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For immediate release **26 September 2018**

Futura Medical plc
("Futura" or "the Company")

Interim Results for the Six Months 30 June 2018

Futura Medical plc (AIM: FUM), (the "Company"), a pharmaceutical company developing a portfolio of innovative products based on its proprietary, transdermal Dermasys® drug delivery technology and currently focused on sexual health and pain, is pleased to announce its interim results for the six months ended 30 June 2018.

Highlights

- Together with the Board the Company has undertaken an extensive review of its pipeline and product portfolio, with the aim of maximising the potential of its products for the benefit of its shareholders.

- Company focus is on further development of MED2002 to optimise value for shareholders, subject to funding, with further realisation of value from the pain portfolio.

MED2002: Eroxon® - Topical treatment for erectile dysfunction ("ED")

- The Company held a number of constructive discussions with potential commercial partners and regulatory agencies for the further development of MED2002, a breakthrough treatment for ED.

- Positive results in a pharmacokinetic ("PK") study conducted earlier in 2018 demonstrating safety at higher doses of MED2002 along with a dose related absorption profile.

- Peer reviewed paper on MED2002 published in *The Journal of Sexual Medicine* in February 2018.

- MED2002's first European Phase 3 study, "FM57", has commenced with first patient entering the study within the next month. The study protocol has incorporated feedback received from potential commercial partners and also US and EU regulatory agencies to optimise the commercial value as well as maximise the likelihood of regulatory approval.

- Futura plans to take MED2002 through Phase 3 development and then seek to partner or sell the asset. Discussions with potential licensees continue in parallel.

Pain relief products: TPR100 (diclofenac) and TIB200 (ibuprofen)

- TPR100 commercial partner Thornton & Ross filed for UK regulatory submission in July 2018.

- Out-licensing discussions for TPR100 outside of the UK are ongoing.

CSD500: Erectogenic condom

- Significant milestone achieved with approval of 2-year shelf life approved for CSD500, the erectogenic condom in September 2018. Development now complete.

- Discussions are ongoing with current and potential further distribution partners on next steps with the product in a number of markets.

Financial highlights

- Net loss of £1.95 million in the period (30 June 2017: net loss £1.60 million), reflecting R&D expenditure as MED2002 Pharmacokinetic (PK) study was carried out and preparations made for its Phase 3 clinical efficacy programme that commenced in H2 2018.

- Cash resources of £6.03 million at 30 June 2018 (30 June 2017: £10.12 million).

Post-period highlights

- R&D tax credit refund of £0.93 million received in August 2018.

James Barder, Futura's Chief Executive Officer, commented: "Futura has made excellent progress in the first half of 2018, solidifying and improving the robustness of the planned Phase 3 programme with MED2002, our breakthrough topical erectile dysfunction ("ED") gel. We look forward to the first patient dosing of MED2002 in the first Phase 3 trial in Europe in the next month and are excited to be moving closer to bringing an innovative, differentiated ED product to market that could help the many ED patients whose needs are not met by current treatments. We will also continue to explore ways to ensure profitable income streams from CSD500 and our pain relief gel products."

A meeting for analysts will be held at 10.00am BST this morning, 26 September 2018, at Devonshire Club, 5 Devonshire Square, London, EC2M 4YD. There will be a live webcast of the analyst presentation. If you would like to listen to the webcast, please log on to the following web address approximately 5 minutes before 10.00am BST: https://www.futuramedical.com/content/financial/annual_reports.asp

A recording of the webcast will be made available at www.futuramedical.com following the results meeting.

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Notes to Editors

Futura Medical plc

Futura Medical plc (AIM: FUM), is a pharmaceutical company developing a portfolio of innovative products based on its proprietary, transdermal Dermasys® drug delivery technology. These products are optimised for clinical efficacy, safety, administration and patient convenience and are developed for the prescription and consumer healthcare markets as appropriate. Current therapeutic areas are sexual health, including erectile dysfunction, and pain relief. Development and commercialisation strategies are designed to maximise product differentiation and value creation whilst minimising risk.

The first European Phase 3 trial for MED2002, referred to as “FM57”, will be a 1,000 patient, dose-ranging, multi-centre, randomised, double blind, placebo-controlled, home use, parallel group study of MED2002 0.2%, 0.4% and 0.6% w/w Glyceryl Trinitrate for the treatment of erectile dysfunction with an open label extension. FM57 is progressing on track, with first patients expected to enter study within the next month and with headline data expected by the end of 2019.

