INVESTMENT CASE

Utilising our expertise to deliver long-term shareholder value

1

STRATEGIC RESET COMPLETED UNDER NEW LEADERSHIP

Clear on underlying issues, clarified priorities and reset execution focus.

Read more in our **Chief Executive's review** on [page 6](#)

2

INNOVATIVE AND EXPERIENCED RESEARCH AND DEVELOPMENT TEAM

Deep sector knowledge and expertise in the new and under-served OTC sexual dysfunction category.

Read more about **our Directors** on [page 33](#)

3

COMMERCIAL MODEL REFINED

Shift from pure out-licensing to a hybrid R&D/commercial participation model, increasing strategic control and per-unit economics.

Read more about **our Commercial model** on [page 14](#)

4

EROXON® REMAINS A VALUABLE GLOBAL ASSET

Clinically proven OTC treatment for erectile dysfunction; now with new formulation, Eroxon® Intense, showing faster and stronger sensorial response.

Read more about **Eroxon®** on [page 11](#)

5

WSD4000 PROVIDES TRANSFORMATIONAL UPSIDE

Portfolio opportunity in female sexual health, an underserved OTC market.

Read more about **WSD4000** on [page 17](#)

Read more about our **Business model** on [page 13](#)

Read more about our new products in development **Eroxon® Intense** and the **WSD4000 portfolio** on [pages 15 to 18](#)



Strategic Report

STRATEGIC REPORT

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CHAIRMAN'S STATEMENT

A year of challenges, however now positioned to unlock value of the portfolio



“There is no doubt that FY25 was a difficult year for Futura. A year that has challenged us internally to assess our progress, our position in the market and our vision for the future.”

.....
ANDREW UNITT
 Chairman

There is no doubt that FY25 was a difficult year for Futura. A year that has challenged us internally to assess our progress, our position in the market and our vision for the future. This has been a period of disruption for our colleagues across the Group, and I would like to take this opportunity to thank them for their tireless efforts and commitment.

FY25 financial performance was impacted by the slower than anticipated in-market sales of Eroxon®, as previously disclosed. It has since become clear that the low level of consumer repeat purchases of Eroxon® has been due to numerous factors. As a new product in a new category, we were constantly learning with each launch that took place. The Board is now clear on the challenges and issues in relation to the commercialisation of Eroxon®, with plans developed to manage or mitigate these going forwards as well as a realignment of focus.

Notwithstanding the challenges that the product has faced during its initial launch, we continue to believe that there is an unmet need and a market opportunity for Eroxon®. Markets of this nature often take time to develop, and we remain confident there is meaningful global demand for a well-positioned topical product to support male sexual intimacy.

As part of our realignment, Jeff Needham and James Barder stepped down from the Board as Non-Executive Chairman and Chief Executive Officer respectively. I would like to thank both of them for their significant efforts and achievements. Additionally, Harmesh Suniara stepped down from his role as Non-Executive Director.

In August, Alexander (“Alex”) Duggan was appointed as Interim Chief Executive Officer and to the Board of Directors. He was subsequently appointed as Chief Executive Officer in November. Alex brings 30 years of experience in Consumer Healthcare and Prescription (Rx) sectors, having successfully scaled global businesses across Europe, Asia, North America, and Latin America. The impact Alex has made already has been substantial, shifting the focus of the business towards business development and a commercially driven mindset.

To ensure that we are positioned to maximise shareholder value, the Board tasked Alex with a comprehensive review of the business in August 2025. This review encompassed an in-depth evaluation of our current operations, a re-examination of our key priorities, and a careful consideration of the strategic options available to the Group. The process has now been completed, and the findings and outcomes are discussed in detail within the CEO Review section. We now have a clear path on the key deliverables that will in turn provide shareholders with sustainable growth and long-term value creation.

In December 2025, we completed a fundraise raising gross proceeds of £2.75 million, by way of an oversubscribed firm placing, conditional placing and subscription. This enabled us to utilise the strength and experience of our R&D team in order to progress the development of Eroxon® Intense and WSD4000, our two projects in development which we believe represent significant value opportunities. The pace and scope of certain development activities will be dependent on the availability of appropriate funding. This position also provides the Board with the opportunity to consider strategic options and explore ways to maximise shareholder value in 2026. The Board remains grateful for the continued support of our investors.

We remain focused on realising the value of our assets, Eroxon®, Eroxon® Intense and WSD4000, and executing a clear strategy that maximises benefits for shareholders, commercial partners, and employees.

By order of the Board

.....
ANDREW UNITT
 Non-Executive Chairman

Futura Medical plc

2 June 2026

CHIEF EXECUTIVE'S REVIEW

Clear actions undertaken to reset strategy towards sustainable growth



“The conclusion of the strategic review, alongside the promising new product development underway, means Futura is now positioned to unlock the value of its portfolio, with a clearer path to sustainable growth and long-term shareholder value creation.”

ALEX DUGGAN
Chief Executive

2025 was a year defined by both challenge and renewal for Futura Medical. Since my appointment in August 2025, I have worked closely with the Board and the wider team to carefully review the business, its priorities and its strategic options. As a result of this review, we have acted quickly and have actionable priorities that are now being delivered.

We cannot shy away from the fact that the Group's financial performance and the underlying in-market sales of Eroxon® have been disappointing and this performance frames our reflection on FY25.

Notwithstanding this, our two new development projects, Eroxon® Intense and WSD4000 (the female sexual health portfolio) have a clear market opportunity and development plans have progressed throughout the year. In December, we raised £2.75 million (before fees) which provided the Group with additional working capital and funding to continue to progress the development of Eroxon® Intense and WSD4000.

I would like to take this opportunity to thank the full Futura team, whose hard work and commitment is greatly appreciated. Undertaking any business review can be difficult and distracting but our team has shown great resilience. I would also like to thank our shareholders and our valued external partners for their support throughout this review process.

EROXON® SALES IMPACTING FINANCIAL PERFORMANCE

Group performance during the period did not meet initial management expectations set out at the beginning of 2025, due largely to Eroxon® early in-market results showing slower than hoped for consumer uptake and repeat sales.

Revenue for the period was £1.7 million, slightly ahead of the previously announced revised management expectations. Additionally, cash and cash equivalents at year end was £3.4 million following the £2.75 million fundraise in December 2025.

EROXON® IN-MARKET CHALLENGES UNDERSTOOD; DEVELOPMENT PROGRESS ON EROXON® INTENSE AND WSD4000

Eroxon®

At the close of the year, Eroxon® has been launched and is now available in 27 countries, up from 18 at the end of 2024. Of the nine new market launches during the period, six were in the EU, two in Central America and one in the Middle East.

However, Eroxon® experienced lower than expected sales across all currently launched markets, with clear reasons for this performance now understood and being addressed.

In the EU and UK there was a decline in in-market performance driven by comparison with a strong H2 2024 (in particular, investment in France, Spain and Portugal led to high sell-in). The drop in sales was steeper than expected and consumer repeat sales are not yet at the level originally targeted by the EU/UK licensee Cooper Consumer Health.

In the Middle East, sell-in has declined compared with the trend from the 2024 launch period when strong sell-in activity from the local sales force in Saudi Arabia drove strong volumes. Our commercial partner in the region, Labatec, has remained engaged and further expanded distribution of Eroxon® into Kuwait in May 2025.

In the US, following a high impact launch in October 2024 with high levels of investment from Haleon, sales progress has been slower than expected. While distribution levels remain strong, in-market performance has not yet met initial Haleon or Group expectations due to lower repeat sales levels across online and physical stockists compared to Haleon's initial forecasts. Futura and Haleon are in constructive discussions concerning the best strategic model for Eroxon® in the US that works for both parties.

Following launch in August 2024 in Mexico by M8 Pharmaceuticals ("M8") (the Group's commercial partner in the region), H1 2025 saw continued growth in retail distribution and a significant expansion of M8's digital campaign, albeit with consumer sales results below M8's

CHIEF EXECUTIVE'S REVIEW



forecast. A detailed analysis of our LATAM strategy is underway to ensure we achieve the significant opportunity the Eroxon® portfolio represents, especially with regards to a potential launch in Brazil.

Clearly the FY25 results were disappointing. We do however now have a clearer picture of the reasons for the lower than expected level of consumer repeat purchases. These include (i) a potential over-expectation from customers of Eroxon®'s benefits due to the erroneous direct comparison of Eroxon® performance to that of a PDE5 Inhibitor; (ii) an imperfect consumer understanding of how/when to use the product correctly; (iii) the fact that efficacy is binary i.e. for many men the product either works or it doesn't; (iv) the fact that no prescription or health care professional ("HCP") is required and therefore the product is widely available without HCP interaction or advice, which could result in use by the wrong target consumer or unrealistic expectations; and (v) sub-optimal targeting of consumers including those unlikely to respond to the Eroxon® product, especially older men with severe ED.

Alongside our commercial partners we believe a number of steps can be taken to address these issues:

1. Targeting: to help the product reach men who will benefit most from Eroxon®, especially those aged under 60 with mild to moderate ED
2. Education: to help men achieve best results from using Eroxon®, especially as part of foreplay with a partner
3. Expectation management: to help men anticipate the Eroxon® experience, which is different from taking oral PDE5 inhibitors.

Eroxon® Intense

Eroxon® Intense is a new formulation of Eroxon® which is designed to have a faster and stronger sensorial action. Marketing feedback with Eroxon® has shown that whilst many men are satisfied with the current sensorial effect of the product, a faster and stronger sensation emphasising a stronger onset of action would be beneficial.

Initial studies on Eroxon® Intense undertaken by Futura in 2024 and 2025 reported 67% of men experience greater sensorial sensitivity compared to Eroxon® and significantly stronger sensations within 15 seconds of application. A further comparative Home User Test in 223 subjects completed in March 2026 has confirmed that the Eroxon® Intense formulation has a faster onset of sensorial effects than Eroxon®, with the majority of men describing these effects as moderate or strong.

WSD4000

WSD4000 is the project name for our development female sexual health portfolio, starting with the creation of a range of topical gels under our unique platform technology designed to treat impaired sexual response or function (sexual dysfunction) in women. Currently, no known regulatory approved topical treatments for sexual dysfunction in women are available over the counter in any major market. WSD4000 has the potential to create effective, breakthrough treatments for the common symptoms associated with sexual dysfunction, such as impaired arousal, lubrication and desire in various groups such as pre- and post-menopausal women.

In 2024, the Group commissioned IPSOS to undertake market research in the US in 1,000 women and this showed that around 60% have suffered from at least one symptom of sexual dysfunction in the last twelve months. In addition, only one in four women seeks professional help and only 13% of women with symptoms experience an improvement over time while 37% experience a worsening of symptoms over time¹.

In January 2025, we completed a successful proof of concept study in 67 women followed by positive pre-submission meetings with the FDA.

FUNDRAISE

In December 2025, we were thankful for the support shown by investors as we raised £2.75 million (before fees). The additional capital from the fundraising enabled us to conclude the outcome of the strategic review and provided working capital to utilise the strength

CHIEF EXECUTIVE'S REVIEW

and experience of our R&D team as we progress the development of both Eroxon® Intense and the WSD4000 portfolio. I remain of the belief that these two products have strong commercial potential.

POST-YEAR PROGRESS IN LINE WITH OBJECTIVES SET

At the time of the December 2025 fundraise, we set out clear objectives that we were hoping to achieve in 2026, and I'm pleased to say that we have already delivered on a number of these.

The objectives were:

1. In relation to Eroxon®:

Objective	Status
China patent to be granted	Completed
US continuation patent to be granted	Completed
US patent milestone payment to be received from Haleon	Expected in 2026
Appointment of APAC partner	Expected Q3 2026

In relation to Eroxon®, we have now been granted patents in both the USA and China until 2040.

The new US continuation patent granted on 17 March 2026 contains claims whereby we are confident that this has triggered a US patent milestone receipt of US\$2.5 million under the terms of the Group's existing license agreement with Haleon. We are engaged with Haleon regarding the interpretation and timing of this milestone under the terms of the agreement. This grant was a key Group objective and given that the United States is the largest global market for erectile dysfunction, it will provide an enhanced competitive position for both

current and potential new formulations of Eroxon®. Additionally, the receipt of the milestone payment will extend the cash runway to December 2026, in line with previous expectations, supporting current development opportunities.

The grant of the patent in China in January 2026 marks an important milestone for Futura in one of the largest erectile dysfunction markets globally. We now have an enhanced competitive position which supports our commercial strategy as we actively seek a long-term partner in this market. To support our intellectual property position further, we have filed an additional divisional patent in China and a further continuation patent in the US to provide broader claims coverage.

2. In relation to Eroxon® Intense:

Objective	Status
HUT results received, supporting commercial decision to launch	Completed - results confirm enhanced sensorial performance of new product
FDA and EU market launch clearance	EU market launch clearance expected June 2026. US FDA clearance expected in Q3 2026

In March 2026 we were pleased to report the results of the Home User Test ("HUT") conducted on the current Eroxon® product and new product Eroxon® Intense, amongst 223 men under 60 years of age with mostly mild to moderate ED. The results of the HUT were positive with both Eroxon® and Eroxon® Intense shown to have high efficacy rates with an overall improvement over the original Phase 3 study for Eroxon® (which had included men up to 70 years of age and a number of severe ED sufferers). Subjects in this HUT stated that they were satisfied with the hardness of their erection in 70% and 71% of their sexual encounters using Eroxon® or Eroxon® Intense, respectively, and also recorded that their erections lasted long enough to

have sexual intercourse in 84% and 85% of encounters, respectively, with efficacy increasing when the product is applied by the partner. The study confirmed the sensorial enhancement of Eroxon® Intense over Eroxon® with statistically significant greater intensity during the first two minutes after application. Both formulations received favourable 4-star or 5-star ratings in 49% and 53% of subjects for Eroxon® and the Eroxon® Intense formulation respectively. Over 50% of study participants said they would be somewhat or very likely to purchase either product.

The results give us confidence in our revised strategy to target men under 60 years of age with mild to moderate ED and our repositioning work for the portfolio. We are progressing Eroxon® Intense through regulatory authorisation and building an optimal brand position with first market launches expected in early 2027.

3. In relation to WSD4000:

Objective	Status
Early Feasibility Study ("EFS") results	Completed - results give us confidence in the efficacy of the product and support progressing to Phase 3 clinical trial design
HUT results with the potential to support a Phase 3 trial and potential launch decision	Expected June 2026
Phase 3 first patient visit	Expected Q4 2026 - subject to positive HUT results and securing necessary funding
USA, APAC, EMEA and LATAM commercial partners: expressions of interest	Expected Q4 2026 - multiple discussions already underway

CHIEF EXECUTIVE'S REVIEW

In January 2026 we were delighted to report positive results of the WSD4000 EFS which comprised 12 women suffering from some degree of sexual dysfunction. The results show clear and positive trends, demonstrating that the product can deliver a significant improvement. We believe we can successfully build on these results and provide a range of treatments for a condition that affects a significant number of women worldwide.

The next steps for WSD4000 include receiving the results of the placebo and home user tests by the end of Q2 2026, as a precursor to launching a Phase 3 clinical study subject to additional funding, as well as preparation of product positioning, packaging and the launch strategy.

CONCLUSION OF STRATEGIC REVIEW

Following my appointment as CEO, I have undertaken for the Board and now completed a comprehensive strategic review to assess the Group's positioning, operating model and future value creation opportunities. This review marks a pivotal reset and aims to maximise long-term shareholder value through sharper strategic focus, improved commercial execution and disciplined capital allocation.

I split the review into four distinct stages, with three completed so far:

- i. Assess – August 2025.** Rapid assessment of the business to understand potential value drivers and inhibitors. Understanding views of end consumers, our commercial partner relationships, our supply partner relationships, our shareholders and our internal resource capability. Full assessment of short and mid-term P&L and cashflow position.
- ii. Secure & stabilise – September-December 2025.** Following a rapid review into the cashflow position and requirement of the business, raising £2.75 million (before fees) and developing a cost cutting plan to extend the cash runway until the end of 2026 (which includes the receipt of the \$2.5 million US patent milestone payment from Haleon).

iii. Adapt – January-March 2026. Applying cost cutting measures, updating Group positioning and strategy, setting new business priorities, adapting commercial partnership model, updating brand positioning & targeting, optimising our supply base, focusing & accelerating R&D projects, adjusting internal resource to be fit for the Group's next stage of development.

iv. Grow – April 2026 onwards. Now that the Group has a clearer strategy in place and clarity over its NPD pipeline, the focus of the team is sustainable growth of the underlying business by increasing commercial opportunity through enhanced in-market performance of Eroxon® and a high pace approach to insight-led NPD projects such as the WSD4000 portfolio. Outcomes from commercial growth prospects will be supported by a focus on supply efficiency to ensure both quality of service to our customer base and margin enhancement.

Refreshed Vision and Strategy

As a result of the review, we now have a refined vision: to be recognised as a global leader in the development of clinically proven, innovative, consumer-focused sexual health products. Futura will leverage its established expertise in formulation science, regulatory approval and clinical development to address significant unmet needs in growing global sexual health markets.

Futura's strategy will be centred on:

- Developing an insight-led, clinically proven portfolio of consumer-focused sexual health products
- Partnering with leading consumer healthcare companies to support sustainable global market growth
- Delivering optimum long-term returns for shareholders while operating with integrity and high governance standards.

Evolution of Commercial Model

The strategic review has concluded that Futura will move from a 'launch and step back' model focused on R&D and full out-licensing, to an 'actively manage and optimise'

model focused on a hybrid R&D and commercial approach which will provide greater flexibility, insight development and sharing and improved economic participation across markets.

Under this approach:

- Commercial structures with partners may vary and will be selected on a market-by-market basis
- The Group will have increased strategic input and the ability to share best commercial practice with all partners
- Knowledge and learnings can be shared more effectively across territories
- The Group can benefit more directly from commercial success, with potentially higher net margins per selling unit
- The Group will aim to reduce cost of goods through a shared global supply resource, benefiting both the Group and its partners.

To support this improvement to our commercial model, we have:

- Strengthened our marketing capability, with a clear focus on driving in-market performance
- Initiated a comprehensive review of global brand identity and positioning, to ensure clarity and consistency across markets
- Undertaken targeted consumer research to inform portfolio development, pricing strategy and consumer communication.

Product Development

Eroxon®

Despite in-market challenges encountered during the initial launch phase, we remain confident in the long-term value of Eroxon® as a clinically proven topical treatment for erectile dysfunction which fills an unmet need in the market.

CHIEF EXECUTIVE'S REVIEW

Management priorities are:

- Securing appropriately aligned commercial partners in key global markets
- Introducing Eroxon® Intense, coupled with updated consumer messaging to achieve a more targeted approach to customers
- Improving margins through cost of goods optimisation
- Enhancing global branding and collaboration with commercial partners.

WSD4000 – Priority Development Programme

The Board sees WSD4000 as a priority development asset and a potential transformational opportunity. The platform technology underpinning the range of products being currently developed under the WSD4000 project name has the potential to address multiple aspects of female sexual health with a unique range of clinically proven products available over-the-counter.

Key next steps include:

- A structured development programme including home-use testing ("HUT") (currently underway with results expected in June) and following the HUT results, progressing a full phase 3 clinical study (subject to new funding)
- Building the plans for a targeted market launch in Q1 2028 under the new commercial model, gaining early expressions of interest from potential commercial partners following the EFS, HUT study results and other consumer research currently underway.

The potential for Eroxon® and WSD4000 is significant, offering products with strong clinical evidence to support claims and endorsed by regulatory authorities and Key Opinion Leaders. With focused product positioning we plan to offer clear differentiation from other unregulated products which have weaker, narrower claims and inadequate claim support.

