

**Stock Data**

Share Price:	60.5p
Market Cap:	£23.8m
Shares in issue:	39.3m

**Company Profile**

Sector:	Biotechnology
Ticker:	MTPH
Exchanges:	AIM, NASDAQ <sup>1</sup>

<sup>1</sup>Note: Ratio 1 ADS : 5 Ord. Shares

**Activities**

Midatech Pharma ('Midatech', 'MTPH', 'the Group') is a developer of therapeutic platform technologies and also focuses 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 while seeking to license its technologies.

**1-year share price performance chart**



Source: [LSE](#)

**Past performance is not an indication of future performance.**

**Turner Pope contact details**

Turner Pope Investments ('TPI')  
8 Frederick's Place  
London EC2R 8AB

Tel: 0203 657 0050  
Email: [info@turnerpope.com](mailto:info@turnerpope.com)  
Web: [www.turnerpope.com](http://www.turnerpope.com)

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**Barry Gibb**  
Research Analyst  
Tel: 0203 657 0050  
[barry.gibb@turnerpope.com](mailto:barry.gibb@turnerpope.com)

**Andrew Thacker**  
Corporate Broking & Sales  
Tel: 0203 657 0050  
[andy.thacker@turnerpope.com](mailto:andy.thacker@turnerpope.com)

# Midatech Pharma plc

Midatech has today announced its signing of a further research collaboration, this time with an unnamed 'global pharmaceutical' group that wishes to utilise its [Q-Sphera™](#) platform in order to improve/optimize the bio-delivery and bio-distribution of its medicines. This news highlights the development potential available through each of Midatech's three key platform technologies and quickly follows a similar, significant research collaboration, this time with [Dr Reddy's Laboratories](#) (BSE:500124, NSE:DRREDDY, NYSE:RDY) ('Dr. Reddy's'), the global pharmaceutical business, that was announced on [8 June 2020](#). Such non-exclusive partnering with international giants reflects early success of the Group's revised lower-risk strategic policy announced on [20 April 2020](#). With the door open for negotiation of further agreements, there is potential to create profitable, long-term licensing interdependence through each collaboration. Having recently secured a '[cash cushion](#)' sufficient to fund the Group's existing obligations, including the clinical programme for MTX110 and pipeline development of Q-Sphera™ formulations, while providing a 'window' within which to continue to seek and review available opportunities for the disposal or partnership of all or any of its assets as part of its [formal sale process](#), today's news perfectly highlights Midatech's ability to add unique and considerable value to the wider drug development process. This appears to be far from fully reflected in Midatech's current valuation.

## Why does Big Pharma need Midatech?

Typically, with multi-billion-dollar market caps, tens of thousands of employees and giant R&D budgets, Big Pharma has huge resources at its disposal. Their businesses might stretch across proprietary products, pharmaceutical services and active ingredients to global generics. The problem they each recognise, however, is that ageing therapeutic portfolios require improved formulation in order to extend existing patent protection, improve patient outcome and/or to differentiate their offer within a crowded marketplace. With Dr Reddy's, for example, the focus is on developing differentiated formulations that present enhanced benefits in terms of efficacy and ease of use, leading to the resolution of unmet, inadequately met or inefficiently delivered patient needs. Its broad therapeutic focus provides significant opportunity, with its management specifically stating that its development effort centres on 'creating newer combinations as well as [exploring new delivery mechanisms](#) to improve patient comfort, convenience and efficacy'.

The new collaboration announced today is likely to be based on similar ambitions. Importantly, with some [80% of drugs globally](#) now being dispensed in lower-cost generic formulations, developers actively recognise that delivery of advantageous pricing and reimbursement demands not just additional patient convenience/improved application of their product, but also ability to remove absolute cost from the system. Significantly, Q-Sphera™ is capable of delivering this through extended dose intervals (from long-acting depot), subcutaneous administration and more predictable plasma levels, thereby allowing the patient to administer the treatment personally with reduced risk of falling outside the therapeutic window with resultant emergency visits etc., all eliminating cost.