Futura is based in Guildford, Surrey, and its shares trade on the AIM market of the London Stock Exchange. www.futuramedical.com

This document may contain certain forward-looking statements. Whilst the directors believe all such statements to have been fairly made on reasonable assumptions, there can be no guarantee that any of them are accurate or that all relevant considerations have been included in the directors' assumptions; accordingly, no reliance whatsoever should be placed upon the accuracy of such statements, all of which are for illustrative purposes only, are based solely upon historic financial and other trends and information, including third party estimates, and may be subject to further verification. Neither the Company nor its directors, nor N+1 Singer (together with its associates) makes any representation or warranty in respect of the accuracy, completeness or verification of the contents of the document. N+1 Singer has not authorised or verified the contents of, or any part of, the document.

James Barder, CEO, and Angela Hildreth, FD & COO, arranged for the release of this announcement on behalf of the Company.

Chairman's and Chief Executive's Review

During the year to date we have continued to make excellent progress with our key asset, MED2002, our topical gel for erectile dysfunction ("ED"). Results from a Phase 1 Pharmacokinetic ("PK") study, as well as continuing discussions with regulators and potential licensees, have allowed us to refine and finalise solid plans for the MED2002 Phase 3 programme, the last step in clinical development prior to filing for marketing authorisation(s). This builds upon the promising Phase 2 data, particularly in mild to moderate ED patients, as headlined in 2016 and scientifically published with peer review in early 2018. Our first MED2002 Phase 3 trial in Europe is on track for first patient dosing in the next month and headline data is expected by the end of 2019.

The commercialisation of our pain relief portfolio also continues as planned. In July 2018, the UK regulatory filing was submitted for TPR100, our diclofenac gel for topical pain relief by Thornton & Ross, a UK subsidiary of STADA Arzneimittel AG ("STADA").

As an innovative, specialist, R&D company, it is very important that our strategy is focused on where we can deliver most value for our shareholders – by developing our portfolio of innovative products for the sexual health and pain markets, and then partnering at the optimum time to generate maximum value. The Company recently undertook an extensive review of its pipeline and product portfolio and determined that a more concentrated R&D focus on MED2002 and our pain relief gels will best enable us to achieve these aims. The CSD500 condom is a compelling commercial asset, out-licensed in 27 territories, and discussions with current and potential distribution partners on next steps are ongoing with a view to ensure a profitable income stream from the product without extensive additional investment by Futura.

Our balance sheet includes cash resources of £6.03 million as at 30 June 2018 (30 June 2017: £10.12 million). We will continue to use our cash resources prudently and are exploring a number of options for additional financing, as we progress the first MED2002 Phase 3 programme to topline data towards the end of 2019. This will ensure the Company has sufficient resources to maximise shareholder value from the commercial opportunity for MED2002.

Portfolio updates - Sexual healthcare

MED2002: Eroxon® - Topical treatment for erectile dysfunction

MED2002, which uses our DermaSys® drug delivery system, is the development name for our topical glyceryl trinitrate ("GTN") gel. It has the potential to be a highly differentiated therapy for the treatment of men with ED, especially mild to moderate ED. MED2002's rapid onset of action means that it has the potential to become the world's fastest-acting treatment for ED, with a speed of onset of around five minutes and rapid clearance therefore offering a favourable safety profile. Viagra® and Cialis® which dominate the existing on-market ED therapies are taken orally and do not take effect for at least 30 minutes and typically one hour or more[1]. Speed of onset and method of administration of MED2002 also help restore spontaneity and intimacy. Importantly, MED2002 may also be appropriate for ED sufferers on nitrates and other drugs that are contraindicated for

use with phosphodiesterase-5-inhibitors ("PDE5is") such as Viagra® and Cialis® and other existing oral ED treatments.

We hold patents to the product in a market worth US$5.6 billion[2] for currently available treatments and have registered the brand name Eroxon®, though potential distributors may choose to use other brand names. The potential market for MED2002 alone is large with potential peak US and EU sales in excess of US $1 billion. If MED2002 is approved, there is an estimated US$560 million prescription-only market potential (sources: Decision Resources and Cello), and an estimated US$660 million+ market potential as an over-the-counter (OTC) product of which 70% is estimated to represent incremental sales potential to the prescription–only market (source: Ipsos Mori forecasts commissioned by Futura). Prospective partners have arrived at similar estimates of the market opportunity, sourced at their expense which underpins our confidence.