CLOSING REMARKS AND OUTLOOK

As highlighted above, my thorough review of the business was split into four stages. With the first three complete, as we look ahead we are focused on growing the underlying business and increasing commercial opportunity through enhanced in-market performance of Eroxon® and a high pace approach to insight-led NPD projects such as the WSD4000 portfolio. Outcomes from growth prospects will be supported by a focus on supply efficiency to ensure both quality of service to our customer base and margin enhancement.

At all times and as a fundamental aspect of any significant Group decision, my question remains 'what will provide the best outcome and return for our shareholders?'. Whilst 2025 presented a number of challenges for the Group which understandably tested the patience of long-standing supportive shareholders, it is clear that Futura still has strong assets in Eroxon®, Eroxon® Intense and the WSD4000 female sexual health portfolio and that these assets are supported by a well-regarded, experienced R&D team.

I believe that the conclusion of the strategic review, alongside the promising new product development underway, means Futura is now positioned to unlock the value of its portfolio, with a clearer path to sustainable growth and long-term shareholder value creation. The Board remains focused on ensuring the Group is appropriately funded to deliver against its strategic priorities and continues to make progress in advancing initiatives to support this.

By order of the Board

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ALEX DUGGAN
 Chief Executive Officer

Futura Medical plc

2 June 2026

¹ Ipsos research carried out on behalf of Futura Medical in the USA amongst 1,003 women, 2024.



EROXON® STATUS AT A GLANCE

Eroxon® is available to men with erectile dysfunction in 27 markets around the world

Futura's lead commercial project is Eroxon®, a unique treatment for ED available over the counter and without prescription and which is clinically proven to help men achieve an erection fast. Eroxon® is a clear gel, available in an easy to use single dose tube.

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® for their partner; indeed this partner involvement is recommended for best results.

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 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 in 2023/2024. 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.

In addition to these pivotal Phase 3 clinical trials, additional testing has been conducted in 2026 as part of an assessment of a new formulation Eroxon® Intense versus the currently marketed Eroxon® product. This study, in 223 subjects under 60 years of age with predominately mild to moderate ED, has also shown strong efficacy and a high degree of user satisfaction from both the current product and the new development product.

WHERE IS EROXON® AVAILABLE?

Eroxon®, which is available without the need for a prescription, has launched in 27 markets worldwide including in the USA, Mexico, UK, much of Europe and the Middle East (see map on next page). We have several commercial partners around the world, including Cooper Consumer Health in Europe and Haleon in the USA. These partners are responsible for marketing and distributing Eroxon®. We are currently actively exploring opportunities to optimise performance in our existing markets and expand into the Asia-Pacific region where considerable interest has been expressed by potential commercial partners.

More information on the current commercial status of Eroxon® and the refreshed Business model can be found in the Chief Executive's Review on [pages 6 to 10](#).



Pack from our licensing and distribution partner in the USA

EROXON® STATUS AT A GLANCE

This map shows the countries in which Eroxon® has been launched by our commercial partners up to the end of December 2025.

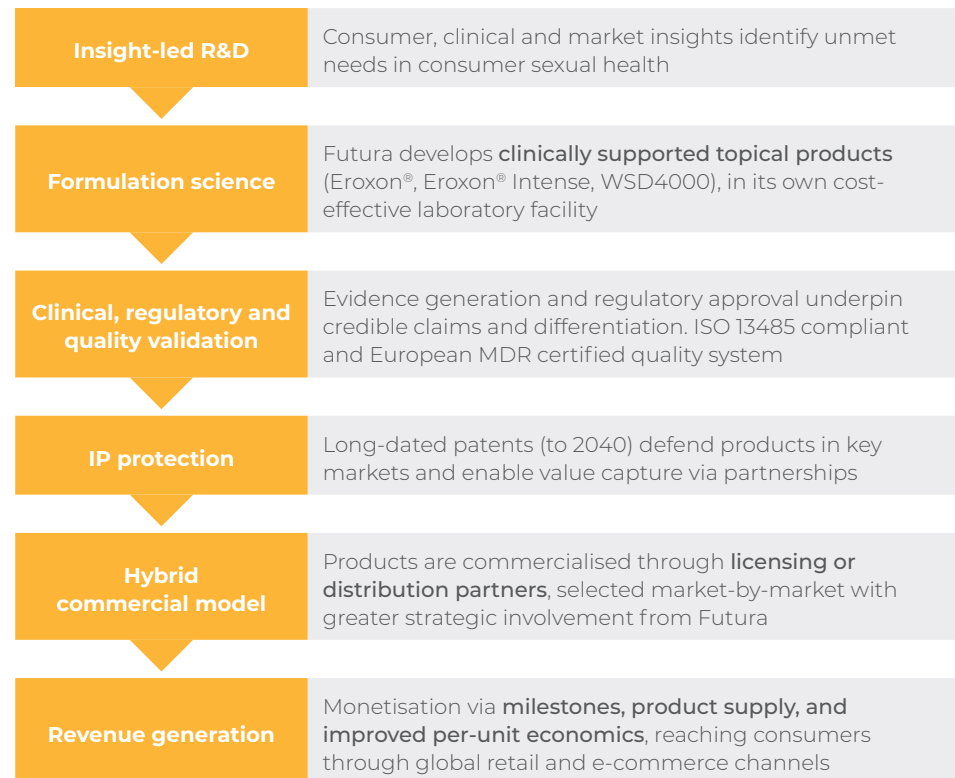
PRODUCT LAUNCHES 



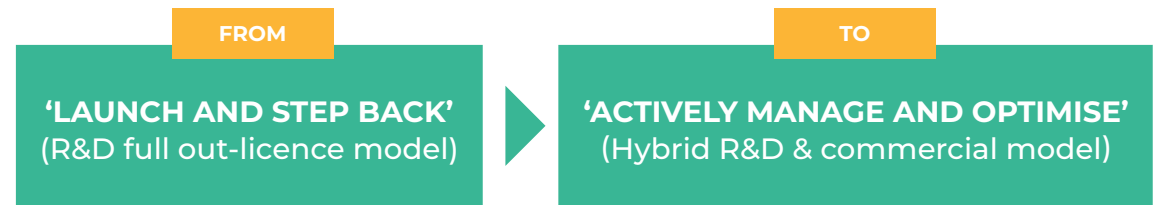
OUR BUSINESS MODEL

Clear model to deliver for all stakeholders

Futura's business model is based on the following principles



The strategic review concluded that Futura needed to move from a 'launch and step back' model focused on R&D and full out-licensing, to an 'actively manage and optimise' model focused on a hybrid R&D and commercial approach which will provide greater flexibility, insight development and sharing and improved economic participation across markets.



Commercial structures with partners may vary and will be selected on a market-by-market basis



The Group will have increased strategic input and the ability to share best commercial practice with all partners



Knowledge and learnings can be shared more effectively across territories



The Group can benefit more directly from commercial success, with potentially higher net margins per selling unit



The Group will aim to reduce cost of goods through a shared global supply resource, benefiting both the Group and its partners

NEW PRODUCT DEVELOPMENT PIPELINE – EROXON® INTENSE

A new product to build the Eroxon® portfolio

WHAT IS EROXON® INTENSE?

Eroxon® Intense is the internal project name for a new Eroxon® formulation which is designed to have a faster and stronger sensorial action.

Marketing feedback with Eroxon® has shown that whilst many men are satisfied with the current sensorial effect of the product, a stronger sensation emphasizing a stronger onset of action would be beneficial. Initial studies undertaken by Futura in 2024 and 2025 reported 67% of men experiencing greater sensorial sensitivity compared to Eroxon® and significantly stronger sensations within 15 seconds of application. A recently conducted Home User Test (“HUT”) in 223 subjects confirmed the efficacy of both Eroxon® and Eroxon® Intense as well as the stronger sensorial effect of the Intense formulation especially in the first two minutes after application.

CONTINUING UNMET NEEDS FOR MEN WITH ERECTILE DYSFUNCTION (“ED”)

ED impacts around 20% of men globally¹ across all adult age brackets with approximately 50% of all men over 40² experiencing ED and around 25% of all new diagnoses being in men under 40³. Prior to Eroxon®, existing treatments for ED were available only on prescription in most countries around the world, creating barriers to access⁴. Embarrassment, denial, reticence, cost of a consultation and lack of awareness may prevent someone seeking the help of a doctor and prescription status prevents supportive partners from purchasing the treatment. Oral medications often require advance planning and can detract from spontaneity, placing pressure on intimate moments. Oral treatments can also have systemic side effects and cannot be taken in combination with several medications. Eroxon® and its new formulation Eroxon® Intense offers a different approach. As fast-acting, topical treatments available over the counter, they can be used in the moment and integrated into intimacy, including as part of foreplay. This enables a more natural, less medical experience that supports both partners. Positioned as a first-step, particularly for men with mild to moderate or occasional ED, Eroxon® occupies a distinct space in the category - bridging efficacy, spontaneity, and a more experience-led approach to sexual health.

20%

ED impacts around 20% of men globally across all age brackets¹

50%

Approximately half of all men over 40 experience ED²

25%

Around 25% of new diagnoses are in men under 40³

For more information on Eroxon® read our **Chief Executive's Review** on pages 6 to 10 and **Eroxon® status at a glance** on pages 11 to 12

NEW PRODUCT DEVELOPMENT PIPELINE – EROXON® INTENSE

STUDIES UNDERTAKEN SHOW GREATER SENSORIAL ACTION

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 the pivotal claim support study.

Pivotal claim support study

This was a 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 formulation with the original Eroxon® formulation. The results strongly support the previous study findings. The results showed statistically significantly stronger sensation for the Eroxon® Intense formulation, 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.

HUT STUDY RESULTS

The study, completed in March 2026, compared the new Intense formulation with current Eroxon® over 4 weeks in 223 subjects (112 tested Eroxon® and 111 tested Eroxon® Intense). Subjects were male, 18-59 years of age and 94% assessed as suffering from mild to moderate erectile dysfunction. In this selected demographic, both Eroxon® and Eroxon® Intense were shown to have high efficacy rates. Subjects stated that they were satisfied with the hardness of their erection and in 70% and 71% of their sexual encounters using Eroxon® and Eroxon® Intense, respectively. Subjects also recorded that their erections lasted long enough to have sexual intercourse in 84% and 85% of encounters, respectively.

Using the clinically validated and most widely used measure of erection functionality (the IIEF-EF scale⁵), subjects in both groups showed a highly significant and clinically important improvement in their erectile function. The improvement versus baseline (pre-treatment) was at least as good as reported in the Phase 3 clinical study FM71, which was used to obtain regulatory approval in the US. The study also showed that when either Eroxon® or Eroxon® Intense was applied onto the study participant by their partner it increased effectiveness and showed significantly higher erection maintenance. The study confirmed the sensorial enhancement of Eroxon® Intense over Eroxon® with statistically significant greater intensity during the first two minutes after application. Both products were well tolerated in men and their female partners.

Both formulations received favourable 4-star or 5-star ratings in 49% and 53% of subjects for Eroxon® and the Eroxon® Intense formulation respectively. Over 50% of study participants said they would be somewhat or very likely to purchase either product.

In summary, the HUT study confirmed that a more targeted approach of marketing to consumers under 60 years of age with mild to moderate ED will likely lead to higher efficacy and satisfaction rates and thus higher in-market repeat purchase rates. Encouraging users to use the product with their partners as part of foreplay will likely also improve the overall product experience. The Eroxon® Intense formulation will appeal to those consumers seeking a more rapid or stronger sensorial effect, especially in younger age groups.

84% and 85%

Men said their erections lasted long enough to have sexual intercourse in 84% and 85% of encounters with Eroxon® and Eroxon® Intense (HUT study results, 2026)

REGULATORY CLEARANCE IN THE US AND EU EXPECTED BY Q3 2026

Futura will be utilising the prior regulatory approvals already in place in the EU and USA. Data necessary to support regulatory filings for Eroxon® Intense in Europe and the USA has been generated and a "Special" 510K submission has been filed with the US FDA. In the EU Eroxon® Intense is within scope of the existing device registration for Eroxon® and only requires Futura to update the technical documentation we maintain for the EU and UK registrations. Market launch clearance is expected in June 2026 in the EU/UK and regulatory clearance in the US is expected in Q3 2026. Eroxon® Intense will be covered under Futura's existing intellectual property.

FOCUS FOR 2026

Eroxon® Intense offers the opportunity for commercial partners to expand the reach and appeal of the Eroxon® portfolio to offer additional benefits to consumers. We are working with our manufacturing partners to establish the supply chain for Eroxon® Intense and expect Eroxon® Intense to be available in its first markets from early 2027. As part of the forthcoming launch of Eroxon® Intense, the Group is undertaking a review of the brand architecture, optimal positioning and claims for both products and other elements of the brand and product range to ensure it is aligned with consumer needs and expectations.

¹ EMA, Withdrawal assessment report for Viagra, 2008

² Feldman HA et al. J Urol 1994; 151: 54 – 61

³ Pozzi, J of Sexual Medicine, Volume 20, 2022

⁴ 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 the involvement of the pharmacist.

⁵ IIEF is the International index of erectile function – erectile function - Rosen, Riley, Wagner, Osterloh, Kirkpatrick and Mishra. Urology. Volume 49, Issue 6, June 1997, pages 822-830

NEW PRODUCT DEVELOPMENT PIPELINE – WSD4000

An exciting commercial opportunity for a range of breakthrough treatments for women

WHAT IS WSD4000?

WSD4000 is a project name for our development female sexual health portfolio, starting with the creation of a range of topical gels under our unique platform technology, specifically designed to treat impaired sexual response or function (sexual dysfunction) in women, providing improvements in sexual desire, arousal, lubrication, pain during intercourse, orgasm and overall sexual satisfaction.



2 in 3

women are dissatisfied with their current treatment²

34 million

women in the USA alone are motivated to treat their sexual dysfunction symptoms³

The range of gels, supported by a single phase 3 clinical programme, will comprise different consumer segments such as pre- and post-menopausal women.

Demand and interest has been high from women. Currently, no known regulatory approved topical treatments for sexual dysfunction in women are available over the counter, globally. We therefore see this as an exciting market opportunity and a potentially transformational project which is why this is now our priority development programme.

The range of topical gels currently being developed under the WSD4000 platform are 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.

UNMET NEEDS SHOW SIGNIFICANT GAPS IN WOMEN'S SEXUAL HEALTH

According to published data, between 40% and 50% of women experience at least one symptom of sexual dysfunction¹. The Group commissioned IPSOS to undertake market research in the USA in 1,000 women, and this showed that around 60% have suffered from at least one symptom of sexual dysfunction in the last twelve months. In addition, only one in four women seek professional help and despite their efforts, many women continue to struggle with symptoms of sexual dysfunction with few women (13%) experiencing an improvement in symptoms over time

and for 37% symptoms get worse over time². 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 women³ in the USA alone motivated to treat their symptoms of sexual dysfunction and 2 in 3 women dissatisfied with their treatment. There is a lack of effective and easily available treatments on the market. Insights from market research, the scientific literature and interviews with Key Opinion Leaders show that female sexual health is an underserved market and under discussed problem where many women are needlessly suffering in silence with unsatisfactory options available to them.

CLINICAL DEVELOPMENT UPDATE

As part of the regulatory process, Futura met with the Food and Drug Administration ("FDA") who indicated that an early feasibility study was a pre-requisite as this would be the first in class (De Novo) medical device with OTC classification for this indication. A small study was set up with 11 subjects completing the study (five pre-menopausal and six post-menopausal women) who had some degree of sexual dysfunction.

¹ McCabe MP, Sharlip ID, Lewis R, Atalla E, Balon R et al. Incidence and Prevalence of Sexual Dysfunction in Women and Men: A Consensus Statement from the Fourth International Consultation on Sexual Medicine 2015. *J Sex Med.* 2016 Feb;¹³(2):144-52

² Ipsos research carried out on behalf of Futura Medical in the USA amongst 1,003 women, 2024

³ Ipsos research (source 2) 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 therefore an estimated 69 million are sexually active and experience symptoms.

NEW PRODUCT DEVELOPMENT PIPELINE – WSD4000

ENCOURAGING EARLY FEASIBILITY STUDY RESULTS (“EFS”)

The results were highly encouraging. Using the internationally recognised Total Female Sexual Function Index (“FSFI”) scale, a highly statistically significant improvement over baseline was achieved in overall sexual function. The product was fast acting and effective in both pre and post menopausal women. On average, an improvement in overall sexual function of 6.35 units over baseline (pre-treatment) in the FSFI scale was achieved which exceeded the minimal clinically important difference of 4 units defined by expert scientific consensus. Statistically significant improvements were achieved in five of the six FSFI domains: sexual arousal, lubrication, pain improvement, ability to orgasm and sexual satisfaction.

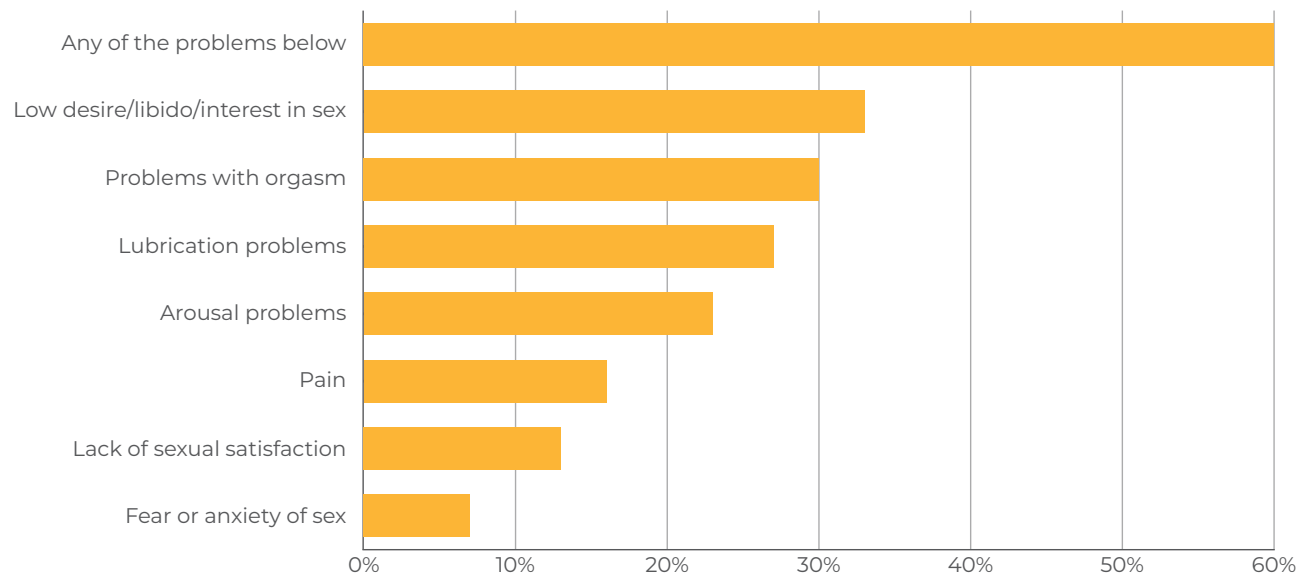
Using the Female Sexual Encounter Profile (“FSEP”) metrics, meaningful improvements were achieved in all measures and included:

- **84%** of uses reported satisfaction with arousal
- **71%** of uses reported enough lubrication for comfortable intercourse
- **70%** of uses resulted in orgasm

Every use of the gel (56 in total) resulted in a genital sensation which occurred on average in less than five minutes in 9 out of 10 uses.

The product was well tolerated. 58% of subjects experienced a mild to moderate but transient “burning” sensation which in general led to higher efficacy levels indicating that subjects regarded this as a sensory signal that “the product was working”. No subjects discontinued use of the product.

