

Futura Medical

Raising £12m through £10m placing and £2m retail offer

17 May 2021

- Futura Medical announced on Friday afternoon its intention to raise £10m (gross) through an institutional placing at 40p per share, representing a 20.6% discount to the previous closing price. Part of the placing is directed to VCT ([Venture Capital Trusts](#)), with the shares being deemed eligible and a qualifying holding for the purposes of VCT tax benefits. The new shares are expected to trade from 8am on June 3.
- A retail offer of up to £2m (gross), also at 40p per share, was made available through the PrimaryBid platform. This appears to have been rapidly over-subscribed and closed earlier than the 9pm deadline.
- Use of proceeds is described as four key activities. The principal one is funding FM71, the FDA confirmatory study required for approval of MED3000 as a *de novo* medical device. The study is similar in format to the earlier FM57 trial, but will recruit c 100 patients, including 20 African Americans, with a mix of mild, moderate, and severe erectile dysfunction (ED). FM71 will last six months (24 weeks) and is expected to start in late-2021. Management confirmed this study will cost around £3m (we had expected £2.5m to £3.2m).
- Proceeds will also be directed towards a non-clinical Human Factors Study, to support the anticipated US OTC label; scale-up and manufacturing activities for expected European and other market launches; central support for commercial out-licensing; and general working capital beyond FDA approval and US launch.
- A fifth pre-submission meeting with the FDA is planned for H221 to define and confirm the details of the OTC application. The specifics and scope of FM71, our understanding of FDA requirements, and likely patent position were covered in our [April 2021 Update](#) note. Our assumptions for MED3000 were detailed in our [June 2020 Outlook](#) report.

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| Price | 44.0p |
| Market Cap | £113.1m |
| 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, MED3000, is a topically applied gel being developed for erectile dysfunction (ED).

Trinity Delta view: The MED3000 CE Mark, received on April 30, effectively removed regulatory risk for the European markets (plus other geographies that recognise the CE Mark). In these regions, the emphasis switches to commercial execution, with a number of agreements addressing these regions expected to be struck in the coming six months. The US regulatory risks remain, albeit reduced following extensive discussions with the FDA. Pending the outcome of the placing we suspend our valuation and forecasts. Our previous valuation was £190.3m, equivalent to 74.3p per share.

Analysts

Lala Gregorek
lgregorek@trinitydelta.org
 +44 (0) 20 3637 5043

Franc Gregori
fgregori@trinitydelta.org
 +44 (0) 20 3637 5041

Lala Gregorek

lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Franc Gregori

fgregori@trinitydelta.org
+44 (0) 20 3637 5041

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