MED2002's patent protection runs until August 2028 in the USA and August 2025 in Europe. An additional patent filing could extend patent protection through to 2038 if granted.

We previously announced breakthrough clinical results in September 2016 for MED2002 and extensive, compelling data from these Phase 2 studies, including statistical significance for internationally accepted IIEF-EF clinical trial endpoints, were published in a peer reviewed paper in *The Journal of Sexual Medicine* in February 2018. The article is available at the following link: http://www.jsm.jsexmed.org/article/S1743-6095(17)31852-0/fulltext.

Earlier in 2018, positive results from the Phase 1 Pharmacokinetic ("PK") study were announce to inform and define the higher MED2002 doses to be used in Phase 3 studies. Doses of 0.2%, 0.4% and 0.6% w/w glyceryl trinitrate ("GTN") were shown to be safe and well tolerated along with a dose related absorption profile and equivalence to similar systemic doses of GTN in the form of Nitrostat®. This will be the reference drug for safety, if Phase 3 data are positive, in the planned abbreviated regulatory filings for approval via the European Article 8 (3) procedure and the 505 (2) (b) pathway in the USA. These regulatory routes will also give us 10 years and three years, respectively, of data exclusivity from the date of approval, thereby further strengthening our intellectual property position. The PK data were also encouraging with respect to the potential for greater clinical efficacy at higher doses than 0.2% in the Phase 3 clinical studies whilst maintaining safety and tolerability.

The Company has had extensive discussions with a number of interested commercial partners for the out-licensing of MED2002. These discussions are ongoing. However, in the majority of instances potential commercial partners would like to see positive Phase 3 data on MED2002, especially at the higher doses, ahead of more advanced licensing discussions and have indicated that they are likely to pay more for the product after such data have been generated.

An innovative product with positive Phase 3 data is significantly clinically de-risked and greater value is likely to be obtained by an innovator such as Futura when partnering or out-licensing the product, than structuring an earlier arrangement. Data from Futura's out-licensing advisers and the Company's own ongoing internal assessments of comparable licensing deals indicate that the innovator's share of product net present value

increases by approximately 50% moving between Phase 2 to Phase 3 datasets. Consequently, the Board recognises the importance to shareholders of achieving this milestone, in order to maximise shareholder value.

Futura therefore plans to take MED2002 through Phase 3 development and then partner or sell the asset. The first European Phase 3 study, "FM57", a 1,000 patient study of MED2002 for the treatment of erectile dysfunction is progressing on track with first patients expected to enter study within the next month and with headline data expected by the end of 2019. FM57's protocol has incorporated feedback received from potential commercial partners, opinion-leading clinicians and also US and EU regulatory agencies to optimise the commercial value as well as maximise the likelihood of regulatory approval.

In parallel to the clinical studies, a market access and engagement programme for MED2002 is underway. Futura is in the process of setting up a scientific advisory council involving high profile US Key Opinion Leaders ("KOLs") in the field of erectile dysfunction as well as the European KOLs already retained.

Note [1] US patient information for Viagra® and Cialis®
Note [2] IMS Health - MSP 2016 (15 key countries)

CSD500: Condom containing the erectogenic Zanifil® gel

Futura has developed CSD500 into a product with significant commercial potential. The product benefits from three clinically proven claims: the maintenance of a firmer erection, maximised penile size and a longer lasting sexual experience for women whilst wearing a condom. CSD500, which is CE Marked, represents real innovation in an industry where there has been limited new product development. Futura's unique intellectual property for CSD500 has been protected throughout the world through the filing and granting of a range of patents.

Both of our manufacturing partners - TTK in India and our European manufacturer - have the required approvals to ship CSD500 to any country in which the product is approved. In September, our European manufacturer received regulatory approval from the relevant EU Notified Body to manufacture the two-year shelf life product. TTK received regulatory approval in 2017 and CSD500 can now be supplied with the more commercially viable two-year shelf life in all approved regions, a long-awaited milestone.

As an innovative specialist R&D company, Futura does not have the marketing or regulatory resources to support the day-to-day requirements in a growing compliance-driven medical device market and will focus its efforts on licensing the condom product / technology with partners who can accommodate the increasingly complex regulatory obligations. Futura expects to still benefit from the Intellectual Property of CSD500 through potential royalties, but the immediate potential for substantial royalties is low in the absence of a large global brand 'carrier' to take the product forward. The Company will continue to explore national, multi-territory and regional deals where the opportunities arise. The Company would benefit from annual cost savings of approximately £0.4 million in the event that it no longer maintains regulatory clearance itself for CSD500 as a medical device.