INCIDENCE OF SYMPTOMS OF SEXUAL DYSFUNCTION IN WOMEN*



*This list consists of symptoms of sexual dysfunction in women that the current products in development under the WSD4000 range are expected to treat and that women had experienced over the previous twelve months, IPSOS research carried out on behalf of Futura Medical in the USA amongst 1,003 women, 2024.

DEVELOPMENT FOCUS FOR 2026

Whilst the size of the EFS study was relatively modest, the results were highly encouraging and gave the Group confidence to proceed to the next steps of designing a single Phase 3 clinical study which will be further informed by both a small in-clinic sham (placebo) controlled sensory study and a 200 subject home user study with both sets of results expected in June 2026.

The strategy underpinning the current development of topical gels under the WSD4000 portfolio is based on one clinical trial to develop and launch multiple variants that meet the needs of women across multiple consumer segments, thereby maximising consumer appeal and relevance and commercial opportunity for distributors whilst keeping development costs, regulatory risk and time to market to a minimum.

The home user study, currently underway, recruited 200 women with some degree of sexual dysfunction to trial one of the products in the WSD4000 range at home with their partner over a four week period. This will enable Futura to understand the consumer’s real life experience of the product so that we can adapt the clinical development and positioning of the product based on consumer insights, highlighting our commitment to putting the consumer at the centre of product development.

The home user study will provide the insights needed for the development of the proposition for the WSD4000 portfolio and as part of the drive to ensure it meets women’s and commercial partners’ needs and expectations, the Group has recruited specialist marketing support to develop a global branding and portfolio architecture, understand the price acceptance and elasticity and validate a realistic global market opportunity.

FINANCE REVIEW

2025 - Commercial reassessment and financial realignment

**ANGELA HILDRETH**

Finance Director and Chief Operating Officer



“2025 was a year of commercial reassessment and financial realignment for the Group.”

FINANCIAL HIGHLIGHTS

- ▶ Group revenue £1.7 million (FY24: £13.9 million)
- ▶ Operating loss £9.1 million (FY24: operating profit £1.2 million)
- ▶ Adjusted operating loss¹ before share-based payments £8.6 million (FY24: profit £3.3 million)
- ▶ Underlying operating loss² (before share-based payments and exceptional items) £4.5 million (FY24: profit £3.3 million)
- ▶ Cash and cash equivalents as at 31 December 2025 £3.4 million (FY24: £6.6 million) following the fundraising completed in December 2025 raising £2.75 million (before fees)

As stated in the Chairman’s Statement and Chief Executive’s Review, 2025 was a year of commercial reassessment and financial realignment for the Group. Revenue performance was below initial management expectations and reflected the transition from launch-phase stocking to demand-led replenishment.

In response, we have implemented measures to align the cost base alongside revised revenue assumptions, enhanced commercial oversight and reassessed the recoverability of certain assets. These actions included operational asset impairments that were recognised in the first half of 2025.

While commercial performance during the year was below initial management expectations, the Group has updated its internal forecasts and underlying commercial assumptions, including expected sales volumes and timing of cash flows. This has resulted in a reassessment of asset carrying values, ensuring they are aligned with current expectations as the Group focuses on stabilisation and long-term value creation.

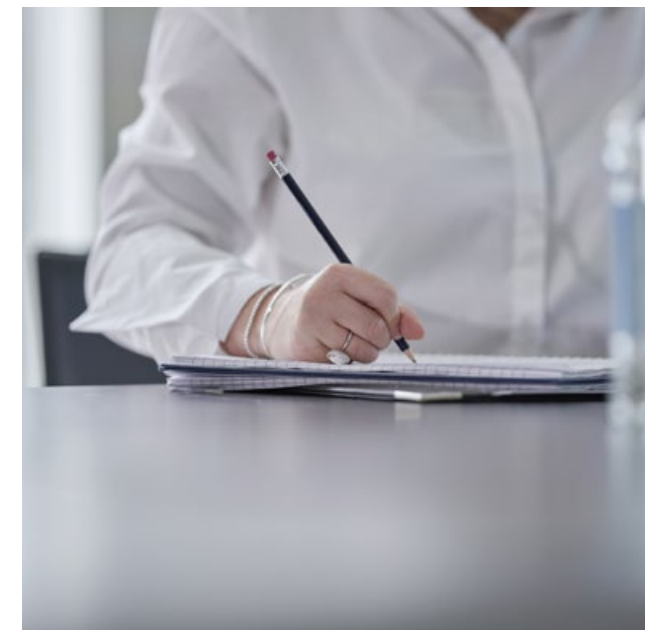
In December 2025, the Group completed an equity raise to strengthen the balance sheet and provide additional working capital flexibility.

REVENUE

Group revenue for the year was £1.7 million (FY24: £13.9 million). The prior year benefited from non-recurring regulatory milestone payments and initial channel stocking following launch in key territories. No comparable milestone income was recognised in 2025. During the year, commercial partners continued to work through launch inventory and consumer adoption progressed more gradually than originally anticipated, resulting in lower replenishment orders.

GROSS PROFIT

Gross profit for the year was £1.2 million (FY24: £9.7 million) representing a gross margin of approximately 73%. The £0.5 million inventory provision recognised during the year was classified as an exceptional item and excluded from underlying performance measures. Accordingly, reported gross profit reflects underlying trading performance.



FINANCE REVIEW

ANALYSIS OF REPORTED TO ADJUSTED OPERATING PERFORMANCE

	FY 25 £ million	FY 24 £ million
Reported operating (loss)/profit	(9.1)	1.2
Add back: Share-based payments ("SBP")	0.5	2.0
Adjusted operating (loss)/profit (before SBP) ¹	(8.6)	3.3
Add back: Exceptional items	4.1	–
Underlying operating (loss)/profit ²	(4.5)	3.3

Alternative performance measures ("APMs") are used by the Group to provide additional insight into the underlying financial performance of the business. These measures are not defined under IFRS and may not be comparable with similarly titled measures used by other companies. They are not intended to be a substitute for, or superior to, statutory measures.

¹ Adjusted operating (loss)/profit represents reported operating (loss)/profit excluding non-cash share-based payment charges.

² Underlying operating (loss)/profit represents adjusted operating (loss)/profit further excluding items classified as exceptional, being those items which the Board considers not to be representative of the Group's underlying trading performance. In 2025, such items comprised impairment of property, plant and equipment, inventory provisions and other one-off costs.

A reconciliation to reported operating (loss)/profit is presented in the table above.

Exceptional items recognised in 2025 totalled £4.05 million and comprised a £3.22 million impairment of plant and equipment, with £0.34 million relating to the recognition of a final contractual payment liability in respect of an asset acquisition (which was subsequently impaired) and a £0.49 million inventory provision. These items were disclosed in the Interim Results announced in September 2025.

RESEARCH AND DEVELOPMENT

Expanding the Group's product portfolio and extending product ranges, while maintaining disciplined capital allocation, remains a core pillar of the Group's growth strategy. Research and Development ("R&D") costs for the year ended 31 December 2025 were £1.87 million (FY24: £1.74 million).

R&D activity during the year was focused on supporting lifecycle management initiatives for Eroxon® (including further product optimisation and range extension opportunities with Eroxon® Intense) and progression of WSD4000, our in-development portfolio for female sexual health which currently focuses on a range of topical gels specifically designed to treat impaired sexual response or function (sexual dysfunction) in women.

In light of revised commercial assumptions and the Group's focus on cash management, R&D expenditure during 2025 was carefully prioritised to ensure capital-efficient deployment of resources. The Board continues to evaluate the optimal pathway for WSD4000, including potential strategic partnerships to share development risk and funding requirements.

ADMINISTRATIVE EXPENSES

Administrative expenses for the year ended 31 December 2025 were £4.68 million (FY24: £6.83 million). Included within administrative expenses is a non-cash share-based payment charge of £0.53 million (FY24: £2.0 million), predominantly relating to LTIP awards granted in 2023 which vest annually through to 2027. Excluding share-based payment charges, underlying administrative expenses reduced year-on-year, reflecting cost reduction measures implemented during the second half of the year.

EARNINGS PER SHARE

In 2025 the basic loss per share was 2.78 pence compared to basic profit per share in 2024 of 0.43 pence. Details of the loss/profit per share calculations are provided in Note 10 of the consolidated financial statements.

BALANCE SHEET

The Group's financial position at 31 December 2025 reflects the operational reset undertaken during the year and continued focus on cash management and working capital discipline. Cash and cash equivalents as at 31 December 2025 was £3.4 million (FY24: £6.6 million). The reduction year-on-year reflects operating cash outflows during a year with lower revenue, partially offset by the equity raise completed in December 2025. The Board continues to actively manage cash deployment and cost control.

Trade and other payables reduced significantly to £1.66 million at 31 December 2025 (FY24: £3.56 million). The decrease reflects settlement of prior period obligations and improved working capital management.

Trade and other receivables decreased to £0.8 million at 31 December 2025 (FY24: £2.45 million). The movement primarily reflects lower year-end invoicing levels compared to 2024 and timing of royalty receipts and product shipments.

Overall, the balance sheet at year-end reflects a streamlined operating structure following asset impairments, working capital normalisation and tighter cost discipline implemented during the year.

CASH RUNWAY

At the time of the December 2025 fundraise, the Group stated that together with receipt of the US\$2.5 million patent milestone payment, its cash resources were expected to provide runway through to December 2026.

FINANCE REVIEW

The Directors continue to believe that the conditions associated with the US patent milestone have been satisfied and are engaged in active discussions with Haleon regarding its receipt in line with the terms of the agreement. Based on the Group's current management forecasts and excluding receipt of this US patent milestone, existing cash resources of £2.35 million as at 31 March 2026 are expected to provide runway into July 2026.

The Board is actively considering a number of dilutive and non-dilutive funding and strategic initiatives (including but not limited to additional or alternative partnering/licensing and distribution arrangements for Eroxon® alongside Eroxon® Intense and WSD4000) and is confident that these would provide additional working capital and would be expected to extend the Group's cash runway beyond July 2026 if the milestone payment from Haleon were to be delayed. The Board however cautions that whilst active discussions are ongoing, there can be no certainty of the outcome of these discussions.

The Board is confident in the Group's ability to secure the funding required to support its ongoing operations and development activities. Further announcements will be made as and when appropriate.

GOING CONCERN

The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, they acknowledge that material uncertainties exist 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.

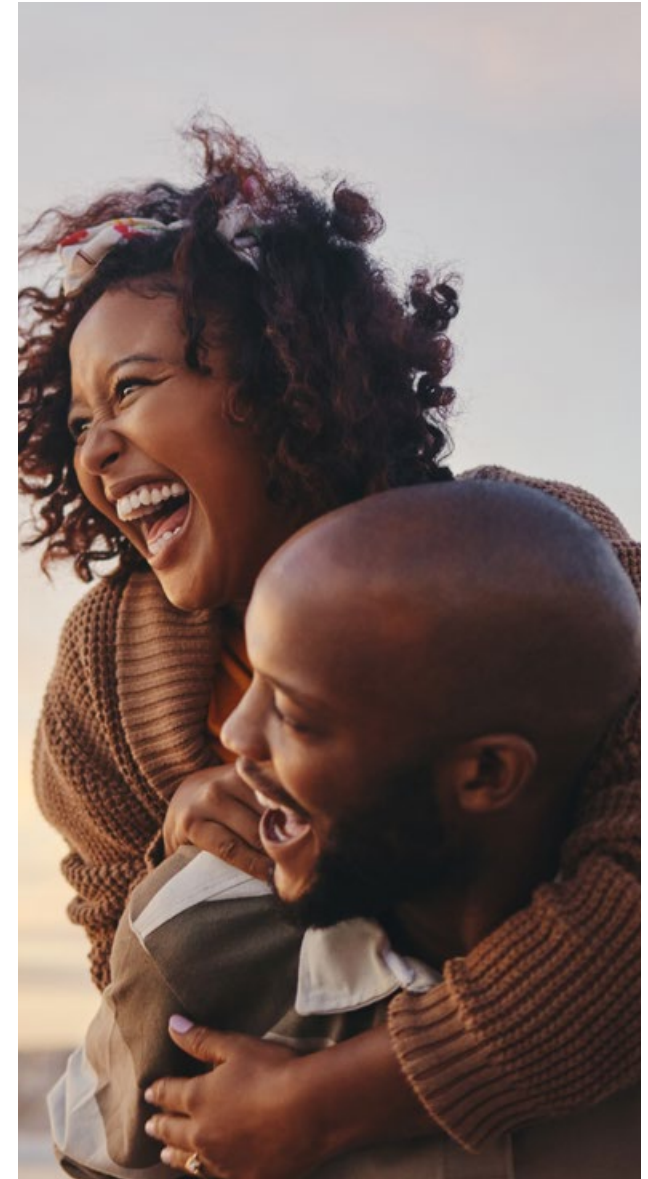
Further information in relation to going concern can be found in Note 2.2 of the consolidated financial statements.

ANGELA HILDRETH

Finance Director and Chief Operating Officer

View our **consolidated financial statements** on **pages 62 to 65**

Read our **Chief Executive's Review** on **page 6**





STAKEHOLDER ENGAGEMENT

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
Shareholders 	<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 2025, the Group met with retail investors via two virtual investor meetings. The Group produces regular webcasts and video interviews which are posted to the Investor section of the website.</p>	<p>The Board considers shareholders to be key stakeholders and remains focused on delivering long-term value for their benefit. During the year, the Company had discussions with certain existing and prospective investors, particularly in connection with the fundraise and strategic review, which provided context for the Board's consideration of the Company's strategy and communications.</p>
Consumers 	<p>The people our products are designed to treat are at the heart of our business; moving forwards we are putting even greater emphasis placing consumers at the heart of product development and commercialisation. We consult with KOLs regularly, hold Advisory Boards at key stages and conduct market research to help us with consumer insights. We are investing in high quality home user research to understand our potential consumers and their experience of our products in development. Our Quality team monitors customer complaints as part of our robust Quality Management System ("QMS").</p>	<p>Insights from these activities support the development and commercialisation of our products, including refining product design, user experience and market positioning. This ensures that consumer considerations are incorporated throughout the development process and into commercial decision-making for our products that are in development and are commercially available across a number of markets.</p>
Healthcare professionals 	<p>We attend leading conferences on sexual medicine and engage via our partners with healthcare professionals in the countries in which Eroxon® has launched. With our in-development portfolio WSD4000 for female sexual health, we are 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>
Commercial partners 	<p>The Board receives regular updates from Management on the performance of key partnerships and maintains oversight of the Group's commercial arrangements. Management engages regularly with commercial partners through ongoing commercial and operational discussions, with the aim of supporting effective product launches and market development. Insights from these interactions help inform the Board's consideration of the Group's commercial strategy.</p>	<p>As part of the strategic review undertaken during 2025, the Board considered the Group's commercial arrangements and overall approach to market. These discussions informed the Board's assessment of how best to position the Group's products commercially and support their continued development and future commercialisation. The Group, where applicable, is supporting commercial partners with regulatory, IP, manufacturing and commercial input.</p>

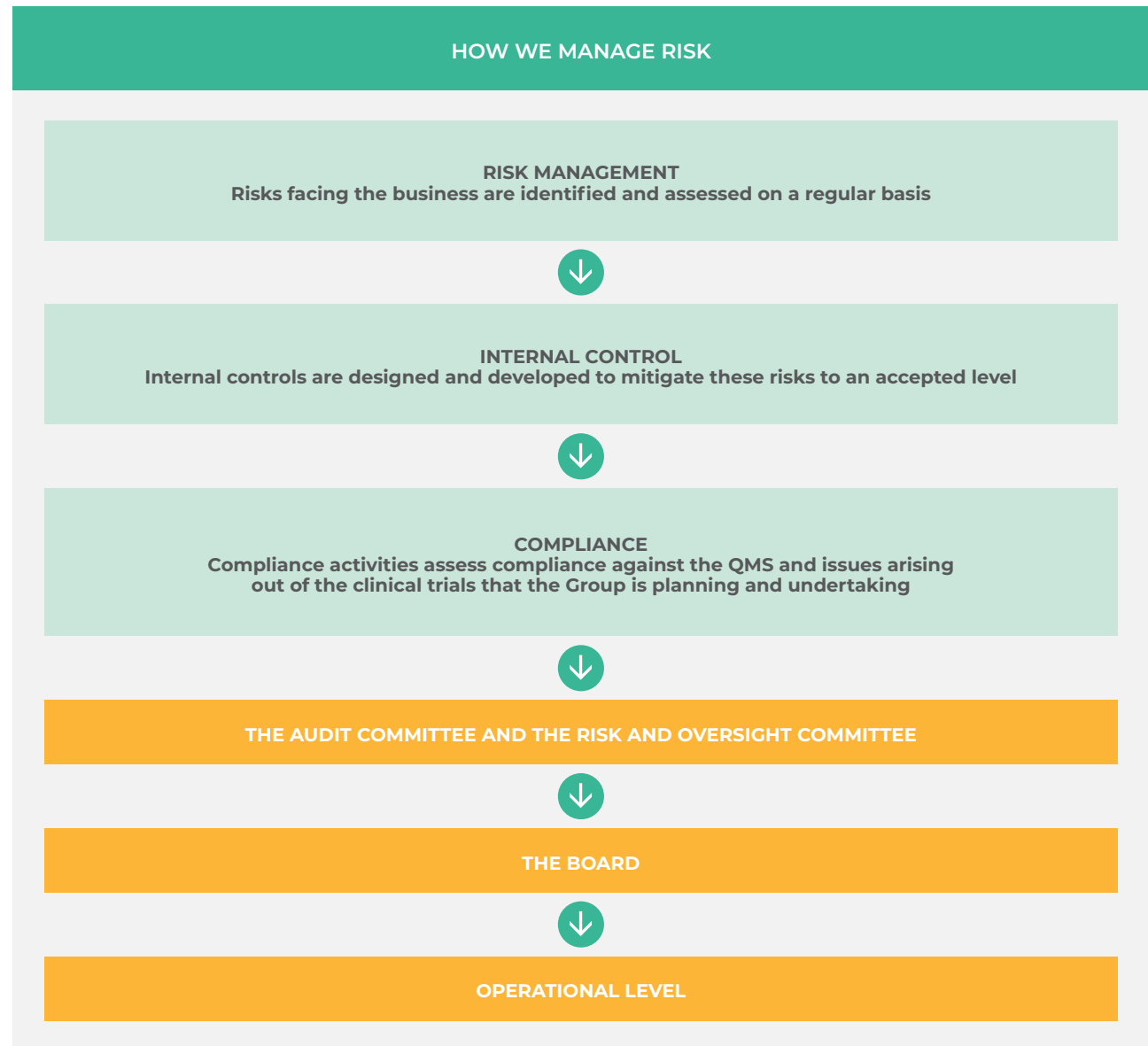
STAKEHOLDER ENGAGEMENT

	How we engage	Outcome of our engagement
Development partners and manufacturers 	<p>We work collaboratively with our development partners and manufacturers, enabling them to plan effectively and operate as an extension of the Group's team. As a semi-virtual networked organisation, Futura relies on external service providers including manufacturers, research organisations, consultants and subcontractors to provide specialist expertise and additional capacity on an "as needed" basis. Strong relationships across our supply chain are therefore essential to the Group's operations, and we maintain regular engagement with key partners to support the successful development, manufacture and supply of our products.</p>	<p>As Eroxon® becomes available in an increasing number of countries, the Group continues to develop its global supply chain to support distribution. The Group currently works with contract manufacturing partners located in the USA and the EU to supply product to its commercial partners.</p> <p>We maintain regular engagement with these partners to support continuity of supply, product quality and cost efficiencies. Insights from these interactions help inform the Group's approach to supply chain planning and manufacturing arrangements as products are developed and the business evolves.</p>
Employees 	<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.</p>	<p>The Board, and in particular the Remuneration Committee, takes employees' interests into account when reviewing the Group's approach to incentivisation. In light of the strategic review and the Group's focus on prudent cash management, the Remuneration Committee introduced a one-year long-term incentive plan for 2026 in place of cash bonuses. The use of a one-year plan reflects the Group's current stage and the need to retain flexibility while aligning incentives with near-term priorities and longer term shareholder value.</p>
Regulators 	<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 enable Futura to optimise its clinical development costs and timelines, helping to shorten the time between product development and consumer access. This approach supported the approval of Eroxon® for OTC use in the USA by the FDA in 2023 and is also helping to shape the scientific and clinical programme supporting the WSD4000 portfolio.</p> <p>In certain markets, the Group works with commercial partners who lead engagement with local regulators, supporting the navigation of local regulatory processes and the execution of regional regulatory strategies.</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 position is kept under regular review as the Group develops.