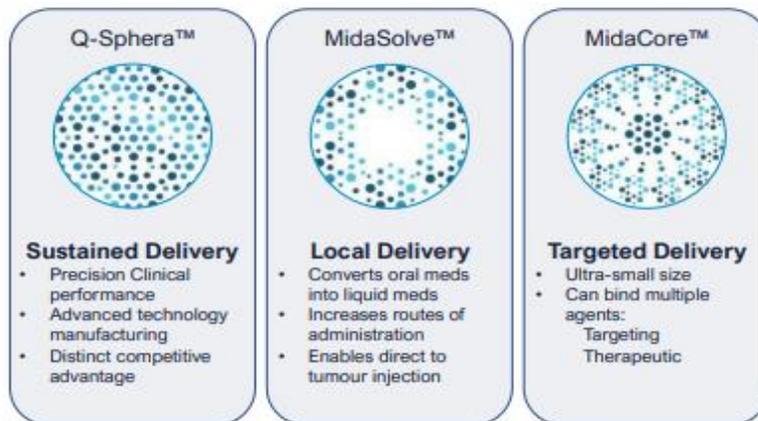
## Seeking the best possible outcome for shareholders

Today's news has further 'heated up' sale discussions for Midatech's technological/development assets. Clearly, however, without a rapid and satisfactory result being delivered, shareholders may now consider this additional endorsement to be grounds sufficient for it to remain independent.

## Midatech's Platform Technologies

Midatech has three proprietary technology platforms (Q-Sphera™, MidaSolve™, MidaCore™). They are protected through 36 patent families including 120 granted patents and an additional 70 applications) that are focused on improving biodistribution and bio-delivery of medications in different ways – either via sustained delivery, targeted delivery, or direct delivery. Each technology has its own unique mechanism and has successfully entered human use in the clinic, providing important validation of the potential for each platform. The platforms offer a rapid development facility capable of optimising therapeutic opportunity through a number of different routes. Each has its own unique mechanism and, having been validated through human use in the clinic, provides additional capability and insight that adds to and complements the collaborator's existing research facilities.

### Midatech Pharma's Proprietary Therapeutic Technologies



Source: [Midatech](#)

### Q-Sphera™ - Next Generation Microsphere Technology for Sustained Release Applications

The collaboration announced today is based on utilisation of Q-Sphera™. The platform's technology achieves sustained delivery using polymer microsphere technology, which is based on Midatech's disruptive micro-piezo print production innovation to individually print drug-loaded microspheres in the size range 20-50µm, at a rate of several million spheres per second. Microsphere dimensions are consistently monodispersed and homogenous and can be thus finely tuned to accurately customise drug release rates. Reliable and precise encapsulation enables drug release into the body in a highly controlled and predictable manner over a prolonged period of time, from a few weeks to more than six months. Q-Sphera™ microspheres have improved injectability characteristics compared to traditional manufacturing methods, requiring a much simpler, error free and shorter reconstitution process. The monodispersed particles avoid needle blockage and facilitate the use of smaller gauge needles with reduced injection pain. Q-Sphera™ formulations typically yield consistent and reproducible blood and local tissue drug concentrations within tight limits. The platform's flexible, monodispersed formulation capabilities have been demonstrated to offer superior homogeneity vs traditional PLGA manufacturing.

### Q-Sphera™ Next Generation Microsphere Technology

Sustained Release  
Polymer microsphere



Precision particle size  
Predictable release kinetics  
(from 1 to 6 months)

#### Technology

- Micro-encapsulation PLGA polymer depot system
- Advanced piezo printing technology
- Several million microspheres produced per second

#### Clinical

- Extended dosing intervals from days/hours to months
- Improved usability, patient experience & compliance
- Enhanced dosing and administration routes

#### Production

- Scalable, efficient high yield manufacture
- Modest infrastructure, environmentally friendly
- Low CoGS and broad API compatibility

Source: [Midatech](#)

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