

#### Stock Data

Share Price:	36.5p
Market Cap:	£21.1m <sup>1</sup>
Shares in issue:	57.8m <sup>1</sup>

<sup>1</sup>Incl. all Broker Option shares

#### Company Profile

Sector:	Biotechnology
Ticker:	MTPH
Exchanges:	AIM, NASDAQ <sup>2</sup>

<sup>2</sup>Note: Ratio 1 ADS : 5 Ord. Shares

#### Activities

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.**

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# Midatech Pharma plc

Midatech Pharma has announced it has raised gross proceeds of £5.0m from a UK Placing ('the Placing') of new ordinary shares at an issue price of 27p each. As sole Placing agent, Turner Pope received significant oversubscription for the Placing shares and then went on to fully exercise its Broker Options into c.2.78 million ordinary shares that were provided by Midatech in order to deal with additional requests to participate on the basis they were received between the time of the RNS release and 8.00 am this morning. The new shares were placed at a discount of c.32% to the closing mid-price of 24 July 2020 and, excluding the Broker Option shares, represents c.32% of the enlarged issued share capital.

## Confidence in Midatech's revised strategy

The successful closing of this Placing appears to be a reflection of confidence in Midatech's revamped Board of Directors and its revised corporate strategy. The Group has registered positive operational and share price progress since [initiating](#) (and subsequently [terminating](#)) a formal sale process exactly three months ago. During this time its Q-Sphera strategy was switched to a balanced internal pipeline and partner collaboration model. Within a few weeks it both successfully formulated internal candidates and demonstrated their *in vitro* dissolution, with the next step being to confirm these results *in vivo*. Midatech also signed potentially valuable research collaborations with two prestigious Big Pharma groups to utilise its technological platforms for application to their proprietary molecules. If successful, Midatech plans to enter into licence and technology transfer agreements with its partners. The Group is considering its next steps against [Secura Bio Inc.](#) for its [seemingly groundless](#) legal attempt to terminate Midatech's licence to Panobinostat, the active ingredient for its [MTX110](#) development program for treatment of Diffuse Intrinsic Pontine Glioma ('DIGP').

## Use of Funds

Spend over the coming 16 months or so is expected to primarily be directed as follows: (i) To advance the Company's internal pipeline of Q-Sphera products through proof-of-concept and in vivo studies for potential out-licensing; (ii) To develop Q-Sphera technology for unique application with biologic active pharmaceutical ingredients and; (iii) For general corporate purposes.

## Multiple operational and strategic opportunities

**Focus is now centred on opportunities presented by the Group's revised low-risk, lower-cost corporate strategy. These include advancing its internal pipeline through proof-of-concept and developing Q-Sphera technology for unique applications with biologic active pharmaceutical ingredients, along with continued development of Midatech's other technological platforms, while also funding its general working capital needs. Including cash in hand that TPI estimates to presently be c.£3m (post loans and redundancy costs related to Bilbao), the additional funds raised in this round are now expected to provide the Group with a runway out to 4Q 2021. During this period, the Group aims not only to secure further non-exclusive research collaborations, but also to conclude a legal resolution with Secura Bio Inc. with a view to re-establishing development of MTX110 while also progressing out-licencing discussions elsewhere in its remaining development pipeline that contains multiple de-risked value catalysts in underserved markets. Despite ending its formal sale process, the Group's wider [strategic review](#) announced on 31 March 2020 continues with management noting that all potential options for extracting value from its technologies and pipeline developments, including the provision of working capital for the benefit of shareholders, continue to be explored.**

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