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 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
<p>Commercial risk</p> <p></p>	<p>The Group remains at an early stage of commercialisation in most key markets, with certain territories yet to launch. There can be no assurance that the Group will establish or maintain the necessary licensing and distribution relationships for its products, whether already commercialised or under development.</p> <p>Even where products receive regulatory approval, commercial partners may not launch in accordance with expectations, may allocate limited promotional resources, or may not achieve sustained market acceptance. The Group is reliant on its commercial partners to fulfil their contractual obligations and has limited ability to directly control end-market execution.</p> <p>Historical sell-through data remains limited and replenishment orders may be volatile, particularly as markets transition from initial launch stocking to demand-led supply.</p> <p>Lower-than-expected replenishment orders, slower consumer adoption or lower than expected repeat purchase rates could materially impact revenue generation, working capital and future cash flows.</p>	<p>The Group seeks to mitigate this risk through careful selection of experienced commercial and distribution partners, supported by contractual arrangements that include defined promotional and launch commitments.</p> <p>The Management Team maintains regular engagement with commercial partners to review sell-through data, inventory levels and marketing execution against agreed plans. Where existing arrangements are in place, contractual performance and commercial terms are kept under ongoing review to ensure continued alignment of incentives and strategic objectives.</p> <p>The Group also supports commercial execution and ongoing lifecycle management through range extensions and product optimisation to enhance consumer appeal.</p> <p>In addition, operating in several territories with different partners reduces reliance on any single market or partner.</p>



Key

 Up trend  Down trend  No change

KEY RISKS AND MITIGATION

Risk	Potential impact	Mitigation
<p>Regulatory and Development Risk</p> 	<p>The Group operates in a highly regulated environment and is dependent on maintaining regulatory approvals for its commercialised products and securing regulatory clearance for products under development.</p> <p>Eroxon® is subject to ongoing post-market regulatory obligations across multiple jurisdictions, including product quality, labelling, marketing claims and compliance with local advertising requirements. Changes in regulatory frameworks, increased scrutiny by regulators or failure by commercial partners or third-party manufacturers to maintain compliance could result in product restrictions, delayed launches, suspension of sales or reputational damage.</p> <p>The Group's future growth strategy also depends on the successful development and regulatory approval of pipeline products, including the WSD4000 in-development portfolio. Development programmes are inherently uncertain and may be subject to clinical, technical, regulatory or timing risks. There can be no assurance that development milestones will be achieved, regulatory submissions will be accepted or approvals will be granted within expected timelines or at all.</p> <p>Delays or failure in development or regulatory processes could materially impact the Group's growth trajectory, funding requirements and long-term value.</p>	<p>The Group maintains a structured regulatory compliance framework and Medical Device Quality Management System, overseen by the Risk and Oversight Committee. It works closely with experienced regulatory advisers and commercial partners to ensure continued compliance across key jurisdictions.</p> <p>Clinical development programmes are designed in consultation with the FDA and other relevant regulatory authorities, with clinical trial protocols aligned to regulatory guidance to reduce the risk of rejection and support efficient review processes. Regulatory strategy and submission pathways are reviewed regularly by the Board.</p> <p>During the year and post-period, patent protection was strengthened through granted and expanded patent submissions in key territories, including the United States and China, supporting long-term commercial defensibility.</p> <p>Development programmes are subject to defined stage-gate processes requiring Board approval, disciplined capital allocation and Board oversight. The Group continues to evaluate strategic partnership structures for pipeline assets to share development risk and funding requirements while preserving long-term value.</p>
<p>Financial risk</p> 	<p><i>Availability of capital</i></p> <p>The Group has not yet generated a sustained 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>Revenue shortfalls or constrained access to capital could require cost reductions, deferral of development programmes or additional funding requirements.</p>	<p>The Board is taking proactive steps to strengthen the Group's cash runway, financial resilience and preserve operational flexibility.</p> <p>In December 2025, the Company completed an equity raise to reinforce the balance sheet and provide additional working capital capacity. During the second half of 2025 and early 2026, targeted cost reductions and tighter control of expenditure was implemented.</p> <p>Capital allocation is subject to disciplined review, prioritising near-term commercial stabilisation and long-term value creation. Cash availability is monitored closely through regular cash flow forecasting and scenario planning and analysis.</p> <p>Investment in development programmes, including WSD4000, is being carefully phased, with the Board continuing to evaluate potential strategic partnership funding options to share risk and capital requirements.</p>


KEY RISKS AND MITIGATION

Risk	Potential impact	Mitigation
Disruption to supply products 	<p>The Group relies upon third-party manufacturers for product supply. Failure to provide products at prices and quantities that are commercially acceptable could potentially result in lost revenue and reputational loss to the Group and compromise the commercial success of its products.</p>	<p>The Group maintains defined contractual arrangements with its key manufacturing partners and monitors supplier performance, quality standards and cost efficiency on an ongoing basis.</p> <p>Following the reassessment of production demand during 2025, the Group is reviewing its global Contract Manufacturing Organisation (“CMO”) arrangements to ensure manufacturing capacity is aligned with revised volume forecasts. This includes evaluating the potential consolidation of supply into a single manufacturing partner in order to optimise cost efficiency and avoid incurring additional capital investment or technology transfer costs while volumes remain uncertain.</p> <p>Inventory levels of key raw materials and components are managed prudently to mitigate short-term disruption risk.</p>
Intellectual property risk 	<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 or to secure commercial partners.</p>	<p>The Group prioritises development programmes where robust intellectual property protection is considered achievable based on external legal advice and aligned with clear commercial opportunity. Patent protection is actively pursued in key territories and strengthened where strategically justified.</p> <p>During the year, and subsequent to the reporting period, additional patents were granted in the United States and China, reinforcing the Group’s proprietary position in those territories.</p> <p>Intellectual property investment is subject to careful cost management and disciplined review to ensure that expenditure is proportionate to anticipated strategic and commercial value.</p> <p>The Group maintains confidentiality and non-disclosure arrangements to safeguard proprietary know-how and technology. The patent and trademark landscape is monitored on an ongoing basis to identify potential third-party risks and preserve competitive advantage.</p>

Key

 Up trend
  Down trend
  No change

KEY RISKS AND MITIGATION

Risk	Potential impact	Mitigation
Key people 	<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 recognises the importance of retaining and incentivising key personnel during a period of commercial reset and strategic realignment.</p> <p>In light of the focus on cash preservation, no cash bonuses are payable in respect of 2025 performance and no annual cash bonus arrangements will apply in 2026. Instead, a targeted one year long-term incentive arrangement has been implemented to support retention and align Management with shareholder interests during a period of transition and recovery. The award includes performance conditions linked to share price performance.</p> <p>The remuneration framework remains equity-based and performance-linked, designed to promote accountability and align Management incentives with long-term value creation.</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
Economic and political conditions 	<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 current conflicts or 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 especially in relation to our supply chain strategy.</p>

Key

 Up trend  Down trend  No change

SUSTAINABILITY REVIEW

Operating responsibly

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. We aim to achieve our goals with integrity and respect. 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 monitor and report on our activities in a way that is accurate, balanced, reliable and clear and enables our shareholders and stakeholders to understand and assess the situation of the Group and its outlook.

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 23 and comprises pages 2 to 31 has been approved by the Board and is signed by order of the Board by

.....
ALEXANDER DUGGAN

Chief Executive Officer

2 June 2026

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 optionally to work approximately 50% of the time from home giving them the flexibility to structure their days to be as efficient as possible to maximise output, as well as minimising commuting time and environmental impact.

**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.

**DECENT WORK AND ECONOMIC GROWTH**

- Our employees are a key asset to the Group, and we rely on a skilled and experienced workforce to support our long-term success. As a smaller organisation, employees work closely across functions, with exposure to clinical, regulatory and commercial activities and regular interaction with senior management. This enables employees to contribute directly to product development, regulatory processes and the maintenance of the Group's quality standards.
- We are committed to treating employees fairly and supporting their ongoing development through on-the-job learning and broad role exposure. We also seek to align employee interests with those of the Group through participation in share-based incentive arrangements, supporting retention and engagement as the business continues to develop.
- We are focused on commercialising our products and building the value of the Group, which will lead to developmental benefits for the shareholders and employees of the Group.

**INDUSTRY, INNOVATION AND INFRASTRUCTURE**

- We invest in R&D and consumer insights to develop a portfolio of innovative products based on our expertise in sexual health 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.

Governance

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BOARD OF DIRECTORS

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.



ANDREW UNITT
Non-Executive Chairman

CURRENT ROLES

Andrew Unitt served as an Independent Non-Executive Director. In 2025, he assumed the role of Non-Executive Chairman. He is Chair of the Nominations Committee and is also a member of the Remuneration Committee and the Audit 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. He has worked as an independent Non-Executive Director for both public and private companies for the last twelve years.

BRINGS TO THE BOARD

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



ALEXANDER DUGGAN
(“ALEX DUGGAN”)
Chief Executive Officer
(appointed 8 August 2025)

CURRENT ROLES

Alex Duggan joined the Company as Interim Chief Executive Officer in August 2025 and joined on a permanent basis in November 2025.

PAST ROLES

Chief Commercial and Corporate Development Officer at Alliance Pharmaceuticals, a UK-based consumer healthcare company (previously listed on AIM). He has held multiple leadership positions within consumer healthcare organisations and served as a Board Member of the Proprietary Association of Great Britain (PAGB), the association representing manufacturers of branded over-the-counter medicines and medical devices.

BRINGS TO THE BOARD

Over 30 years of experience in Consumer Healthcare and Prescription sectors, having successfully scaled global businesses across Europe, Asia, North America and Latin America.



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

CURRENT ROLES

Angela Hildreth leads the Group's finance, HR and IT functions, drives operational 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 of strategic and operational financial experience of developing and commercialising pharmaceutical and healthcare products.

BOARD OF DIRECTORS



KENNETH JAMES (“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 of experience in the research, development and commercialisation of consumer healthcare products.



GORDON ROY DAVIS (“ROY DAVIS”)
Senior Independent
Non-Executive Director

CURRENT ROLES

Roy Davis is a Senior Independent Non-Executive Director and Chair of the Remuneration Committee and of the Audit Committee. He is a member of the Nominations Committee. Roy is also a Non-Executive Chair at Inspiration Healthcare Group plc, Foster and Freeman (the trading name of the Galton group of companies) and Surgical Innovations plc. He is also a Senior Advisor at Moore Walker Partners.

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.

In addition the following Directors served during the year:

HARMESH SUNIARA

Non-Executive Director
(appointed 31 March 2025, resigned 4 December 2025)

JEFFREY NEEDHAM (“JEFF NEEDHAM”)

Non-Executive Chairman
(resigned 8 July 2025)

JAMES BARDER

Chief Executive Officer
(resigned 8 July 2025)

CORPORATE GOVERNANCE STATEMENT

Committed to the highest standards in Corporate Governance



ANDREW UNITT
Non- Executive Chairman

Dear Shareholder,

As Chairman of Futura Medical plc, and on behalf of the Board, I am pleased to present our Corporate Governance Statement for the year ended 31 December 2025.

The Board is committed to maintaining high standards of corporate governance and a robust framework for the oversight and management of the Group's business. We believe that strong governance supports long-term value creation and underpins the confidence of our shareholders and stakeholders.

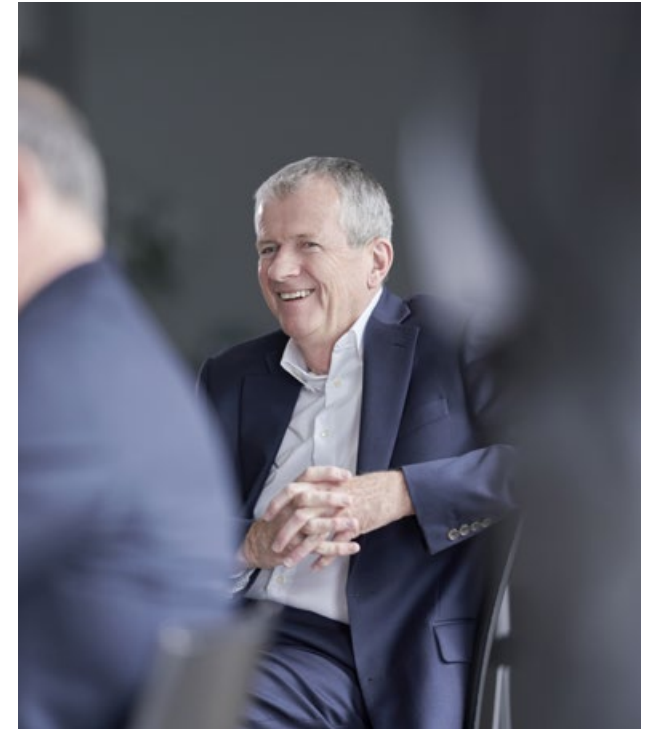
As Chairman, I have overall responsibility for corporate governance and for promoting high standards throughout the Group. In addition to leading and chairing the Board, my responsibilities include ensuring that:

- Board committees are appropriately structured and operate under clear terms of reference;
- The performance of individual Directors, the Board and its Committees is reviewed regularly;
- The Group maintains a coherent strategy with clearly defined objectives; and
- Effective communication is maintained between the Group and its shareholders.

Futura Medical has adopted the QCA Corporate Governance Code (the "QCA Code"), which the Board considers to be an appropriate governance framework for a company of our size and stage of development. The Board is responsible for leading and controlling the activities of the Group, setting strategy and overseeing its implementation.

The Board believes that good corporate governance enhances long-term success. We remain responsive to the views of our shareholders and stakeholders as we execute our strategy and pursue sustainable growth.

Our application of the QCA Code is described in this Annual Report and in the Investors section of our website at www.futuramedical.com. The Corporate Governance Report on pages 37 to 41 sets out how the Group has



applied each of the ten principles of the QCA Code, with cross-references where appropriate.

.....
ANDREW UNITT
Non-Executive Chairman

2 June 2026

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 33 and 34.

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:

Andrew Unitt

Members: **2**

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.



Committee Chair:

Roy Davis

Members: **2**

Meetings: **2**

Read their report on **page 42**

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.



Committee Chair:

Roy Davis

Members: **2**

Meetings: **4**

Read their report on **page 43**

RISK AND OVERSIGHT COMMITTEE ("ROC")

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

CORPORATE GOVERNANCE REPORT

**ANDREW UNITT**

Non- Executive Chairman

PRINCIPLE 1 – PURPOSE, BUSINESS MODEL AND STRATEGY

The Board is responsible for establishing the Group's purpose, strategy and business model to promote long-term value for shareholders, while having regard to the interests of wider stakeholders.

Purpose and long-term objective

The Group's purpose is to develop and commercialise innovative, clinically proven consumer-focused products for the sexual health market, addressing significant unmet consumer needs.

Its long-term strategic objective is to build a differentiated portfolio of consumer-focused and insight-led sexual health products and maximise shareholder value through disciplined development, regulatory execution and commercial partnering. The strategy is aligned with structural demographic trends, including ageing populations, increasing global prosperity and growing expectations of maintaining a full and active life at all ages. The Board believes these trends support sustained demand growth within the sexual health category.

Business model

The Group operates an innovation-led, partnership-driven model:

- Focusing on research, development, clinical validation and regulatory approval of proprietary products;
- Entering into licensing and distribution partnerships with established consumer healthcare companies that possess the scale and marketing capabilities to maximise commercial potential; and
- Leveraging external commercial expertise while managing capital deployment and operational risk.

Following regulatory approval of Eroxon® in the United States, the European Union and other key territories, the Group executed out-licensing and distribution agreements with commercial partners, who have since launched the product in those markets.

Subject to available financial resources and strategic priorities, the Group may elect to retain greater commercial participation in selected products in order to capture an increased share of long-term value.

Current strategic priorities

During 2025, the Group focused its available resources on the commercialisation and development of:

- Eroxon® – ongoing commercial operations within current markets
- Eroxon® Intense – a range extension designed to meet the needs of men seeking a stronger sensorial action; and
- WSD4000 – a new portfolio in development for female sexual health which currently focuses on a range of topical gels specifically designed to treat impaired sexual response or function (sexual dysfunction) in women.

The Board regularly reviews the product pipeline and capital allocation framework to ensure resources are deployed to programmes offering an appropriate balance of risk and potential return.

Governance and oversight

The full Board meets formally at least six times per year, with additional meetings convened as required. The Board:

- Sets and monitors the Group's strategic direction;
- Reviews operational and financial performance against agreed objectives;
- Oversees risk management and internal controls; and
- Ensures compliance with applicable legal, regulatory and corporate governance requirements.

During the year, the Board increased the frequency of its meetings to provide enhanced oversight of trading performance, liquidity management and strategic execution. These measures strengthened financial discipline and reinforced focus on commercial and operational priorities.

CORPORATE GOVERNANCE REPORT

The Chief Executive Officer, supported by the senior management team, develops strategic proposals for Board approval and is responsible for implementing the agreed strategy and managing the day-to-day operations of the business.

Risk and financial sustainability

The Group operates in a high-risk and heavily regulated sector. The principal risks and uncertainties facing the business are described in the Strategic Report.

A key challenge in executing the Group's strategy is ensuring that sufficient short-term financial resources are available to support development activities ahead of sustainable revenue generation. The Board therefore places significant emphasis on prudent capital management, disciplined cost control and securing appropriate funding to support long-term value creation.

PRINCIPLE 2 – CORPORATE CULTURE

The Board recognises that culture is fundamental to the successful delivery of the Group's strategy and long-term value creation. The Board seeks to promote a culture of integrity, accountability and responsible risk management throughout the organisation. The Group is committed to maintaining high standards of ethical conduct in all aspects of its operations. An open and transparent working environment is encouraged, with regular communication between management and employees regarding performance and strategic priorities. Employees are encouraged to provide feedback and raise matters of concern in an appropriate forum.

The Board monitors culture through regular engagement with the executive team and review of operational and risk reporting. The Board considers that the Group maintains a culture characterised by mutual respect, open dialogue and a strong commitment to advancing its product portfolio and supporting its commercial partners and consumers.

PRINCIPLE 3 – UNDERSTANDING SHAREHOLDER NEEDS AND EXPECTATIONS

The Group seeks to maintain an open and constructive dialogue with both existing and prospective shareholders in order to communicate its strategy, performance and development priorities, and to understand shareholders' views and expectations.

Institutional shareholders and analysts are offered the opportunity to meet with Management to discuss the Group's activities and provide feedback. The Board receives regular updates on investor engagement and market sentiment, and considers shareholder feedback as part of its ongoing review of strategy, capital allocation and governance matters.

All shareholders are encouraged to attend and participate in the Group's Annual General Meeting, which provides an opportunity to ask questions of the Board and engage directly with the Group. The Board values this engagement and takes into account the outcome of shareholder votes when considering future actions.

