Midatech Pharma plc

Midatech Pharma has confirmed further expansion of its MTX110 diffuse intrinsic pontine glioma programme. It has received mandatory regulatory and ethical approval to commence a new exploratory Phase I study for diffuse midline glioma ('DMG') brain tumours, which will be conducted at Columbia University in New York. This follows last December's news of a €2.6 million EU Grant for further clinical development of MTX110 for the treatment of DIPG, a related rare and fatal form of childhood brain cancer and a subset of DMG, from the European Innovation Council ('EIC'). Selection by these two prestigious research institutions is seen as a major endorsement and validation of the innovation and potential value contained within this proposition, for which the efficacy component of its Phase II clinical trials is expected to be released shortly. As expected, yesterday's general meeting saw all resolutions passed.

Diffuse midline gliomas harbouring the H3 K27M mutation — including its subset, the previously named DIPG — are lethal high-grade paediatric brain tumours that are inoperable and without cure. Despite numerous clinical trials, the prognosis remains poor, with a median survival of ~1 year from diagnosis. Diffuse midline glioma refers to tumours that have certain characteristics and are located along the midline of the brain and body. These tumours are extremely aggressive, tending to spread out and invade neighbouring tissue throughout the brainstem. They primarily affect children but can occasionally be found in adults as well.

The Columbia study will administer MTX110 via a small subcutaneously implanted pump sited in the abdominal wall, that infuses MTX110 directly to the brain tumour via tubing routed under the skin to the base of the brain. The Convection Enhanced Delivery ('CED') system is designed to facilitate chronic infusion of intracerebral chemotherapy directly into the brain. Such a fully internalized sterile infusion system will allow extended duration of chronic infusions from days to weeks, supporting the rationale and feasibility for prolonged infusion in the outpatient setting. This is particularly appropriate for high grade tumours that cannot be operated on due to their location or cannot be removed completely, including brain tumours such as diffuse midline glioma in children. This exploratory study is to be conducted in five patients, with a duration of approximately 18 months.

This Columbia study is in addition to the ongoing safety and dose finding Phase I study at University of California, San Francisco ('UCSF'), using an alternative administration system, which has shown good tolerability and is due to complete later this year. These studies, together with the EU-funded study, are expected to commence later in 2020 (subject to grant finalisation), meaning there will potentially be three studies evaluating the effects of MTX110 in this patient population.

The failure of multiple past clinical trials means that there are presently no approved therapeutic treatments for either diffuse intrinsic pontine or midline glioma. MTX110 is seen as an effective therapy with opportunity to make a substantial difference for patients based on its efficacy potential, demonstrated safety, and the ability to exploit novel and alternative routes of administration that provide a 'direct to tumour' platform for its broader application for childhood and adult brain cancers. Despite the lower costs implied through orphan development, the overall program could still come in as high as £20m. With this in mind, however, successful fundraising earlier this year left the Company with c.£9m cash at the half-year stage which, when added to September's additional Spanish Government Reindustrialisation ('Reindus') programme support loan (which takes the total public financing for the project up to €8.5m) plus the £2m net proceeds from last October's US Registered Direct Offering, Midatech now appears to have runway sufficient to carry it through to end-3Q'2020E, by which time the clinical trials are expected to be well underway.

Stock Data

Share Price: 42.5p*
Market Cap: £10.0m
Shares in issue: 23.5m
**Post share consolidation of 2 March 2020*

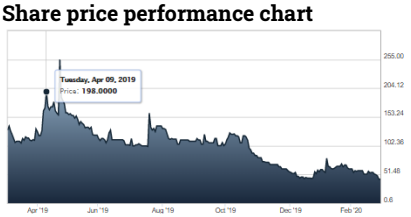
Company Profile

Sector: Biotechnology
Ticker: MTPH
Exchanges: AIM, NASDAQ

Activities

Midatech ('the Company') is focused on the Research and Development (R&D) of medicines for the treatment of rare cancers and other lethal diseases through in-house as well as partnered programmes.

Share price performance chart



Source: LSE

Past performance is not an indication of future performance.

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