

Futura Medical

Fund raise of £3.25m, at 8p a share, confirmed at EGM

21 January 2020

- In late December Futura Medical raised a total of £3.25m (gross of expenses) through the issue of 40.6m shares at 8p a share. £1.5m of the raise was carried out through PrimaryBid, a platform open to retail investors. A further £1.75m was subscribed for directly by Lombard Odier. The new shares represent circa 16.66% of the enlarged share capital.
- The funds will be used for working capital purposes, including the closing out costs for the pivotal FM57 study, and to pursue a medical devices pathway for the regulatory approvals of DermaSys gel in the treatment of erectile dysfunction (ED).
- This follows publication of the top-line results of the FM57 Phase III trial for MED2005, an erectogenic gel containing glyceryl trinitrate (GTN). The study showed MED2005 met the primary endpoints against baseline and, rather surprisingly, also demonstrated a significant clinical benefit for DermaSys gel alone. However, as a consequence, there was no statistical difference between MED2005 and the placebo arm.
- Management is exploring the regulatory pathways for the DermaSys gel alone to be approved for the treatment of ED. It believes no further significant clinical work will be required for European approval as a medical device. The situation in the US is expected to be similar but cannot be confirmed until a meeting with the FDA has happened (likely during Q120).
- The fund raise, along with existing cash resources, means that Futura Medical has sufficient working capital for at least 12 months on current plans. This is based on assuming that approval of the DermaSys formulation for treating ED would not require material additional clinical studies to be performed.

Price	12.75p
Market Cap	£31.3m
Primary exchange	AIM
Sector	Healthcare
Company Code	FUM
Corporate client	Yes

Company description:

Futura Medical is an R&D driven small pharma company, with a novel DermaSys transdermal delivery platform. The lead programme, a topically applied gel, is being developed for erectile dysfunction (ED). A pain relief gel, TPR100, is awaiting UK approval.

Trinity Delta view: The fund raise extends Futura Medical's cash runway, on current plans, through to end-2020. We suspended our forecasts and valuation when the FM57 study results were announced. As we said at the time, these remarkable results have created understandable uncertainty and until we have greater visibility that is the prudent action to take. There are clear opportunities for DermaSys being approved as a treatment for ED, including the extended patent life and wider market opportunities; however, there are potential unknowns that remain. The planned meeting with the FDA will shed further light on the next steps. We intend to reinstate our forecasts as soon as practicable.

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