The Group communicates with shareholders through its Annual and Interim Reports, regulatory announcements, investor presentations and its corporate website, where up-to-date information on the Group's strategy, governance and business activities is available. Regulatory announcements are released via a Regulatory Information Service to ensure timely and transparent disclosure to the market. The Board is committed to providing clear, fair and balanced information to enable shareholders to assess the Group's performance and prospects.

PRINCIPLE 4 – STAKEHOLDER RESPONSIBILITIES

The Board recognises that the long-term success of the Group depends on maintaining effective relationships with a broad range of stakeholders. In addition to shareholders, key stakeholders include employees, regulators, commercial partners, manufacturers, consumers and healthcare professionals. The Board seeks to ensure that the Group's operations and working practices appropriately balance the interests of these stakeholder

groups, while fulfilling its duty under section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole.

Engagement with stakeholders takes place through regular and ongoing interaction appropriate to each group. Feedback received through these channels is considered by Management and, where appropriate, by the Board, and informs decision-making, risk management and the delivery of the Group's long-term strategy.

Further information regarding stakeholder engagement is set out on pages 23 to 25 of the Annual Report.

PRINCIPLE 5 – RISK MANAGEMENT

The Board has overall responsibility for the Group's risk management framework and system of internal controls. The Audit Committee and the Risk and Oversight Committee ("ROC") support the Board by overseeing the identification, assessment and management of the Group's principal risks.

The system of internal control is designed to manage, not eliminate, risk and provides reasonable (but not absolute) assurance against material misstatement or loss. The Audit Committee reviews the effectiveness of the control environment at least annually and reports its conclusions to the Board.

The Risk Oversight Committee ("ROC") is an internal management committee focused on oversight of operational risk and compliance, including the Group's Medical Device Quality Management System ("QMS"). During 2025, the ROC monitored QMS compliance and reviewed operational risks arising from commercial activities and clinical programmes. The ROC meets at least annually, and more frequently as required. The Chair of the Audit Committee is a member of the ROC.

Given the Group's current size and stage of development, the Board does not consider a separate internal audit function to be necessary. This position is kept under review.

Details of the principal risks and uncertainties, together with mitigating actions, are set out on pages 26 to 30 of the Strategic Report.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 6 – A WELL-FUNCTIONING BOARD OF DIRECTORS

At the year end the Board comprised of three Executive Directors and two Non-Executive Directors, including the Non-Executive Chairman. The Chairman is responsible for leading the Board, setting its agenda and ensuring its effective operation, including promoting open discussion and constructive challenge.

The Board acknowledges that its current composition of two Non-Executive Directors does not fully align with the Quoted Companies Alliance (“QCA”) Corporate Governance Code recommendation regarding board composition. During the year, however, the Board comprised an independent Non-Executive Chairman and three Non-Executive Directors, one of whom was not considered independent. Following careful consideration, the Group has determined that it is not appropriate to appoint an additional Non-Executive Director at this time, as the current Board structure provides an appropriate balance of skills, experience and independent oversight for the Company’s present stage of development.

The Board will continue to keep its composition under regular review to ensure it remains fit for purpose as the Group evolves and intends to reassess this position during 2026. The Board meets regularly to consider matters reserved to it, including strategy, major investments, financing and governance.

During the year, changes were made to the composition of the Board to ensure that the skills and experience of the Directors remained aligned with the Group’s strategic and operational requirements. Details of Directors who served during the year are set out on page 50.

Attendance at Board and Committee meetings

The Board is accountable to shareholders for the proper management of the Group and meets to set strategy, review performance, and advise on key matters. All major operational and investment decisions are subject to Board approval. In 2025, the Board met formally seven times. During a period of increased operational and financial focus in 2025, informal meeting frequency was increased to ensure appropriate oversight and timely decision-making.

Certain statutory matters, including approval of the full-year results and interim statements, were delegated on an ad hoc basis to subcommittees.

Director	Board	Audit Committee	Remuneration Committee	Nominations Committee
Andrew Unitt	7/7	2/2	4/4	1/1
Alex Duggan ¹	3/3			
Jeff Needham ²	2/2		2/2	
James Barder ³	2/2			
Harmesh Suniara ⁴	5/5			
Roy Davis	7/7	2/2	4/4	1/1
Angela Hildreth	7/7			
Ken James	7/7			

¹ Appointed Chief Executive Officer on 8 August 2025, replacing James Barder.

² Resigned as a Director 8 July 2025.

³ Resigned as a Director 8 July 2025.

⁴ Appointed 31 March 2025 and resigned as a Director on 4 December 2025.

Attendance is expressed as the number of meetings attended out of the number eligible to attend. Attendance by invitation at committee meetings of which a Director is not a member is not reflected in the table.

Non-Executive Directors’ letters of appointment require them 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 consult the Chairman before accepting additional commitments that may affect the time available to fulfil their role. The Board is satisfied that all Directors continue to demonstrate appropriate commitment and effectiveness in the discharge of their responsibilities.

Independence of Directors

The Board considers that its Non-Executive Directors who are serving at the year end are independent in character and judgement and free from any relationship or circumstance that could materially interfere with the exercise of their independent judgement. The Board is satisfied that it meets the QCA Code expectation of having at least two independent Non-Executive Directors.

Non-Executive Directors receive a basic cash fee for their services. In 2025, 25% of Non-Executive Directors’ service fees were satisfied in shares, which the Non-Executive Directors acquired at market rate, with the intention of aligning their interests with those of shareholders. The market rate was determined at the end of 2024, calculated as the average mid-market closing price over the last ten trading days of 2024. The Board considered the size of these share acquisitions and concluded that they were not material, either individually or in aggregate, and therefore did not compromise independence.

No further equity-based fee arrangements are intended in 2026, with remuneration reverting solely to the standard cash fee structure. The Board considers the remuneration of Non-Executive Directors to be proportionate, transparent and consistent with market practice for companies of a comparable size and stage of development.

CORPORATE GOVERNANCE REPORT

The Board determines whether Executive Directors may undertake external appointments. Any such appointments are subject to prior approval by the Board and are permitted only where they do not give rise to a conflict of interest and do not adversely affect the Director's ability to fulfil their duties and responsibilities to the Group.

PRINCIPLE 7 – GOVERNANCE STRUCTURES AND BOARD CAPABILITIES

The Board considers that the Non-Executive Directors are of sufficient calibre and experience to provide objective oversight and to contribute meaningfully to the commercial, operational and financial development of the Group's products.

The Board regularly reviews its composition to ensure that it maintains an appropriate balance and breadth of skills and experience to support the delivery of the Group's long-term strategy. The Board is committed to promoting diversity of skills, experience and gender, recognising the benefits that diversity brings to effective decision-making.

Directors maintain and develop their knowledge through their executive and professional roles and through ongoing training where appropriate. This includes both internally arranged briefings and external courses. During the year, Directors received updates from the Company Secretary on corporate governance developments and regulatory matters.

The Board may engage external advisers where specialist knowledge or additional expertise is required. Professional advisers, including legal and financial advisers, are engaged as appropriate in connection with specific projects and compliance matters. The Nomination and Remuneration Committees also use external recruitment and remuneration advisers where necessary.

The Company Secretary supports the effective functioning of the Board by providing advice on corporate governance and Directors' duties, ensuring that Board procedures are followed, and confirming compliance with company law and the AIM Rules. The Company Secretary works closely with the Chairman to ensure that Directors receive timely and appropriate information to enable effective decision-making.

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

Director	Pharma/ OTC sector	Financial	General management	Public Company and Director
Andrew Unitt	✓	✓	✓	✓
Roy Davis	✓		✓	✓
Alex Duggan	✓	✓	✓	✓
Angela Hildreth	✓	✓	✓	✓
Ken James	✓		✓	✓

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 provide oversight and constructive challenge to the operational management of the Group's activities and bring independent and objective judgement to Board decisions.

Nomination Committee

The Nomination Committee meets as required and is responsible for reviewing the size, composition and succession planning of the Board, overseeing the appointment or reappointment of Directors and ensuring compliance with relevant corporate governance guidance.

The Committee comprises the Independent Non-Executive Director and the Non-Executive Chairman. The Chief Executive Officer attends by invitation where appropriate.

PRINCIPLE 8 – EVALUATION OF BOARD PERFORMANCE

The Board undertakes an annual evaluation of its performance, that of its Committees and individual Directors. The most recent review was completed in April 2026 and comprised peer appraisal, questionnaires and discussions led by the Chairman. The process assessed Board effectiveness, Committee performance and the continued independence of the Non-Executive Directors.

The evaluation considers matters including Board composition, diversity and balance, governance processes, strategic oversight and the quality of information provided to the Board. Individual Directors are assessed against criteria including leadership, strategic contribution, governance, integrity and interpersonal effectiveness.

The performance of the Chairman is evaluated separately and was led by the Senior Independent Non-Executive Director, Roy Davis.

The Chairman conducts the annual performance review of the Chief Executive Officer. The Chief Executive Officer reviews the performance of the Finance Director/Chief Operating Officer and the Head of R&D against agreed corporate objectives.

The April 2026 review concluded that the Board and its Committees operate effectively, with identified enhancement actions focused on continuous improvement rather than structural change. Any areas for enhancement are addressed as part of ongoing Board development.

CORPORATE GOVERNANCE REPORT

The Nomination Committee keeps succession planning under review to ensure the Board retains the appropriate balance of skills and experience to support the Group's long-term strategy.

PRINCIPLE 9 – REMUNERATION POLICY

The Board has established a Remuneration Committee, which meets as required and at least annually. The Committee is responsible for determining the remuneration policy for Executive Directors and setting individual remuneration packages within its agreed terms of reference.

The Committee seeks to ensure that remuneration arrangements support the Group's long-term strategy and promote sustainable value creation for shareholders, while remaining appropriate for the size and stage of development of the business. Executive remuneration is structured to provide an appropriate balance between fixed and performance-related elements, with share-based incentives designed to align the interests of executives with those of shareholders.

The Committee oversees the operation of the Group's share incentive schemes and sets performance conditions for share-based awards where appropriate.

The Committee comprises the Independent Non-Executive Chairman and is chaired by Roy Davis. The Chief Executive Officer attends by invitation where appropriate but is not present when their own remuneration is discussed.

Details of Directors' remuneration are set out in the Remuneration Committee Report on pages 43 to 49. The Board considers that those disclosures meet the requirements of the QCA Code and continues to monitor governance developments to ensure reporting remains appropriate.

PRINCIPLE 10 – SHAREHOLDER COMMUNICATION

The Group places a high priority on transparent and effective communication with shareholders and other stakeholders. The Board seeks to ensure that all communications regarding the Group's strategy, performance and governance are clear, fair and not misleading. The Group's corporate website provides up-to-date information on its business, strategy, governance framework and financial performance. Shareholders may register to receive alerts when regulatory announcements, investor presentations and other relevant updates are published.

The Group's Annual and Interim Reports are available in the Investors section of the website at www.futuramedical.com. Notices of General Meetings and the results of voting on all resolutions are released via a Regulatory Information Service and made available on the website following the relevant meeting. The Board is committed to maintaining an open dialogue with shareholders and ensuring that governance disclosures evolve in line with regulatory requirements and best practice.

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ANDREW UNITT

Non-Executive Chairman

2 June 2026

AUDIT COMMITTEE REPORT



ROY DAVIS
Chairman of the Audit Committee

THE AUDIT COMMITTEE

During the year, the Audit Committee considered the adequacy of financial reporting standards and the impact of existing and new accounting standards on the Group. The Committee reviewed how these standards affect internal processes and controls, accounting policies and financial reporting to shareholders.

While the Board retains overall responsibility for the approval of the annual and interim financial statements, specific responsibilities are delegated to the Audit Committee, including:

- Monitoring the integrity of the Group's financial statements and any formal announcements relating to financial performance;
- Reviewing significant accounting policies, estimates and judgements;
- Overseeing the effectiveness of internal controls and risk management procedures, including matters arising from the external audit process or raised under the Group's whistleblowing procedures; and
- Monitoring compliance with legal and regulatory requirements relevant to financial reporting.

The full terms of reference of the Audit Committee are available in the Investors section of the Group's website.

MEETINGS DURING THE YEAR

The Audit Committee met twice during the year. Matters considered included:

April 2025

- Presentation of the 2024 audit findings;
- Review of external audit performance and effectiveness.
- Consideration of key financial reporting matters, including the Group's assessment of going concern and the carrying value of investments.

December 2025

- Review and approval of the 2025 audit plan.

EXTERNAL AUDITOR

The Audit Committee oversees the relationship with the Group's External Auditor. Representatives of the External Auditor attend Committee meetings by invitation. The Finance Director and other executives also attend as appropriate. However, the Committee also meets privately with the External Auditor at least once per year without Management present.

The Committee reviews the scope of the audit, audit fees and non-audit services to ensure that auditor independence and objectivity are maintained. The independence of the External Auditor is reviewed annually.

Grant Thornton UK LLP has acted as the Group's External Auditor since its appointment following a tender process in 2019. The senior statutory auditor is Stephen Wyborn.

INTERNAL AUDIT

The Audit Committee reviews annually the need for an internal audit function, taking into account the scale, complexity and risk profile of the Group's operations. The Board considers that the existing financial and operational control framework is appropriate for the current size and complexity of the Group. This position is kept under regular review as the Group develops.

ROY DAVIS

Chairman of the Audit Committee

REMUNERATION COMMITTEE REPORT



ROY DAVIS
Chairman of the Remuneration
Committee

This report has been prepared with reference to the AIM Rules and the QCA Corporate Governance Code and is intended to provide shareholders with clear and relevant information regarding the decisions taken by the Remuneration Committee during the year. As an AIM-listed company, the Group is not required to prepare a Directors' Remuneration Report in accordance with the Companies Act 2006. Accordingly, this report does not constitute such a statutory report.

REMUNERATION COMMITTEE: COMPOSITION AND GOVERNANCE

During the year under review, the Remuneration Committee was chaired by Roy Davis. Andrew Unitt and Jeff Needham served as members of the Committee, with Jeff Needham serving until his resignation from the Board in July 2025.

The Committee operates under formal terms of reference, which are available on the Group's website. This report has been prepared in accordance with the principles of the QCA Code. The contents of this report are unaudited unless otherwise stated.

The Committee met four times during 2025.

The Board retains ultimate responsibility for remuneration policy.

ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee's purpose is to ensure that Executive Directors and senior management are fairly and responsibly rewarded for their contribution to the Group's performance, while aligning remuneration with long-term shareholder value creation.

The Committee:

- Determines the remuneration policy for Executive Directors;
- Recommends individual remuneration packages to the Board;

- Oversees the operation of incentive arrangements; and
- Reviews the remuneration of senior management for consistency and alignment.

POLICY ON EXECUTIVE DIRECTORS' REMUNERATION

Executive remuneration is structured to attract and retain individuals of appropriate calibre and experience, taking into account the Group's size, stage of development and specialist sector focus.

Given the Group's niche position, direct benchmarking is inherently limited. The Committee therefore exercises informed judgement, supported by:

- Market data relating to AIM-listed companies;
- Sector remuneration surveys;
- Broader market conditions; and
- Individual and corporate performance.

The Board has reviewed the most appropriate long-term incentive structures to support the next phase of the Group's development. While no long-term incentive awards were made in 2025, an award was made in 2026, which had been planned during 2025 as part of the fundraising undertaken in that year.

REMUNERATION COMMITTEE REPORT

The table below sets out the elements of the Executive Director's 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
Fixed Remuneration		
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.	Usually reviewed annually by the Remuneration Committee and recommended to the Board, taking account of: <ul style="list-style-type: none"> • Salary increases awarded to the wider workforce • Group performance • Role and experience • Individual performance; and • Competitive environment 	Salary increases will generally be in line with salary increases to other employees, but may be adjusted to take account of: <ul style="list-style-type: none"> • Promotion • Change in scope of role • Realignment with market; and • Development and performance in the role
Benefits		
To provide a competitive range of benefits as part of total remuneration.	Executive Directors usually receive: <ul style="list-style-type: none"> • Private medical insurance • Salary-related death-in-service life insurance 	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 2024 and 2025 were set at 10% of base salary.
Variable Remuneration		
Annual Bonus		
Rewards performance over the financial year, including in relation to performance which supports the Group's longer-term objectives.	Bonuses 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 2024 and 2025 was 80% of salary. Any bonus is granted on a discretionary basis and no bonus payments were awarded for 2025.

REMUNERATION COMMITTEE REPORT

Element and Purpose	Operation	Maximum Level
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 were paused after 2024. The Remuneration Committee will keep this under review when considering 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 were last granted in 2024 and will vest three years 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>As part of the Remuneration Committee's ongoing review of long-term incentivisation arrangements, and following the pause in awards during 2024 and 2025, the Board approved a one-year performance-based LTIP award in January 2026.</p> <p>The award is designed to support retention and align management with shareholder value creation during a period of focused execution against the Group's strategic priorities. Vesting is subject to share price performance conditions and continued service.</p>

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.

POLICY ON NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-Executive Directors, including the Chairman, receive fixed fees determined by the Board, reflecting time commitment, responsibilities and prevailing market rates for comparable companies. Non-Executive Directors are reimbursed for reasonable expenses incurred in the performance of their duties.

In 2025, a proportion of Non-Executive Directors' remuneration was satisfied in shares. The number of shares awarded was determined by reference to the

average closing mid-market price over the ten trading days prior to year-end. The award will be settled in 2026 through the issue of 126,116 shares at 32.17 pence per share. No further equity-based remuneration for Non-Executive Directors is anticipated in 2026.

The Board considers that share ownership by Non-Executive Directors aligns their interests with those of shareholders. Shareholdings are monitored to ensure independence is not compromised.

REMUNERATION COMMITTEE REPORT

DIRECTORS' EMOLUMENTS

The emoluments of the Directors, who represent the key management personnel were as follows, in 2025:

	Year ended 31 December 2025							Year ended 31 December 2024
	Salary and Directors' Fees	Bonus	Share Awards	Benefits in Kind	Total Excluding Pension	Pension	Total	
	£	£	£	£	£	£	£	
James Barder ¹	156,825	–	–	6,990	163,815	–	163,815	481,483
Ken James	218,400	–	–	–	218,400	–	218,400	351,120
Angela Hildreth	223,860	–	–	3,554	227,414	22,386	249,800	383,887
Alex Duggan ²	119,863	–	–	–	119,863	11,986	131,849	–
Non-Executive Directors								
Jeff Needham ³	58,761	–	26,116	–	84,877	–	84,877	100,451
Roy Davis	42,588	–	14,196	–	56,784	–	56,784	54,600
Andrew Unitt	42,588	–	14,196	–	56,784	–	56,784	54,600
Harmesh Suniara ⁴	–	–	–	–	–	–	–	–
Totals	862,885	–	54,508	10,544	927,937	34,372	962,309	1,426,141

¹ Resigned 8 July 2025

² Appointed 8 August 2025

³ Resigned 8 July 2025

⁴ Appointed 31 March 2025, resigned 4 December 2025

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

James Barder resigned as a Director on 8 July 2025. In accordance with his service agreement, he received a payment in lieu of notice equivalent to six months' salary and contractual benefits. In addition, the Remuneration Committee approved a discretionary settlement payment of £130,000 in respect of loss of office and a payment of £157,278 in lieu of notice. The Committee considered the circumstances of his departure and concluded that the payment was appropriate and in the best interests of the Group.

No additional discretionary bonuses were paid. The treatment of outstanding share-based awards was determined in accordance with the rules of the relevant schemes.

The total payments made in connection with James Barder's departure are not included within the Directors' emoluments table.