Discussions are ongoing with potential partners to licence the product in a number of markets.

Portfolio updates - Topical pain relief

The rapid skin permeation rates enabled by Futura's transdermal delivery system, DermaSys®, offer potential benefits in pain management including: improved onset of action, duration and degree of pain relief. DermaSys® also allows the potential to have a twice daily dosing regimen which provides an attractive commercial proposition for ibuprofen which is currently dosed three to four times per day.

Futura has previously demonstrated statistically significant results from its two non-steroidal anti-inflammatory drug ("NSAID") programmes, TPR100 (2% diclofenac gel) and TIB200 (10% ibuprofen gel), in a clinical study.

TPR100 is partnered for manufacturing and distribution in the UK with Thornton & Ross, one of the UK's largest consumer healthcare companies and a subsidiary of STADA AG. In July 2018, Thornton & Ross filed the product's marketing authorisation application with the UK Medicines and Healthcare Products Regulatory Agency (MHRA).

The Company has received expressions of interest from a number of parties that will enable Futura to expand the geographical reach of TPR100 especially within the EU. Futura is awaiting regulatory authorisation in the UK, expected in 2019, before progressing further.

The objective is for our pain relief products to be best-in-class. The rationale for this is that the National Institute for Health and Care Excellence (NICE) gives clear guidance to physicians to prescribe topical NSAIDs in the first instance for joint pain associated with osteoarthritis, in preference to oral NSAIDs, owing to concerns over the long-term use of oral NSAIDs. This means that the best-in-class topical treatment should be the first choice for doctors in the initial treatment of pain and therefore represents a substantial opportunity in a market with global sales estimated at US$2.9 billion[3].

Outlook

Futura's strategy is focused on where we can deliver most value for our shareholders – by developing our portfolio of innovative products for two large market categories, sexual health and pain, and then partnering at the optimum time to generate maximum value. We believe a more concentrated focus on MED2002 and our pain relief gels will enable us to achieve this. We will also be continuing to explore ways to generate income streams from CSD500.

Whilst it progresses its first Phase 3 trial for MED2002, Futura is exploring a range of options for additional funding to support the development of its lead asset, MED2002. This activity aims to ensure the Company has sufficient resources to maximise shareholder value from the commercial opportunity for MED2002.

John Clarke	**James Barder**
Chairman	Chief Executive

Note [3] IMS Health Estimate, MSP, 2015

Consolidated Statement of Comprehensive loss

	Notes	**Unaudited 6 months ended 30 June 2018**	Unaudited 6 months ended 30 June 2017	Audited year ended 31 December 2017
		£	£	£
Revenue	2	**-**	362,557	362,727
Research and development costs		**(1,652,536)**	(1,764,100)	(4,100,453)
Administrative costs		**(866,132)**	(605,742)	(1,118,218)
Operating loss		**(2,518,668)**	(2,007,285)	(4,855,944)
Finance income		**9,429**	9,419	19,316
Loss before tax		**(2,509,239)**	(1,997,866)	(4,836,628)
Taxation		**558,557**	401,422	936,344
Total comprehensive loss for the period attributable to owners of the parent company		**(1,950,682)**	(1,596,444)	(3,900,284)
Loss per share (pence)	5	**(1.61p)**	(1.32p)	(3.23p)

Consolidated Statement of Changes in Equity

	Share Capital £	Share Premium £	Merger Reserve £	Retained Losses £	Total Equity £
At 1 January 2017 - audited	**240,290**	**44,451,745**	**1,152,165**	**(33,260,172)**	**12,584,028**
Total comprehensive loss for the period	-	-	-	(1,596,444)	(1,596,444)
Share-based payment	-	-	-	90,469	90,469
Shares issued during the period	1,027	198,267	-	-	199,294
At 30 June 2017 - unaudited	**241,317**	**44,650,012**	**1,152,165**	**(34,766,147)**	**11,277,347**
Total comprehensive loss for the period	-	-	-	(2,303,840)	(2,303,840)
Share-based payment	-	-	-	110,792	110,792
Shares issued during the period	75	21,384	-	-	21,459
Cost of share issue	-	-	-	-	-
At 31 December 2017 - audited	**241,392**	**44,671,396**	**1,152,165**	**(36,959,195)**	**9,105,758**
Total comprehensive loss for the period	-	-	-	(1,950,682)	(1,950,682)
Share-based payment	-	-	-	103,464	103,464
Shares issued during the period	620	92,380	-	-	93,000
At 30 June 2018 - unaudited	**242,012**	**44,763,776**	**1,152,165**	**(38,806,413)**	**7,351,540**

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

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 using merger accounting under UK GAAP.

