

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Unaudited 6 months ended 30 June 2023	Unaudited 6 months ended 30 June 2022	Audited year ended 31 December 2022
	Notes	£	£	£
Revenue		1,703,447	-	-
Cost of Goods		(794,386)	-	-
<b>Gross Profit</b>		<b>909,061</b>		
Research and development costs		(819,474)	(1,909,854)	(4,131,224)
Administrative costs		(2,048,659)	(939,921)	(2,740,265)
<b>Operating loss</b>		<b>(1,959,072)</b>	<b>(2,849,775)</b>	<b>(6,871,489)</b>
Finance income		-	-	-
<b>Loss before tax</b>		<b>(1,959,072)</b>	<b>(2,849,775)</b>	<b>(6,871,489)</b>
Taxation	10	200,000	350,000	1,024,994
<b>Total comprehensive loss for the period attributable to owners of the parent company</b>		<b>(1,759,072)</b>	<b>(2,499,775)</b>	<b>(5,846,495)</b>
Loss per share (pence)	5	<b>(0.61p)</b>	(0.87p)	(2.03p)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	Unaudited 30 June 2023 £	Unaudited 30 June 2022 £	Audited 31 December 2022 £
<b>Assets</b>				
<b>Non-current assets</b>				
Plant and equipment		1,099,640	731,911	1,158,035
<b>Total non-current assets</b>		<b>1,099,640</b>	731,911	1,158,035
<b>Current assets</b>				
<b>Inventories</b>		809	-	-
Trade and other receivables	6	1,070,366	99,611	265,684
Current tax asset		197,836	1,258,312	1,022,831
Cash and cash equivalents	7	7,838,889	6,676,249	4,026,112
<b>Total current assets</b>		<b>9,107,900</b>	8,034,172	5,314,627
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	8	(2,195,326)	(1,388,830)	(1,753,109)
<b>Total liabilities</b>		<b>(2,195,326)</b>	(1,388,830)	(1,753,109)
<b>Total net assets</b>		<b>8,012,214</b>	7,377,253	4,719,553
<b>Capital and reserves attributable to owners of the Parent Company</b>				
Share capital	11	598,143	574,593	576,093
Share premium		70,930,527	66,399,546	66,545,796
Merger reserve		1,152,165	1,152,165	1,152,165
Warrant reserve		-	165,868	165,868
Retained losses		(64,668,621)	(60,914,919)	(63,720,369)
<b>Total equity</b>		<b>8,012,214</b>	7,377,253	4,719,553

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Note	Share Capital £	Share Premium £	Merger Reserve £	Other Reserve £	Retained Losses £	Total Equity £
<b>At 1 January 2022 - audited</b>		<b>574,302</b>	<b>66,378,003</b>	<b>1,152,165</b>	<b>165,868</b>	<b>(58,545,726)</b>	<b>9,724,612</b>
Total comprehensive loss for the period		-	-	-	-	(2,499,775)	(2,499,775)
Share-based payment		-	-	-	-	130,582	130,582
Shares issued during the period		291	21,543	-	-	-	21,834
Convertible loan notes and warrants issue		-	-	-	-	-	-
Convertible loan notes and warrants conversion and exercise		-	-	-	-	-	-
<i>Transactions with owners</i>		<i>291</i>	<i>21,543</i>	<i>-</i>	<i>-</i>	<i>130,582</i>	<i>152,416</i>
<b>At 30 June 22 - unaudited</b>		<b>574,593</b>	<b>66,399,546</b>	<b>1,152,165</b>	<b>165,868</b>	<b>(60,914,919)</b>	<b>7,377,253</b>
Total comprehensive loss for the period		-	-	-	-	(3,346,720)	(3,346,720)
Share-based payment		-	-	-	-	541,270	541,270
Shares issued during the period		1,500	146,250	-	-	-	147,750
Convertible loan notes and warrants issue		-	-	-	-	-	-
Convertible loan notes and warrants conversion and exercise		-	-	-	-	-	-
<i>Transactions with owners</i>		<i>1,500</i>	<i>146,250</i>	<i>-</i>	<i>-</i>	<i>541,270</i>	<i>689,020</i>
<b>At 31 December 2022 - audited</b>		<b>576,093</b>	<b>66,545,796</b>	<b>1,152,165</b>	<b>165,868</b>	<b>(63,720,369)</b>	<b>4,719,553</b>
Total comprehensive loss for the period		-	-	-	-	(1,759,072)	(1,759,072)
Share-based payment		-	-	-	-	644,952	644,952
Shares issued during the period		175	31,606	-	-	-	31,781
Convertible loan notes and warrants conversion and exercise	12	21,875	4,353,125	-	(165,868)	165,868	4,375,000
<i>Transactions with owners</i>		<i>22,050</i>	<i>4,384,731</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>4,406,781</i>
<b>At 30 June 2023 - unaudited</b>		<b>598,143</b>	<b>70,930,527</b>	<b>1,152,165</b>	<b>-</b>	<b>(64,668,621)</b>	<b>8,012,214</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Unaudited 6 months ended 30 June 2023 £	Unaudited 6 months ended 30 June 2022 £	Audited year ended 31 December 2022 £
<b>Cash flows from operating activities</b>			
Loss before tax	(1,959,072)	(2,849,775)	(6,871,489)
Adjustments for:			
Depreciation	65,282	12,369	24,734
Loss on disposal of fixed assets	-	-	585
Share-based payment charge	644,952	130,582	671,852
<b>Cash flows used in operating activities before changes in working capital</b>	<b>(1,248,838)</b>	<b>(2,706,824)</b>	<b>(6,174,318)</b>
<b>Decrease / (Increase) in inventories</b>	<b>(809)</b>		
(Increase) / decrease in trade and other receivables	(804,682)	(20,355)	(186,429)
Decrease in trade and other payables	442,217	(689,354)	(325,075)
<b>Cash used in operations</b>	<b>(1,612,112)</b>	<b>(3,416,533)</b>	<b>(6,685,822)</b>
Income tax received	1,024,994	-	910,476
<b>Net cash used in operating activities</b>	<b>(587,118)</b>	<b>(3,416,533)</b>	<b>(5,775,346)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	(6,886)	(301,623)	(740,697)
Interest received	-	-	-
<b>Cash used in investing activities</b>	<b>(6,886)</b>	<b>(301,623)</b>	<b>(740,697)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares	4,406,781	21,834	169,584
Expenses paid in connection with share issues	-	-	-
<b>Cash generated by financing activities</b>	<b>4,406,781</b>	<b>21,834</b>	<b>169,584</b>
<b>(Decrease)/ Increase in cash and cash equivalents</b>	<b>3,812,777</b>	<b>(3,696,322)</b>	<b>(6,346,459)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,026,112</b>	<b>10,372,571</b>	<b>10,372,571</b>
<b>Cash and cash equivalents at end of period</b>	<b>7,838,889</b>	<b>6,676,249</b>	<b>4,026,112</b>

# NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

## 1. Corporate information

The interim condensed consolidated financial statements of Futura Medical plc and its subsidiaries (the “Group”) for the six months ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 15 September 2023. Futura Medical plc (the “Company”) is a public limited company incorporated and domiciled in the United Kingdom 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.

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

## 2. Accounting policies

The accounting policies applied in these interim financial statements are consistent with those of the annual financial statements for the year end 31 December 2022, as described in those financial statements except for the new accounting policies described below.

These condensed interim consolidated financial statements for the six months ended 30 June 2023 and for the six months ended 30 June 2022 do not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006 and are unaudited.

The Group’s financial information for the year ended 31 December 2022 has been extracted from the financial statements of the statutory accounts (“Annual Report”) of Futura Medical plc, which were prepared by the Directors in accordance with UK-adopted International accounting standards (“IFRS”) in conformity with the requirements of the Companies Act 2006 that were applicable for the year ended 31 December 2022 and does not constitute the full statutory accounts for that period. The Annual Report for 2022 has been filed with the Registrar of Companies. The Independent Auditor’s Report on those financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006; though it did include a reference to a matter to which the Independent Auditor drew attention by way of emphasis without qualifying their report in relation to going concern. It does not comply with IAS 34 Interim financial reporting, as is permissible under the rules of AIM.

## 3. Estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires management to make certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of income and expenses in the period.

Critical accounting estimates, assumptions and judgements are continually evaluated by the Directors based on available information and experience. As the use of estimates is inherent in financial reporting actual results could differ from these estimates.

### *Going concern*

The Group has reported a loss after tax for the six months ended 30 June 2023 of £1.76 million (six months ended 30 June 2022: £2.50 million, year ended 31 December 2022: £5.85 million). The Group holds cash balances of £7.84 million at 30 June 2023 (30 June 2022: £6.68 million, 31 December 2022: £4.03 million).

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Directors have considered the applicability of the going concern basis in the preparation of the financial statements. This includes the review of internal budget, financial results and cashflow forecasts for the 12 months' period following the date of signing the financial statements. These forecasts show that the Group has sufficient funds to allow the business to continue in operations for at least 12 months from the date of approval of these financial statements.

Based on the above factors the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

### *Share-based payments*

The Group operates an equity-settled share-based compensation plan for employee (and consultant) 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, the inputs of 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 option expense of £644,952 for the six months ended 30 June 2023 (six months ended 30 June 2022: £130,582, year ended 31 December 2022: £671,852), the volatility method used is not expected to have a material impact on these financial statements. Details of the fair value calculation for options granted during the period, including other inputs into the Black-Scholes model, are disclosed in Note 13.

### *R&D tax credits*

The current tax receivable represents an estimate of the anticipated R&D tax credit in respect of claims not yet submitted for the 2022 financial year. The final receivable is subject to the correct application of complex R&D rules and HMRC approval. Historically, claims have been successful, and the Group expects the current year to be successful too.

## **4. Segment reporting**

The Group is organised and operates as one segment.