REMUNERATION COMMITTEE REPORT

DIRECTORS' INTERESTS IN SHARES

	31 December 2025		31 December 2024	
	Beneficial Interests	Non-beneficial Interests	Beneficial Interests	Non-beneficial Interests
Alex Duggan	5,000,000	–	–	–
Ken James	799,501	–	299,501	–
Angela Hildreth	642,857	–	142,857	–
Roy Davis ¹	40,295	–	–	–
Andrew Unitt ¹	68,717	–	38,496	–
James Barder ²	–	–	1,363,472	107,500
Jeff Needham ²	–	–	27,961	–
Totals	6,551,370	–	1,872,287	107,500

¹ 2024 values updated following the correction of an error in the previously reported 2024 figures.

² James Barder and Jeff Needham resigned in July 2025. As such, their interests in shares are not required to be disclosed as at 31 December 2025.

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 2025		31 December 2024	
	Options Held	Share-based Payment Expense	Options Held	Share-based Payment Expense
Ken James	3,255,953	104,486	3,455,953	257,097
Angela Hildreth	3,120,082	98,531	3,320,082	241,392
Totals	6,376,035	203,017	6,776,035	498,489

REMUNERATION COMMITTEE REPORT

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
Ken James	17 September 2019	200,000	31.00 pence	1 October 2021	30 September 2026
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		983,425			

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
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		1,776,575			

REMUNERATION COMMITTEE REPORT

DIRECTORS' INTERESTS IN LONG-TERM INCENTIVE PLAN ("LTIP")

No awards were granted under any LTIP scheme during 2025.

In 2023, certain non-market performance milestones were achieved. In addition, share price performance conditions were met in respect of awards granted in 2022 and 2023. Under the terms of the awards, 25% vested immediately upon satisfaction of the relevant performance conditions, with a further 25% vesting annually from the date of grant, subject to continued service at each vesting date:

	Grant Date	Number Awarded	Exercise Price/Share	Earliest Exercise Date	Expiry Date
Ken James	7 December 2022	509,225	0.2 pence	10 January 2023	6 December 2032
Ken James	10 October 2023	1,366,728	0.2 pence	10 October 2023	30 October 2033
Angela Hildreth	7 December 2022	472,340	0.2 pence	10 January 2023	6 December 2032
Angela Hildreth	10 October 2023	1,267,742	0.2 pence	10 October 2023	30 October 2033
Totals		3,616,035			

James Barder resigned from the Board on 8 July 2025 and was treated as a good leaver under the rules of the Company's LTIP. At the date of cessation, the relevant performance conditions attaching to his outstanding awards had already been satisfied. The Remuneration Committee exercised its discretion to permit the unvested portion of the awards to vest on cessation of office. The vested options were exercised in October 2025.

During the year, options held by James Barder were either exercised or lapsed following his resignation. As a result, no share options remained outstanding at the year end. The movement in his options during the year is shown below.

	Options Number
Opening balance at 1 January 2025	3,660,927
Exercised during the period	(1,990,927)
Forfeited following resignation	(1,670,000)
Balance as at 31 December 2025	–

The gain made on the exercise of the share options in 2025 was £54,474 (2024: £25,185).

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.

POST PERIOD INCENTIVE ARRANGEMENTS

As part of the Remuneration Committee's ongoing review of long-term incentivisation arrangements, and following the pause in awards during 2024 and 2025, the Board approved a one-year performance-based LTIP award in January 2026. The award is designed to support retention and align management with shareholder value creation during a period of focused execution against the Group's strategic priorities. Vesting is subject to share price performance conditions and continued service.

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ROY DAVIS

Chairman of the Remuneration Committee

DIRECTORS' REPORT

DIRECTORS

Directors in office at the date of this Report

Andrew Unitt	Non-Executive Chairman ¹
Roy Davis	Non-Executive Director
Alex Duggan	Chief Executive Officer ²
Angela Hildreth	Finance Director/Chief Operating Officer
Ken James	Head of R&D/Executive Director

¹ Appointed Non-Executive Chairman 8 July 2025, replacing Jeff Needham.

² Appointed Interim Chief Executive Officer on 8 August 2025, replacing James Barder.

Directors who served during the year but resigned prior to the date of this Report

Jeff Needham	Non-Executive Chairman ³
James Barder	Chief Executive Officer ⁴
Harmesh Suniara	Non-Executive Director ⁵

³ Resigned as a Director 8 July 2025.

⁴ Resigned as a Director 8 July 2025.

⁵ Appointed 31 March 2025 and resigned as Director on 4 December 2025.

GENERAL INFORMATION

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

REVIEW OF BUSINESS

A review of the Group's business and performance for the year ended 31 December 2025, together with an indication of likely future developments and principal risks and uncertainties, is set out in the Strategic Report on pages 2 to 31.

DIVIDENDS

The results for the year and the financial position of the Company and the Group are set out in the financial statements and reviewed in the Finance Review within the Strategic Report. The Directors do not recommend the payment of a dividend (2024: £nil).

DIRECTORS' INTERESTS

Details of the Directors' interests in the Company's shares and share options are set out in the Remuneration Committee Report on pages 43 to 49. No Director held a beneficial interest in the share capital of any subsidiary undertaking.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in the Remuneration Committee Report on pages 43 to 49.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has maintained appropriate directors' and officers' liability insurance cover, as permitted by the Companies Act 2006, in respect of legal action against its Directors.

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 2025 the Group's expenditure on R&D was £1,868,014 (2024: £1,742,274).

STREAMLINED ENERGY AND CARBON REPORTING ("SECR")

The Group has consumed less than 40,000 kWh of energy in the United Kingdom during the year ended 31 December 2025 and is therefore exempt from the disclosure requirements under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

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 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.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

CHANGE OF CONTROL PROVISIONS

Certain agreements entered into by the Group, including commercial contracts, property leases and share option schemes, may contain provisions that take effect, alter or terminate upon a change of control of the Company. None of these are considered to be significant in their likely impact on the Group 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 under section 172(1) of the Companies Act 2006 to act in good faith to promote the success of the Company for the benefit of its members as a whole, having regard to wider stakeholders.

Further information regarding stakeholder engagement is set out in the section 172(1) statement on page 23 and in the Stakeholders section on pages 23 to 25.

DIRECTORS' REPORT

SIGNIFICANT INTERESTS

As at 2 June 2026 the Company had been notified, in accordance with the Disclosure Guidance and Transparency Rules, of the following interests of 3% or more in the issued share capital of the Company:

Spreadex Limited	7.84%
Lombard Odier Asset Management (Europe) Limited	4.98%
Cantor Fitzgerald Europe	4.40%
R McAlpine	3.44%
T C Adams	3.41%

Most recently notified details of significant shareholdings may be found in the Investor section of our website, at 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, the Directors are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework.

Under company law, the Directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Group and the Parent Company and of their profit or loss for the period.

In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable;
- State whether applicable accounting standards have been followed;
- Assess the Group's and Parent Company's ability to continue as a going concern; and
- Use the going concern basis of accounting unless it is inappropriate to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of 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 material uncertainties exist that may cast significant doubt on the Group and Parent Company's ability to generate sufficient cash inflows from milestone receipts and raise additional 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 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 Company'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

2 June 2026

Financial Statements

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

for the year ended 31 December 2025

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 2025, which comprise the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cash flows, notes to the consolidated financial statements, the Parent Company balance sheet, the Parent Company statement of changes in equity and notes to the Parent Company 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 2025 and of the group's loss 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 UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.2 in the financial statements, which sets out that under the cash flow forecast, the group and parent company requires certain anticipated near-term cash inflows, including amounts expected from commercial arrangements, product sales and IP related milestones. In addition to these cash inflows there will be a need to raise additional funding before the end of 2026 in order to continue operations throughout the forecast period. These anticipated cash inflows and future financing arrangements are not secured at the date of approval of the financial statements.

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 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 raise additional funding.

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 base case 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 base case forecast, including key assumptions relating to the sale of the group's product.
- Evaluated the 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 2025

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: £297,000, which represents 5% of the group's forecast loss before tax and exceptionals at the planning stage of our audit.

Parent company: £759,000, which represents 1% of the parent company's total assets at the planning stage of our audit.

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 (same as previous year); and

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 (same as previous year).

Our auditor's report for the year ended 31 December 2024 did not include any key audit matters that have not been reported as key audit matters in our current year's report.

We performed specified procedures on the parent company and a full scope audit on Futura Medical Developments Limited using component performance materiality. 100% of the revenue for the year ended 31 December 2025 and 100% of the assets as at 31 December 2025 were included within the audit procedures. This approach has changed from the previous year as the parent company underwent a full scope audit in the prior year.



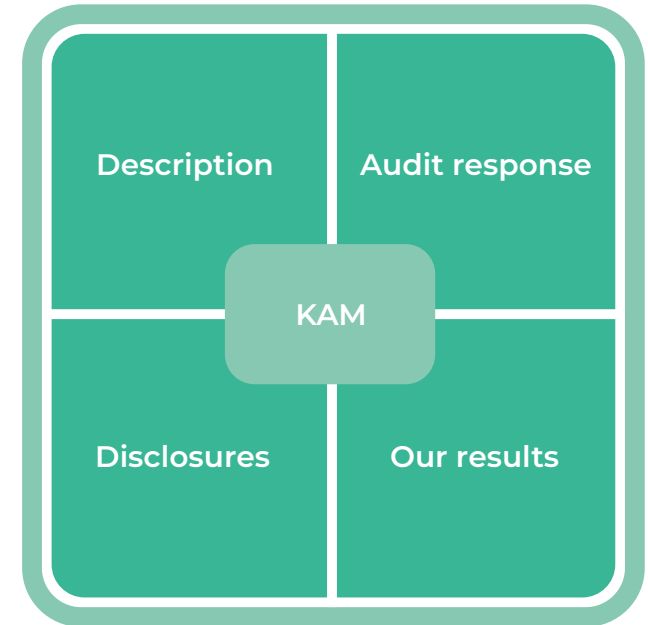
Independent Auditor’s Report to the Members of Futura Medical plc

for the year ended 31 December 2025

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, significant risks relevant to the audit.



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

for the year ended 31 December 2025

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter – Parent Company

Carrying value of investments

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.

The carrying value of the investment in FMDL before impairment was £75.6 million (2024: £73.6 million).

Management performed an annual assessment of the carrying value of the investment for any impairment indicators and determined that such impairment indicators were present.

The resulting impairment review under International Accounting Standard ('IAS') 36 'Impairment of assets' includes significant judgement and estimates. As a result, an impairment charge of £65.6million (2024: £nil) was recorded, resulting in an investment carrying value of £10 million at 31 December 2025.

Relevant disclosures in the Annual Report and Accounts 2025

- Note 2 and 3 of the parent company Financial Statements

How our scope addressed the matter – Parent Company

In responding to the key audit matter, we performed the following audit procedures:

- 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;
- Evaluated the conclusions reached by management as to whether there are impairment indicators requiring the need for an impairment review to be performed;
- Obtained management's model and compared it to the carrying value of the investment;
- Assessed the mathematical accuracy of the model;
- Assessed the reasonableness of the key assumptions included in the model, namely the sales from the group's products;
- 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;
- Considered management's historical forecasts against actual results as part of other audit testing, to assess the reliability of management's forecasts;
- Used our internal valuation experts to assess whether the discount rates used by management were within the range expected; and
- Assessed whether the accounting disclosures included within the financial statements are in accordance with the requirements of IAS 1.

Our results

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 disclosures are in accordance with IAS 1.

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

for the year ended 31 December 2025

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
Materiality for financial statements as a whole	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	£297,000 (2024: £208,000) which represents 5% of the forecast loss before tax and exceptionals at the planning stage of our audit.	£759,000 (2024: £755,000), which represents 1% of total assets at the planning stage of our audit.
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"> whilst in the prior year we used revenue as the benchmark, in the current year, loss before tax before exceptionals is considered to be the most appropriate benchmark as the group's trading activity has declined in the current year and there have been items classified as exceptional which are not representative of the group's underlying performance; Loss before tax and exceptionals is the most appropriate reflection of the challenges faced by the group. <p>Materiality for the current year is higher than the level that we determined for the year ended 31 December 2024 due to the change to a loss before tax and exceptionals based materiality metric rather than a revenue based metric.</p>	<p>In determining materiality, we made the following significant judgements</p> <ul style="list-style-type: none"> We selected total assets at planning 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. <p>Materiality for the current year is higher than the level that we determined for the year ended 31 December 2024 to reflect an increase in total assets at planning.</p>
Performance materiality used to drive the extent of our testing	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>£207,900 (2024: £146,000), which is 70% (2024: 70%) of financial statement materiality.</p> <p>The range of component performance materialities used across the group was £145,000 to £195,000.</p>	<p>£531,500 (2024: £528,500), which is 70% (2024: 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

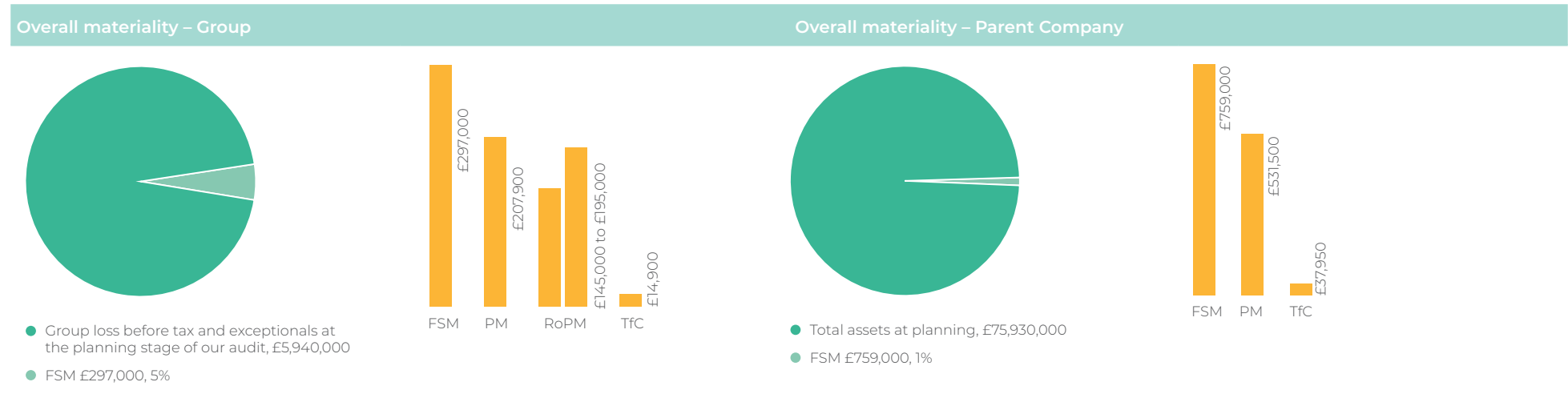
for the year ended 31 December 2025

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"> • Our understanding of the entity, updated during the performance of risk assessment procedures; and • Our experience with auditing the financial statements of the group in previous years (for example, the level of uncorrected misstatements in the prior year). <p>In determining component performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> • Extent of disaggregation of financial information across components, including the relative risk and size of a component to the group <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"> • Our understanding of the entity, updated during the performance of risk assessment procedures; and • 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).
Specific materiality	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"> • Directors' Remuneration 	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> • Directors' Remuneration
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£14,900 (2024: £10,445), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£37,950 (2024: £37,750), 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 2025

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



FSM: Financial statement materiality
PM: Performance materiality

RoPM: Range of performance materiality at 2 components
Tfc: Threshold for communication to the audit committee

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

We performed a risk-based audit that requires an understanding of the group’s and the parent company’s business and in particular matters related to:

Understanding the group, its components, their environments, and its system of internal control including common controls

- the engagement team obtained an understanding of the Group and its components, their environment, and its system of internal control, including the nature and extent of common controls and centralised activities relevant to financial reporting, and assessed the risks of material misstatement at the group level; and
- the engagement team determined that the processes and systems are centralised and as such our understanding of the Group’s controls are consistent across all components.

Identifying components at which to perform audit procedures

- We have determined components in scope for audit procedures due to the components individually including a risk of material misstatement to the group and due to the nature and size of assets at the component being of financial significance to one or more items required to be in scope.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- For Futura Medical Developments Limited requiring full-scope audit procedures, we evaluated the design and implementation of controls over the financial reporting systems identified as part of our risk assessment and addressed critical accounting matters. We then undertook substantive testing on significant transactions and material account balances;

- The scope of the audits included the procedures described earlier for the key audit matter of going concern and the carrying value of investment in Futura Medical Developments Limited.

Performance of our audit

- Our audit work included evaluation of the group’s internal control environment, the consolidation process and consideration of IT systems and assessment of the design and implementation of IT controls.
- Work performed over full scope and specific scope components covered 100% of the group’s revenue, 100% of the group’s total assets.
- The remaining component of the group was subject to analytical procedures commensurate with their significance to the group’s results and financial position.
- All audit procedures were performed from a single location, being the group’s Head Office in the United Kingdom.

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

for the year ended 31 December 2025

The components within the 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 LBT
Full-scope audit	1 (2024:2)	53% (2024: 100%)	100% (2024: 100%)	94% (2024: 100%)
Specific scope procedures	1 (2024:0)	47% (2024: 0%)	0% (2024: 0%)	0% (2024: 0%)
Analytical procedures	1 (2024: 1)	0% (2024:0%)	0% (2024: 0%)	0% (2024:0%)
Total	3 (2024: 3)	100% (2024:100%)	100% (2024: 100%)	94% (2024: 100%)

OTHER INFORMATION

The other information comprises the information included in the Annual report and Accounts 2025, 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 2025. 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 parent 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; 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 the directors' responsibilities in respect of the annual report and financial statements, 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 2025

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.

- 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 applied 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 impairment assessment; and
 - 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.
- 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. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the parent 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 parent 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 parent company and the parent 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

2 June 2026

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

	Notes	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Revenue	5	1,696,660	13,926,122
Cost of sales		(456,707)	(4,236,788)
Gross profit		1,239,953	9,689,334
Research and development costs		(1,868,014)	(1,742,274)
Administrative expenses – Pre-exceptional costs		(4,682,827)	(6,830,765)
Administrative expenses – Exceptional costs	24	(4,053,000)	–
Total administrative expenses		(8,735,827)	(6,830,765)
Other operating income	21	255,000	127,611
Operating (loss)/profit	6	(9,108,888)	1,243,906
Finance income		38,190	46,939
(Loss)/profit before tax		(9,070,698)	1,290,845
Taxation	9	–	2,165
(Loss)/profit for the year being total comprehensive (loss)/profit attributable to owners of the Parent Company		(9,070,698)	1,293,010
Basic (loss)/profit per share (pence)	10	(2.78)	0.43
Diluted (loss)/profit per share (pence)	10	(2.78)	0.41

All amounts relate to continuing activities.