Retained losses represent cumulative net losses recognised in the Consolidated Statement of Comprehensive Loss. The total comprehensive loss for the year represents the total recognised income and expense for the year.

Consolidated Statement of Financial Position

	Notes	**Unaudited 30 June 2018 £**	Unaudited 30 June 2017 £	Audited 31 December 2017 £
Assets				
Non-current assets				
Plant and equipment		**55,681**	48,118	63,517
Total non-current assets		**55,681**	48,118	63,517
Current assets				
Inventories		**70,413**	83,632	70,413
Trade and other receivables	6	**152,049**	151,909	181,076
Current tax asset		**1,485,803**	1,243,668	927,247
Cash and cash equivalents	7	**6,025,174**	10,122,625	8,362,646
Total current assets		**7,733,439**	11,601,834	9,541,382
Liabilities				
Current liabilities				
Trade and other payables		**(437,580)**	(372.605)	(499,141)
Total liabilities		**(437,580)**	(372,605)	(499,141)
Total net assets		**7,351,540**	11,277,347	9,105,758
Capital and reserves attributable to owners of the parent company				
Share capital		**242,012**	241,317	241,392
Share premium		**44,763,776**	44,650,012	44,671,396
Merger reserve		**1,152,165**	1,152,165	1,152,165
Retained losses		**(38,806,413)**	(34,766,147)	(36,959,195)
Total equity		**7,351,540**	11,277,347	9,105,758

Consolidated Statement of Cash Flows

	Unaudited 6 months ended 30 June 2018 £	Unaudited 6 months ended 30 June 2017 £	Audited year ended 31 December 2017 £
Cash flows from operating activities			
Loss before tax	**(2,509,239)**	(1,997,866)	(4,836,628)
Adjustments for:			
Depreciation	**9,935**	(6,005)	13,428
Finance income	**(9,429)**	(9,419)	(19,316)
Share-based payment charge	**103,464**	90,469	201,261
Cash flows from operating activities before changes in working capital	**(2,405,269)**	(1,922,821)	(4,641,255)
Decrease in inventories	**-**	9	13,228
(Increase) / decrease in trade and other receivables	**29,027**	(12,920)	(42,087)
(Decrease) / increase in trade and other payables	**(61,561)**	(482,572)	(356,036)
Cash used in operations	**(2,437,803)**	(2,418,304)	(5,026,150)
Income tax received	**-**	**-**	851,343
Net cash used in operating activities	**(2,437,803)**	(2,418,304)	(4,174,807)
Cash flows from investing activities			
Purchase of plant and equipment	**(2,099)**	(20,762)	(55,594)
Interest received	**9,429**	9,419	19,316
Cash (absorbed) / generated by investing activities	**7,330**	(11,343)	(36,278)
Cash flows from financing activities			
Issue of ordinary shares	**93,000**	199,294	220,753
Expenses paid in connection with share issues	**-**	-	**-**
Cash generated by financing activities	**93,000**	199,294	220,753
(Decrease) / increase in cash and cash equivalents	**(2,337,472)**	(2,230,353)	3,990,332
Cash and cash equivalents at beginning of period	**8,362,646**	12,352,978	12,352,978
Cash and cash equivalents at end of period	**6,025,174**	10,122,625	8,362,646

Notes to the Consolidated Interim Financial Statements

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, 2018 were authorised for issue in accordance with a resolution of the Directors on 25th September, 2018. 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 of pharmaceutical and healthcare products.

2. Accounting policies

The accounting policies applied in these interim statements are consistent with those of the annual financial statements for the year end 31 December 2017, as described in those financial statements except for the new accounting policies described in accounting developments below.

These condensed interim consolidated financial statements for the six months ended 30 June 2018 and for the six months ended 30 June 2017 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 2017 has been extracted from the financial statements of the statutory accounts ("Annual Report") of Futura Medical plc, which were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that were applicable for the year ended 31 December 2017 and does not constitute the full statutory accounts for that period. The Annual Report for 2017 has been filed with the Registrar of Companies. The Independent Auditor's Report on those financial statements was unqualified, and did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006.