## **5. Loss per share (pence)**

The calculation of the loss per share is based on a loss of £1,759,072 (six months ended 30 June 2022: loss of £2,499,775; year ended 31 December 2022: loss of £5,846,495) and on a weighted average number of shares in issue of 288,974,155 (six months ended 30 June 2022: 287,286,073; year ended 31 December 2022: 287,478,055). The loss attributable to equity holders of the Company for the purpose of calculating the fully diluted loss per share is identical to that used for calculating the basic loss per share. The exercise of share options, or the issue of shares under the long-term incentive scheme, would have the effect of reducing the loss per share and is therefore anti-dilutive under the terms of IAS 33 'Earnings per Share'.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 6. Trade and other receivables

	Unaudited 30 June 2023 £	Unaudited 30 June 2022 £	Audited 31 December 2022 £
<b>Amounts receivable within one year:</b>			
Trade receivables	994,742	7,547	70,114
Other receivables	10,440	12,137	-
Financial assets	1,005,182	19,684	70,114
Prepayments	65,184	79,927	195,570
	<b>1,070,366</b>	<b>99,611</b>	<b>265,684</b>

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.

### 7. Cash and cash equivalents

	Unaudited 30 June 2023 £	Unaudited 30 June 2022 £	Audited 31 December 2022 £
Cash at bank and in hand	7,838,889	6,676,249	4,026,112
	<b>7,838,889</b>	<b>6,676,249</b>	<b>4,026,112</b>

### 8. Trade and other payables

	Unaudited 30 June 2023 £	Unaudited 30 June 2022 £	Audited 31 December 2022 £
Trade payables	(675,229)	(414,860)	(316,181)
Social security and other taxes	(198,032)	(54,835)	(145,092)
Contract liability	(644,110)	(369,584)	(432,151)
Accrued expenses	(677,955)	(549,551)	(859,685)
	<b>(2,195,326)</b>	<b>(1,388,830)</b>	<b>(1,753,109)</b>

### 9. Related party transactions

Related parties, as defined by IAS 24 'Related Party Disclosures', are the wholly owned subsidiary companies: Futura Medical Developments Limited and 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.

# NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 10. Taxation

The Group's tax credit in the six months ended 30 June 2023 was £0.20 (six months ended 30 June 2022: £0.35 million, year ended 31 December 2022: £1.03 million). The tax credit balance of £0.2 million relates to anticipated R&D tax credits in respect of claims not yet submitted 2023 financial year.

## 11. Share capital

<b>Authorised</b>	<b>30 June 2023 Number</b>	30 June 2022 Number	31 December 2022 Number	<b>30 June 2023 £</b>	30 June 2022 £	31 December 2022 £
Ordinary shares of 0.2 pence each	<b>500,000,000</b>	500,000,000	500,000,000	<b>1,000,000</b>	1,000,000	1,000,000

<b>Allotted, called up and fully paid</b>	<b>30 June 2023 Number</b>	30 June 2022 Number	31 December 2022 Number	<b>30 June 2023 £</b>	30 June 2022 £	31 December 2022 £
Ordinary shares of 0.2 pence each	<b>299,071,457</b>	287,296,527	288,046,527	<b>598,143</b>	574,593	576,093

The number of issued ordinary shares as at 1 January 2023 was 288,046,527. During the period of six months ended 30 June 2023, the Company issued 11,024,930 ordinary shares of 0.2 pence with each ordinary share carrying the right to one vote as follows:

		<b>£</b>	<b>Number</b>
January 2023	Non-Executive Director share award	31,781	87,430
June 2023	Exercise of warrants	4,375,000	10,937,500
		<b>4,406,781</b>	<b>11,024,930</b>

## 12. Exercise of warrants

The balance of the warrant reserve as at 1 January 2023 related to a warrant instrument issued in January 2020, as part of a wider share issue to raise funds under a subscription agreement. The Company issued 10,937,500 warrants. The warrants were issued at a price of 40 pence per ordinary share and were exercised in full in June 2023, resulting in funds received of £4,375,000. As a result of this exercise the warrant reserve has been transferred to retained earnings.



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 13. Share based payments

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

Grant date	6 April 2023
Number of shares under option	1,934,000
Vesting period ends	April 2026
Share price as at date of grant	43p
Option exercise price	43.90p
Expected volatility	89.58%
Dividend yield	0%
Risk-free investment rate	3.54%
Exercisable from/to	April 2026 - March 2033
Expected life of options	3 years
Fair value per share at grant date	24.96p

### 14. Post -period balance sheet events

In July 2023, Futura entered into a commercial licence agreement with Haleon in respect of Eroxon®. Upon execution of this agreement, Futura received \$4 million (£3.2 million) in the form of an upfront milestone payment which is to be recognised as a Contract Liability until satisfaction of the performance obligations. The key performance obligation, which is expected to be met in 2024, will cause materially all of the £3.2 million to be recognised as revenue at that point in time on the Consolidated Statement of Comprehensive Income.