The Notes on pages 66 to 82 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 31 December 2025

	Notes	As at 31 December 2025 £	As at 31 December 2024 £
Assets			
Non-current assets			
Property, plant and equipment	11	747,528	4,089,607
Total non-current assets		747,528	4,089,607
Current assets			
Inventories		260	455,906
Trade and other receivables	14	814,608	2,448,465
Current tax asset		255,000	–
Cash and cash equivalents		3,401,631	6,596,201
Total current assets		4,471,499	9,500,572
Liabilities			
Current liabilities			
Trade and other payables	15	(1,659,939)	(3,557,813)
Provisions	17	(509,038)	(286,948)
Total current liabilities		(2,168,977)	(3,844,761)
Net current assets		2,302,522	5,655,811
Non-current liabilities			
Contract liabilities (long-term)	16	(244,851)	(342,587)
Provisions	17	–	(440,000)
Total non-current liabilities		(244,851)	(782,587)
Total liabilities		(2,413,828)	(4,627,348)
Net assets		2,805,199	8,962,831
Capital and reserves attributable to owners of the Parent Company			
Share capital	18	1,162,655	607,407
Share premium		72,845,717	71,235,261
Merger reserve		1,152,165	1,152,165
Warrant reserve		216,563	–
Retained losses		(72,571,901)	(64,032,002)
Total equity		2,805,199	8,962,831

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 2 June 2026. By order of the Board

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ALEXANDER DUGGAN

Chief Executive Officer

Registered number: 04206001

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Notes	Share Capital £	Share Premium £	Merger Reserve £	Warrant Reserve £	Retained Losses £	Total Equity £
At 1 January 2024		602,812	71,068,945	1,152,165	–	(67,347,103)	5,476,819
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>		<i>4,595</i>	<i>166,316</i>	<i>–</i>	<i>–</i>	<i>2,022,091</i>	<i>2,193,002</i>
At 31 December 2024		607,407	71,235,261	1,152,165	–	(64,032,002)	8,962,831
Total comprehensive loss for the year		–	–	–	–	(9,070,698)	(9,070,698)
Share-based payment	19	–	–	–	–	530,799	530,799
Shares issued during the year	18	555,248	1,610,456	–	–	–	2,165,704
Warrants issued	20	–	–	–	216,563	–	216,563
<i>Transactions with owners</i>		<i>555,248</i>	<i>1,610,456</i>	<i>–</i>	<i>216,563</i>	<i>530,799</i>	<i>2,913,066</i>
At 31 December 2025		1,162,655	72,845,717	1,152,165	216,563	(72,571,901)	2,805,199

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.

Warrant reserve represents the fair value of warrants issued to brokers in connection with the Group's fundraising activities. The warrants are equity settled and the reserve will be transferred to share capital and share premium upon exercise, or remain within equity on expiry.

The Notes on pages 66 to 82 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

	Notes	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Cash flows from operating activities			
(Loss)/profit before tax		(9,070,697)	1,290,844
Adjustments for:			
Depreciation	11	121,991	121,832
Profit on disposal of fixed assets	11	88	612
Finance income		(38,190)	(46,939)
Foreign exchange differences		–	–
Provisions – Inventory write down	13	490,000	–
Impairment losses	11	3,220,000	–
Taxation credit		(255,000)	–
Share-based payment charge	19	530,799	2,022,091
Cash flows generated by/(used in) operating activities before changes in working capital		(5,001,010)	3,388,440
Increase in inventories	13	(34,355)	(455,567)
Decrease/(increase) in trade and other receivables	14	1,633,857	(1,208,290)
Decrease in trade and other payables	15	(2,213,520)	(1,712,186)
Cash generated by/(used in) operations		(5,615,027)	12,397
Income tax received		–	379,075
Cash generated by/(used in) operating activities		(5,615,027)	391,472
Cash flows from investing activities			
Purchase of property, plant and equipment	11	–	(1,726,965)
Interest received		38,190	46,939
Cash used in investing activities		38,190	(1,680,026)
Cash flows from financing activities			
Issue of ordinary shares	18	2,789,174	170,911
Expenses paid in connection with share issues		(406,906)	–
Cash generated by financing activities		2,382,268	170,911
(Decrease)/increase in cash and cash equivalents		(3,194,570)	(1,117,643)
Cash and cash equivalents at beginning of year		6,596,201	7,714,183
Net foreign exchange differences		–	(339)
Cash and cash equivalents at end of year		3,401,631	6,596,201

There were no cash flows relating to exceptional items during the year. The Notes on pages 66 to 82 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

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 2025.

The consolidated financial statements of the Company and the Group for the year ended 31 December 2025 were authorised for issue by the Board of Directors on 2 June 2026.

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 statements 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 preparing the financial statements. The Group incurred a loss of £9.07 million during the year ended 31 December 2025. However, based on the assessment described below, the Directors consider it

appropriate to prepare the Group's and Parent Company's financial statements on a going concern basis.

In assessing the appropriateness of the going concern basis, the Directors considered the Group's current financial position, available cash resources and forecast cash flows for the period through to 30 June 2027.

The Group's forecasts indicate that the Group requires certain anticipated near-term cash inflows, including amounts expected from commercial arrangements and IP related milestones, in order to continue operations beyond July 2026. Even assuming the receipt of amounts expected from the commercial arrangements should the IP related milestone receipt not be received by September 2026, then the Group would need to raise additional financing by the end of September 2026.

In addition to the amounts expected from commercial arrangements and IP related milestones the forecasts also assume the receipt of cash inflows from product sales. Even if these anticipated inflows are received, the Group will require additional funding before the end of 2026 in order to continue operations throughout the forecast period to 30 June 2027.

Whilst the Directors have a reasonable expectation that these anticipated cash inflows and future financing arrangements can be achieved, they are not wholly within the Group's control and are therefore subject to uncertainty, including with respect to timing and quantum.

Should the anticipated near-term inflows not be received within the timeframe assumed in the forecasts, or should the Group be unable to secure the additional funding required during the forecast period, the Group would need to obtain alternative sources of finance and/or implement mitigating actions.

As these anticipated cash inflows and future financing arrangements are not secured at the date of approval of the financial statements, these events and conditions indicate the existence of material uncertainties that may cast significant doubt upon the Group's and Parent Company's ability to continue as a going concern.

Consequently, the Group and Parent Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

Nevertheless, after considering the forecasts, available mitigating actions and progress made in relation to the anticipated commercial arrangements and funding initiatives, the Directors have a reasonable expectation that the Group and Parent Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements

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 21 – Lack of exchangeability (effective date: 1 January 2025)

Applicable accounting standards and interpretations issued but not yet adopted

At the date of authorisation of the financial statements, the following Standards 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 IFRS 9 and IFRS 7 – Classification and measurement of financial instruments (effective date: 1 January 2026)
- IFRS 18 – Presentation of financial statements (effective date: 1 January 2027)
- IFRS 19 – Subsidiaries without public accountability disclosures (effective date: 1 January 2027).

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

2. ACCOUNTING POLICIES CONTINUED

New accounting policies

During the period, the Group introduced new accounting policies in accordance with IFRS to enhance the presentation of exceptional items.

The Group separately presents exceptional items, being material income or expenses arising from events or transactions that are unusual in nature or infrequent in occurrence. These items are recognised in accordance with IFRS and disclosed to provide users with a clearer understanding of the underlying operating performance. The adoption of this presentation has no impact on comparative figures.

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. The Group's non-current assets are primarily located in the United Kingdom, with non-current assets of approximately £0.75 million located in Belgium.

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.

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. At the reporting date, Management has concluded that no constraint on variable consideration is required.

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 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.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

2. ACCOUNTING POLICIES CONTINUED

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.

Where the criteria for capitalisation are met, development costs are capitalised until the product is available for use. Once available for use, these costs are amortised over the period in which the Group expects to benefit from sales of the related products.

Capitalised development costs, including patents and trademarks, are amortised over their estimated useful lives. The amortisation expense is recognised within research

and development costs in the Consolidated Statement of Comprehensive Income.

The useful lives and carrying value of capitalised development costs are reviewed at least annually for indicators of impairment. Where impairment is identified, the carrying value is written down immediately to its recoverable amount and the remaining balance amortised over the revised useful life.

As Eroxon® has now been 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 with depreciation commencing when the asset is available for use. Plant and equipment are reviewed for indicators of impairment in accordance with the Group's accounting policy on impairment of non-financial assets (Note 2.10).

Plant and equipment 2 – 5 years straight-line

Furniture and fittings 3 – 10 years straight-line

The assets' residual values and useful lives are determined by the Directors and reviewed and adjusted, if appropriate, at each reporting date.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

2. ACCOUNTING POLICIES CONTINUED

2.10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of fair value less costs of disposal and value in use. Value in use is determined based on the present value of the expected future cash flows generated by the asset or, where appropriate, the cash-generating unit ("CGU") to which the asset belongs.

Assets that do not generate independent cash inflows are grouped at the lowest level for which there are separately identifiable cash flows. Impairment losses are recognised in profit or loss whenever the carrying amount of an asset or CGU exceeds its recoverable amount.

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 (2024: £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 (2024: £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

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

2. ACCOUNTING POLICIES CONTINUED

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.

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 employees and Directors. Awards referred to in the notes to the consolidated financial statements were granted only after specified performance milestones had been achieved, with the share price at the date of grant determining the size of the award by reference to targets set in advance. The awards are intended to be settled in equity, although settlement in cash may occur at the discretion of the Board.

The fair value of LTIP awards granted to employees and others providing similar services is recognised in the Consolidated Statement of Comprehensive Income over the vesting period, with a corresponding increase in equity. As the performance conditions were satisfied prior to grant, the only remaining vesting condition is continued employment and the number of awards expected to vest is adjusted only for expected forfeitures.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

2. ACCOUNTING POLICIES CONTINUED

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 measured at the lower of cost and net realisable value ("NRV"). Cost comprises the purchase price of finished goods and other costs incurred in bringing inventories to their present location and condition. The Company applies the first-in, first-out ("FIFO") method to determine the cost of finished goods. Under this method, items purchased or produced first are assumed to be sold first, and inventories on hand are valued at the most recent purchase costs.

NRV represents the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

At each reporting date, the Company assesses whether inventories are carried in excess of their NRV. Where inventories are identified as slow-moving, obsolete, damaged, or where selling prices have declined, they are written down to NRV. Such write-downs are recognised as an expense in the Consolidated Statement of Comprehensive Income in the period in which they arise.

If circumstances that previously caused inventories to be written down no longer exist, or if there is clear evidence of an increase in NRV, the amount of the write-down is reversed, limited to the amount of the original write-down. Reversals are recognised in the period in which they occur.

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 Warrants

The Company may issue warrants from time to time in conjunction with the issue of equity instruments. Where warrants are issued, the terms of the instrument are assessed against the requirements of IAS 32. Where the warrants meet the 'fixed-for-fixed' criterion for the right to acquire a fixed number of the Company's own shares for a fixed amount of cash they are classified as equity instruments rather than financial liabilities.

The fair value of such warrants is determined at the date of grant using the Black-Scholes valuation model and recognised within a warrant reserve in equity. The balance is held in the warrant reserve until the warrants are exercised or they lapse. On exercise or expiry of the warrant, the balance is transferred to retained earnings.

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 £530,799 (2024: £2,022,091), 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 2024, 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.

Fair value of warrants

Where the fair value of warrants recorded in the Statement of Financial Position cannot be derived from actual markets, their fair values is determined using valuation techniques. The inputs to these models are taken from observable markets, where possible. Where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include consideration of inputs such as volatility.

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

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

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 2025 the Group had trade payables denominated in a foreign currency totalling £210,191 (31 December 2024: £1,073,303) and trade receivables denominated in foreign currency totalling £323,598 (31 December 2024: £1,356,139). 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 2025 or at 31 December 2024.

At 31 December 2025, the Group held balances of the following denominated currencies:

		Year ended 31 December 2025 £	Year ended 31 December 2024 £
GBP	£	2,324,557	2,576,418
EUR	€	161,407	1,901,528
USD	\$	1,263,210	3,070,141

The Group is exposed to foreign exchange risk primarily in relation to cash balances denominated in Euros and US Dollars. The table below illustrates the estimated impact on profit before tax of a reasonably possible change in exchange rates at the reporting date, assuming all other variables remain constant.

	Year ended 31 December 2025 Impact on profit before tax £	Year ended 31 December 2024 Impact on profit before tax £
10% strengthening of GBP	(108,000)	(402,000)
10% weakening of GBP	108,000	402,000

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:

	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Cash and cash equivalents	3,401,631	6,596,201
Trade receivables	323,597	1,269,838
Accrued income	126,204	869,243
	3,851,432	8,735,282

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

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

4. FINANCIAL RISK CONTINUED

(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 2025 and 31 December 2024, 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
	£	£	£	£
31 December 2025				
Trade and other payables	1,485,394	1,485,394	–	–
	1,485,394	1,485,394	–	–
	Carrying amount	2 months or less	2 – 12 months	More than 1 year
	£	£	£	£
31 December 2024				
Trade and other payables	3,399,681	3,399,681	–	–
	3,399,681	3,399,681	–	–

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 £3,401,631 of cash at bank as at 31 December 2025 (31 December 2024: £6,596,201).

5. REVENUE AND SEGMENTAL ANALYSIS

The Group is focused on the development and commercialisation of Eroxon® and other products within sexual health and 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:

	Year ended 31 December 2025	Year ended 31 December 2024
	£	£
EU and UK	885,233	4,778,870
USA	735,848	7,835,054
Rest of World	75,579	1,312,198
	1,696,660	13,926,122
	31 December 2025	31 December 2024
	£	£
Revenue recognised at a point in time	1,598,923	13,787,793
Revenue recognised over time	97,737	138,329
	1,696,660	13,926,122

The Group derives revenue from milestone payments, product sales and royalty income. The following table provides an analysis of revenue recognised at a point in time:

	31 December 2025	31 December 2024
	£	£
Milestone payments	–	6,965,810
Product sales	824,943	5,912,337
Royalties	773,980	909,646
	1,598,923	13,787,793

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

5. REVENUE AND SEGMENTAL ANALYSIS

CONTINUED

In the current year, two customers represented more than 10% (2024: two) of revenue. Combined they represent approximately 95% (2024: 91%) of total 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 £97,737 (2024: £138,829) which was included in the contract liability at the beginning of the period (Note 16 on contract liabilities).

6. OPERATING (LOSS)/PROFIT

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

	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Cost of inventories recognised as an expense	456,707	3,586,498
Depreciation of plant and equipment (Note 11)	121,991	121,832
Loss on disposal of plant and equipment	88	612
Provision for inventory write-down	490,000	–
Short-term leases: property	130,925	135,218
Loss on foreign exchange	142,821	59,392

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

	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Audit services		
Parent Company	68,321	62,198
Subsidiaries	37,997	36,529
Total fees	106,318	98,727

7. STAFF NUMBERS AND COSTS

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

	Year ended 31 December 2025	Year ended 31 December 2024
R&D staff	5	7
Finance and administration staff	5	4
Executive Directors	3	3
Non-Executive Directors	2	3
	15	17

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Wages and salaries	2,012,911	2,361,756
Social security costs	276,503	492,621
Other pension and benefits costs	260,703	356,702
Total cash-settled remuneration	2,550,117	3,211,079
Share-based payment remuneration charge	530,799	2,022,091
Total remuneration	3,080,916	5,233,170

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

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

7. STAFF NUMBERS AND COSTS CONTINUED

	Year ended 31 December 2025	Year ended 31 December 2024
Directors' remuneration	£	£
Emoluments	927,937	1,627,230
Payments relating to loss of office	287,273	–
Employer pension contributions	34,372	34,266
Total remuneration	1,249,582	1,661,496

In 2025, there were share options exercised by one Director (2024: two) under the Group share option schemes and a gain of £54,474 was realised (2024: £45,333). In respect of the highest paid Director there was no gain realised (2024: £25,185).

Remuneration above includes the following amounts in respect of the highest paid Director:

	Year ended 31 December 2025	Year ended 31 December 2024
Highest paid Director's remuneration	£	£
Emoluments	223,860	471,206
Employer pension contributions	25,940	10,277
Total cash-settled remuneration	249,800	481,483

	Year ended 31 December 2025	Year ended 31 December 2024
Key management personnel's remuneration	£	£
Short term employee benefits	1,074,003	1,627,230
Post-employment benefits	34,372	34,266
Termination benefits	287,273	–
Share-based payments	289,456	778,769
Total key management personnel remuneration	1,685,104	2,440,265

The Directors consider that there are no key management personnel other than the Directors.

8. PENSION COSTS

The pension charge represents contributions payable by the Group to independently administered funds which during the year ended 31 December 2025 amounted to £202,658 (2024: £282,934). Pension contributions payable in arrears at 31 December 2025, included in accrued expenses at the relevant Consolidated Statement of Financial Position date, totalled £2,541 (2024: £6,473).

9. TAXATION

9.1 Current tax

	Year ended 31 December 2025	Year ended 31 December 2024
	£	£
UK corporation tax credit on (loss)/profit on ordinary activities	–	2,165

The tax assessed for the year was lower than the UK corporation tax rate (2024: lower). The differences are explained below:

	Year ended 31 December 2025	Year ended 31 December 2024
	£	£
Loss/(profit) on ordinary activities before tax	9,070,698	(1,290,845)
Loss/(profit) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2024: 23.5%)	2,267,673	(322,712)
Expenses not deductible for tax purposes	(130,461)	(31,955)
Timing differences not recognised in computation	(961,490)	–
Movement in unrecognised deferred tax	(1,162,513)	(174,378)
Share scheme deduction	–	168,536
Additional deduction for R&D expenditure	(13,209)	360,510
UK corporation tax credit	–	–
Adjustment to tax charge relating to prior period	–	2,165
UK corporation tax credit reported in the Consolidated Statement of Comprehensive Income	–	2,165

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

9. TAXATION CONTINUED

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 2025.

The Group has tax losses of approximately £46,017,234 (2024: £40,907,007) available for offset against future taxable profits.

9.2 Deferred tax

Deferred tax assets amounting to £12,431,683 (2024: £11,245,236) 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 2025	Year ended 31 December 2024
	£	£
Depreciation differential versus capital allowances	777,979	(2,440)
Other short-term timing differences	149,396	1,020,925
Unutilised tax losses	11,504,308	10,226,751
	12,431,683	11,245,236

10. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the (loss)/profit for the year 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 and warrants 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:

	2025	2024
(Loss)/profit for the purposes of basic EPS and diluted EPS (£)	(9,070,698)	1,293,010
Weighted average of ordinary shares for the purposes of basic EPS (number)	325,965,606	302,117,963
Dilutive effect of share options	–	8,649,801
Weighted average of ordinary shares of fully diluted EPS (number)	325,965,606	310,767,764
(Loss)/profit per share basic (pence)	(2.78)	0.43
(Loss)/profit per share fully diluted (pence)	(2.78)	0.41

In 2025, 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.

11. PLANT AND EQUIPMENT

	Property, Plant and Equipment	Furniture and Fittings	Total
Cost	£	£	£
At 1 January 2025	4,456,072	70,775	4,526,847
Additions	–	–	–
Disposals	–	(88)	(88)
At 31 December 2025	4,456,072	70,687	4,526,759
Depreciation			
At 1 January 2025	372,840	64,400	437,240
Eliminated on disposals	–	–	–
Impairment	3,220,000	–	3,220,000
Charge for year	120,263	1,728	121,991
At 31 December 2025	3,713,103	66,128	3,779,231
Net book value			
At 31 December 2025	742,969	4,559	747,528
At 31 December 2024	4,083,232	6,375	4,089,607

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

11. PLANT AND EQUIPMENT CONTINUED

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

Impairment of property, plant and equipment

During 2025, the Group recognised an impairment loss in respect of certain plant and equipment located in the United States.

Following a review of expected future utilisation, Management determined that demand for the related products is insufficient to support continued use of these assets. As a result, the recoverable amount of the assets was assessed based on their estimated scrap value.

Accordingly, the carrying value of the relevant plant and equipment has been fully impaired to £nil. The impairment loss of £3.2 million (2024: £nil) has been recognised as an exceptional administrative expense in the Consolidated Statement of Comprehensive Income.