Accounting developments

The Directors have considered all new standards, amendments to standards and interpretations which are mandatory for the first time for the financial year beginning 1 January 2018. From 1 January 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*. The Company has also adopted IFRS 9 *Financial Instruments*. No adjustments have been required as a consequence of these standards' adoption, as the impact is immaterial. There are no other new or amended standards which impact the Group in the period.

The Group is continuing to assess the impact of IFRS 16 *Leases* and after an initial assessment does not expect the adoption of IFRS 16 to have a material impact on the Group's consolidated statements.

IFRS 15 *Revenue from Contracts with Customers*

In the current period the Group has adopted IFRS 15 Revenue from Contracts with Customers. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. There has been no impact on Group reporting in the period or the comparator period.

IFRS 9 *Financial Instruments*

In the current period the Group has applied IFRS 9 Financial Instruments. The Group's initial detailed assessment of the impact of the guidance is substantially complete and the adoption of IFRS 9 will have an immaterial impact on the Group's consolidated financial statements.

3. Critical accounting judgements, assumptions and estimates

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 had an operating loss of £2.52 million for the period (30 June 2017: £2.01 million; 31 December 2017: £4.86 million), but had a positive net asset value of £7.35 million at 30 June 2018 (30 June 2017: £11.28 million; 31 December 2017: £9.11 million).

The Group had cash balances of £6.03 million at 30 June 2018, with a net cash outflow of £2.34 million in the period (30 June 2017: £10.12 million and a net cash outflow of £2.23 million; 31 December 2017: £8.36 million and a net cash outflow of £3.99 million). The Directors consider this to represent sufficient funds for the foreseeable future, taking into account the Group's current development plans.

In assessing the Group's going concern ability the Directors have considered all relevant available information about the future trading activities of the Group, including profit forecasts, cash forecasts and funding. Based on this assessment, the Interim Report has been prepared on a going concern basis and the Directors have no reason to believe that the Group will not operate as a going concern for the foreseeable future.

Estimates and assumptions

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 require the use of estimation.

Judgements

Deferred tax recognition

The determination of probable future profits, against which the Group's deferred tax profits can be offset, requires judgement.

4. Segment reporting

The Group is organised and operates as one segment. The Group's revenue analysed by geographical location of the Group's customers is:

	Unaudited 6 months ended 30 June 2018 £	Unaudited 6 months ended 30 June 2017 £	Audited 12 months ended 31 December 2017 £
Middle East / ROW	-	12,557	12,727
United States of America	-	-	-
Europe	-	350,000	335,000
	-	362,557	362,727

5. Loss per share (pence)

The calculation of the loss per share is based on a loss of £1,950,682 (six months ended 30 June 2017: loss of £1,596,444; year ended 31 December 2017: loss of £3,900,284) and on a weighted average number of shares in issue of 120,959,395 (six months ended 30 June 2017: 120,603,347; year ended 31 December 2017: 120,631,242). 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'.

6. Trade and other receivables

	Unaudited 30 June 2018 £	Unaudited 30 June 2017 £	Audited 31 December 2017 £
Amounts receivable within one year:			
Trade receivables	**627**	6,428	6,299
Other receivables	**23,253**	10,870	33,221
Prepayments and accrued income	**128,168**	134,611	141,556
	152,049	151,909	181,076

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 2018 £	Unaudited 30 June 2017 £	Audited 31 December 2017 £
Cash at bank and in hand	**186,097**	258,588	168,825
Sterling fixed rate short-term deposits	**5,839,077**	9,864,037	8,193,821
	6,025,174	10,122,625	8,362,646

8. 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.

9. Subsequent events

In August 2018, the Group received the FY 2017 R&D tax credit of £0.93m.

Company number

04206001

Directors

John Clarke	Non-Executive Chairman
James Barder	Chief Executive
Angela Hildreth	Finance Director and Chief Operating Officer
Jonathan Freeman	Non-Executive Director
Ken James	R&D Director

Audit committee

Jonathan Freeman
John Clarke

Remuneration committee

Jonathan Freeman
John Clarke

Nominations committee

John Clarke
Jonathan Freeman

Secretary and registered office

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

Auditors

KPMG LLP
Arlington Business Park
Theale
Reading
Berkshire
RG7 4SD

Registrars

Capita Registrars
The Registry
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BR3 4TU

Nominated adviser and broker

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Patent attorneys

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Public relations advisers

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Principal solicitors

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Principal bankers

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Investment managers

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