12. FINANCIAL INSTRUMENTS BY CATEGORY

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

	31 December 2025 £	31 December 2024 £
Assets as per Consolidated Statement of Financial Position		
Receivables at amortised cost		
Trade and other receivables (Note 14)	323,597	1,269,838
Cash and cash equivalents	3,401,631	6,596,201
Total financial assets at amortised cost	3,725,228	7,866,039
Liabilities as per Consolidated Statement of Financial Position at amortised cost		
Trade and other payables (Note 15)	1,485,394	3,399,681
Total financial liabilities at amortised cost	1,485,394	3,399,681

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

13. INVENTORIES

During the year, the Group recognised inventory write-downs of £490,000 (2024: £nil) to reduce certain finished goods to their net realisable value. The write-downs were driven by lower forecast demand and an increased risk of obsolescence. Although the inventories remain usable their estimated selling prices, after considering costs to sell, were below cost at the reporting date.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

14. TRADE AND OTHER RECEIVABLES

Amounts receivable within one year:	31 December 2025 £	31 December 2024 £
Trade receivables	323,597	1,269,838
Financial assets (Note 12)	323,597	1,269,838
Prepayments and accrued income	430,879	958,341
VAT receivable	60,132	220,286
	814,608	2,448,465

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, EUR and USD. 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 (2024: £nil) were recognised on receivables arising from contracts with customers.

	31 December 2025 £	31 December 2024 £
Receivables included within 'Trade and other receivables'	323,597	1,269,838
Accrued income	126,204	869,243
Contract liabilities	342,588	440,324

15. TRADE AND OTHER PAYABLES

	31 December 2025 £	31 December 2024 £
Trade payables	562,114	1,493,238
Social security and other taxes	74,267	60,395
Contract liabilities	97,737	97,737
Accrued expenses	925,821	1,906,443
	1,659,939	3,557,813

Accrued expenses in 2025 include £0.34 million relating to a final payment for property, plant and equipment and £0.10 million relating to accrued cost of goods sold associated with product supplied by a third-party contract manufacturing organisation for which an invoice had not been received at the reporting date. In 2024, accrued expenses included £0.9 million relating to employee performance-related bonuses.

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 2025 £	31 December 2024 £
Opening balance brought forward	440,325	3,847,717
Revenue recognised in the year that was included in the opening contract liability balance	(97,737)	(3,407,392)
Revenue recognised in the year that was received in the current year	–	–
Cash received, excluding amounts recognised as revenue in the period	–	–
Balance carried forward	342,588	440,325

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

16. CONTRACT LIABILITIES CONTINUED

The maturities of the contract liabilities are presented below:

	31 December 2025	31 December 2024
	£	£
Due within one year	97,737	97,737
Due after one year	244,851	342,587
	342,588	440,324

17. PROVISIONS

At the reporting date, the Group has recognised a provision of £509,038 (2024: £726,948) 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 this provision will be paid within the next 12 months.

	31 December 2025	31 December 2024
	£	£
Opening balance	726,948	–
Penalties paid	(281,229)	–
Penalties added	63,319	726,948
Balance	509,038	726,948

18. SHARE CAPITAL

	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Number	Number	£	£
Allotted, called up and fully paid				
Ordinary shares of 0.2 pence each	581,327,755	303,703,568	1,162,655	607,407

The number of issued ordinary shares as at 1 January 2024 was 301,405,950. Each ordinary share carries the right to one vote and receive dividends from time to time. During the year ended 31 December 2024, the Company issued shares of 0.2 pence per share, 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
		170,911	2,297,618

The number of issued ordinary shares as at 1 January 2025 was 303,703,568. During the year ended 31 December 2025, 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 2025	Non-Executive Director award at 27.10 pence per share	34,178	126,116
August 2025	Exercise of share options at 0.2 pence per share	600	300,048
October 2025	Exercise of share options at 0.2 pence per share	3,982	1,990,927
October 2025	Issue of ordinary shares at 1 pence per share	300,000	30,000,000
December 2025	Exercise of share options at 0.2 pence per share	414	207,096
December 2025	Issue of ordinary shares at 1 pence per share	2,450,000	245,000,000
		2,789,174	277,624,187

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

18. SHARE CAPITAL CONTINUED

Directors exercised the following options during 2025 and 2024:

Month	Reason For Issue	Gross Consideration £	Shares Issued Number
October 2025	Director exercise of share options at 0.2 pence per share	3,981	1,990,927
		3,981	1,990,927

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
		145,000	500,000

19. SHARE OPTIONS

At 31 December 2025, 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 2025 Number	Options Exercised Number	Options Lapsed Number	Options Forfeited Number	Options Granted Number	At 31 December 2025 Number
1 October 2020 – 30 September 2025	7.50	400,000	–	(400,000)	–	–	–
1 October 2021 – 30 September 2026	31.00	790,000	–	(250,000)	–	–	540,000
1 October 2022 – 30 September 2027	15.50	802,000	–	(250,000)	–	–	552,000
1 October 2023 – 30 September 2028	37.90	1,390,800	–	(330,000)	–	–	1,060,800
1 October 2023 – 30 September 2028	29.50	100,000	–	–	–	–	100,000
1 October 2025 – 30 September 2030	45.00	867,000	–	–	(285,000)	–	582,000
7 January 2023 – 6 January 2033	0.2	2,818,092	(896,995)	–	(67,477)	–	1,853,620
6 April 2026 – 31 March 2033	43.60	1,734,000	–	–	(570,000)	–	1,164,000
9 October 2023 – 30 September 2033	0.2	7,734,954	(1,601,076)	–	(361,957)	–	5,771,921
1 April 2027 – 31 March 2034	35.50	1,966,000	–	–	(597,000)	–	1,369,000
		18,602,846	(2,498,071)	(1,230,000)	(1,881,434)	–	12,993,341

There were no share options awarded in 2025. 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.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

19. SHARE OPTIONS CONTINUED

The share options outstanding at 31 December 2025 represent 2.24% of the issued share capital as at that date (2024: 6.13%) and would generate additional funds of £1,955,153 (2024: £2,821,033) if fully exercised. The weighted average remaining life of the share options outstanding at 31 December 2025 was 78 months (2024: 88 months) with a weighted average remaining exercise price of 15.05 pence (2024: 15.16 pence).

The share options exercisable at 31 December 2025 totalled 8,189,680 (2024: 7,934,841) with an average exercise price of 11.63 pence (2024: 12.16 pence) and would have generated additional funds of £957,113 (2024: £964,727) if fully exercised.

The Group's share option scheme rules apply to all of the share options outstanding at 31 December 2025 (31 December 2024: 18,602,846) 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 2025 (31 December 2024: 765,598).

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.

An amount of £530,799 (2024: £2,022,091) 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
Grant date	19 April 2024
Number of shares under option	2,176,000
Vesting period ends	Apr 27
Share price as at date of grant	35.50p
Option exercise price	35.50p
Expected volatility	86.63%
Dividend yield	0%
Risk-free investment rate	4.61%
Exercisable from/to	Apr 27 – Mar 34
Expected life of options (years)	4
Fair value per share at grant date	23.03p

20. WARRANTS AND WARRANT RESERVE

On December 4 2025, Futura Medical plc issued a warrant instrument as part of a wider share issue to raise funds under a placing agreement. The Company issued 34,375,000 warrants at a ratio of one warrant for every 8 ordinary shares issued in the placing. The warrants are exercisable for 5 years at a price of 1 pence per ordinary share.

The warrants have been measured using the relative fair value method and fair value has been calculated using the Black-Scholes method using the following inputs:

Grant date	4 December 2025
Number of shares under option	34,375,000
Share price as at date of grant	1.1p
Option exercise price	1p
Expected volatility	102.57%
Dividend yield	0%
Risk-free investment rate	3.67%
Exercisable from/to	Dec 25 – Dec 30
Expected life of options (years)	2
Fair value per share at grant date	0.63p

At 31 December 2025, a balance of £216,563 (2024: £nil) was held in a warrant reserve representing the fair value of the warrants issued in December 2025.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

21. OTHER OPERATING INCOME

Other operating income is made up of the following items:

	31 December 2025	31 December 2024
	£	£
Research and development expenditure credit	(255,000)	–
Contribution to capital equipment by third party	–	(127,611)
	(255,000)	(127,611)

22. COMMITMENTS

At 31 December 2025 the Group had operating short-term lease commitments in respect of property leases cancellable on one month's notice of £8,207 (2024: £10,916).

23. 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 19.

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. Directors subscribed to 51 million shares in December 2025 (2024: nil) at a price of 1 pence per share.

24. EXCEPTIONAL ITEMS

During the period, the Group recognised £4,053,000 (2024: £nil) comprising:

Exceptional Item	Nature of Exceptional Item	31 December 2025
		£
Impairment of plant and equipment not yet in use	Reduction in the recoverable amount due to lower production demand (See Note 11).	3,220,000
Provision – Inventory write-down	Write-down of inventory purchased under minimum order quantity obligations as part of transitioning to a new supplier in the prior period. Whilst stock remains useable, demand forecasts indicate a potential risk of obsolescence.	490,000
Final payment for the asset	Remaining contractual obligation to acquire the asset	343,000
Total exceptional items		4,053,000

During the period:

- Impairment of plant and equipment: during the year, the Group impaired the recoverable amount of certain manufacturing plant and equipment due to lower production demand resulting in a net book value write-off of £3.2 million. This is a non-cash, non-recurring item. In addition, the Group has recognised a provision of £0.3 million in respect of the remaining unavoidable payment obligation associated with the acquisition of this plant and equipment, for which no future economic benefits are expected.
- Inventory write-downs: the Group recognised write-downs of £490,000 to reduce certain finished goods to their net realisable value due to lower forecast demand and increased risk of obsolescence. These inventories remain usable. Details are included in the Inventories note (Note 13).

The items are presented separately in the Consolidated Statement of Comprehensive Income to provide a clearer view of the Group's underlying operating performance. The adoption of this presentation has no impact on period figures.

25. SUBSEQUENT EVENTS

On January 15 2026, the Company's Board of Directors approved a special long-term incentive award for employees in the form of share options over ordinary shares under the Company's Long-Term Incentive Plan.

The options vest on 31 December 2026, subject to continued service and achievement of specified share price performance conditions over the vesting period. The extent to which the options ultimately vest will depend on the Company's share price performance relative to the established targets. The options have an exercise price of 0.2 pence per share and can be exercised for a period of 6 months.

As the award was approved after 31 December 2025, the grant date for accounting purposes occurred in the subsequent financial period. Accordingly, no share-based payment expense related to these options has been recognised in the accompanying financial statements. The Group will recognise the share-based payment expense in the 2026 financial period based on the grant-date fair value of the options, which will incorporate the market-based performance condition.

Parent Company Balance Sheet

as at 31 December 2025

Company No. 04206001

	Notes	As at 31 December 2025 £	As at 31 December 2024 £
Non-current assets			
Investments	3	10,000,000	73,605,224
Current assets			
Trade and other receivables	4	73,461	26,026
Cash at bank and in hand		2,254,377	1,961,046
Total current assets		2,327,838	1,987,072
Liabilities			
Trade and other payables	5	(310,393)	(246,231)
Total liabilities		(310,393)	(246,231)
Total net assets		12,017,445	75,346,065
Capital and reserves			
Share capital	6	1,162,655	607,407
Share premium		72,845,717	71,235,261
Warrant reserve		216,563	–
Retained losses		(62,207,490)	3,503,397
Total equity		12,017,445	75,346,065

The loss in respect of the Company for the year was £66,241,688 (2024: £753,206). The Parent Company financial statements were approved and authorised for issue by the Board of Directors on 2 June 2026.

The Notes on pages 85 to 87 form part of these Parent Company financial statements.

By order of the Board

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ALEXANDER DUGGAN

Chief Executive Officer

Parent Company Statement of Changes in Equity

for the year ended 31 December 2025

	Notes	Share Capital £	Share Premium £	Warrant Reserve £	Retained Losses £	Total Equity £
At 1 January 2024		602,812	71,068,945	–	2,234,512	73,906,269
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>
At 31 December 2024		607,407	71,235,261	–	3,503,397	75,346,065
Total comprehensive loss for the year		–	–	–	(66,241,688)	(66,241,688)
Share-based payment	19	–	–	–	530,801	530,801
Shares issued during the year	18	555,248	1,610,456	–	–	2,165,704
Warrants issued	20	–	–	–	216,563	216,563
<i>Transactions with owners</i>		<i>555,248</i>	<i>1,610,456</i>	<i>216,563</i>	<i>530,801</i>	<i>2,913,068</i>
At 31 December 2025		1,162,655	72,845,717	216,563	(62,207,490)	12,017,445

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 85 to 87 form part of these Parent Company financial statements.

Notes to the Parent Company Financial Statements

for the year ended 31 December 2025

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 £66,241,688 (2024: £753,206). 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 62 to 82.

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 requires significant judgement, particularly in relation to the estimation of future cash flows, probabilities of technical and commercial success, and the selection of appropriate discount rates.

During the year, Management identified indicators of impairment in respect of its investment in Futura Medical Developments Limited, including the Company's market capitalisation being materially below the carrying value of its net assets and increased uncertainty surrounding the development and commercialisation of key products. While market capitalisation reflects broader market sentiment and liquidity considerations and is not determinative of the recoverable amount of individual assets, it provides a relevant external benchmark and has been considered as a high-level cross-check when assessing the reasonableness of the value in use calculation.

An impairment review was therefore performed in accordance with IAS 36.

The recoverable amount was determined using a value in use approach based on probability-adjusted discounted cash flows. This incorporates:

- probability weighting to reflect development, regulatory, funding and commercial risks;
- adjustments to reflect uncertainty in future revenues; and
- a market-based discount rate reflecting general equity risk.

The estimation of recoverable amount is highly sensitive to assumptions regarding:

- future sales growth and market penetration;

Notes to the Parent Company Financial Statements

for the year ended 31 December 2025

2. SIGNIFICANT ESTIMATES CONTINUED

- timing of regulatory approvals and product development;
- funding assumptions for development-stage assets;
- discount rates; and
- the expected commercial life of the underlying assets.

Changes in these assumptions could result in material adjustments to the carrying value of the investment.

3. INVESTMENT IN SUBSIDIARY

The investment represents 100% of the issued ordinary £1 shares in Futura Medical Developments Limited, whose registered office is 40 Occam Road, Guildford, Surrey GU2 7YG. The subsidiary's principal activity is the research and commercialisation of consumer healthcare products.

The investment is stated at cost, including capitalised intercompany balances, less accumulated impairment losses.

The Company capitalises intercompany balances with its subsidiary where recovery is not expected within the next 12 months. Such balances are treated as part of the net investment in the subsidiary and are included within the carrying value of the investment. These amounts are assessed for recoverability as part of the overall impairment review of the investment in accordance with IAS 36.

Movement in investment in subsidiary:

	£
At 1 January 2024	70,080,942
Additions in the year	1,502,191
Share based payments	2,022,091
At 31 December 2024	73,605,224
Additions in the year	1,496,969
Share based payments	530,801
Impairment charge	(65,632,994)
At 31 December 2025	10,000,000

Impairment review

At the reporting date, the investment had a carrying value of £75.5 million (2024: £73.6 million).

Following the identification of impairment indicators, the Company performed an impairment review in accordance with IAS 36.

The investment is assessed as a single asset for impairment purposes. However, value in use has been determined using separate cash flow models for the underlying assets, reflecting their different stages of development, risk profiles and expected cash flows.

The recoverable amount of the investment has been determined on a value in use basis, using a probability-adjusted discounted cash flow methodology.

In determining the recoverable amount, Management considered whether fair value less costs of disposal would result in a higher amount, and therefore lower impairment charge but on the basis that the calculated value in use exceeded the Group's market capitalisation at 31 December 2025 (which, adjusting for cash held in the Parent Company is considered a proxy for fair value before costs to sell). Management concluded that value in use represents the most appropriate and reliable basis for estimating recoverable amount.

The Company's market capitalisation at the reporting date was materially below the carrying value of its net assets and was considered as an external indicator of impairment.

The total recoverable amount was assessed at £10.0 million.

As a result, an impairment charge of £65.6 million has been recognised in the Parent Company financial statements.

This impairment is recognised in the Parent Company only and does not impact the consolidated Group results.

Key assumptions

Probability-adjusted cash flows

Cash flows have been adjusted to reflect the probability of successful development, regulatory approval, funding and commercialisation of the underlying assets.

Revenue assumptions

Revenue projections reflect current expectations of market conditions, product development progress and anticipated commercial performance, taking into account uncertainty in market uptake and geographic expansion.

Discount rate

A discount rate of 25% (2024: 12%) was applied, reflecting a market-based cost of equity for a development-stage, AIM-listed biotechnology company.

The discount rate reflects general market and equity risk, including small-cap and sector-specific volatility. Risks specific to the development and commercialisation of the underlying assets have been incorporated through adjustments to the projected cash flows rather than the discount rate. This approach avoids double counting of risk and is consistent with IAS 36.

Forecast period and terminal value

Cash flow projections are based on detailed forecasts extending over the expected commercial life of the underlying assets through to patent expiry. Given the finite life of the assets and the expectation that cash flows will decline significantly thereafter, no terminal value has been applied in the valuation.

Sensitivity to key assumptions

The impairment assessment is sensitive to changes in key assumptions, including development outcomes, funding assumptions, revenue projections and discount rates. Reasonably possible changes in these assumptions could result in further changes to the recoverable amount of the investment.

Notes to the Parent Company Financial Statements

for the year ended 31 December 2025

3. INVESTMENT IN SUBSIDIARY CONTINUED

Although using the group's market capitalisation at 31 December 2025 was £6.69 million, and adjusting for cash held within the Parent Company, as a proxy for fair value and applying 5% as an estimate of cost to sell, the recoverable amount would be no less than £4.2 million and therefore any additional impairment charge would be capped at £5.8 million.

A move in discount rate from 25% to 35% would give rise to an increase in impairment charge of £6.5 million.

Estimation uncertainty

Certain underlying assets are in development and are subject to significant uncertainty, including:

- securing funding for development activities;
- regulatory approval processes;
- development cost variability; and
- future commercial success.

These uncertainties have been reflected in the valuation through appropriate adjustments to projected cash flows.

4. TRADE RECEIVABLES

	31 December 2025	31 December 2024
	£	£
Amounts receivable within one year:		
prepayments	63,461	26,026
VAT receivable	10,000	–
	73,461	26,026

5. TRADE PAYABLES

	31 December 2025	31 December 2024
	£	£
Trade creditors	139,909	140,620
Accruals	170,484	105,611
	310,393	246,231

6. CALLED UP SHARE CAPITAL

	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Number	Number	£	£
Allotted, called up and fully paid				
Ordinary shares of 0.2 pence each	581,327,755	303,703,568	1,162,655	607,407

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 AS AT 31 DECEMBER 2025

Alex Duggan	Chief Executive Officer (Appointed 8 August 2025)
Angela Hildreth	Finance Director and Chief Operating Officer
Ken James	Executive Director
Andrew Unitt	Non-Executive Chairman
Roy Davis	Non-Executive Director

COMMITTEE MEMBERS SERVING DURING THE YEAR WERE:

Audit committee

Roy Davis
Andrew Unitt

Remuneration committee

Roy Davis
Andrew Unitt

Nominations committee

Andrew Unitt
Roy Davis

Secretary and registered office

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

Auditor

Grant Thornton UK LLP
101 Cambridge Science Park
Milton Road
Cambridge
CB4 0FY

Registrar

MUFG
Unit 10
Central Square
29 Wellington Street
Leeds
LS1 4DL

Nominated adviser and broker

Panmure Liberum Capital
Limited
25 Ropemaker Street
London
EC2Y 9LY

Joint broker

Turner Pope Investment
Limited
3 Queen Street
London
W1J 5PA

Public relations adviser

Alma Strategic
Communications
71 -73 Carter Lane
London
EC4V 5EQ

Patent attorney

Withers & Rogers LLP
2 London Bridge Road
London
SE1 9R

Principal banker

HSBC Bank
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Guildford
GU1 4AF

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