Otic Pharma Completes Merger with Tokai Pharmaceuticals

May 10, 2017

Company Renamed Novus Therapeutics, Inc; NASDAQ Ticker "NVUS"

IRVINE, Calif., May 10, 2017 /PRNewswire/ -- Otic Pharma, Ltd., a pharmaceutical company focusing on the development of ear, nose, and throat (ENT) products, today announced the close of the previously announced combination with Tokai Pharmaceuticals, Inc. (NASDAQ: TKAI, through May 10, 2017). In connection with the previously announced transaction, Tokai changed its name to Novus Therapeutics, Inc. and effected a 1-for-9 reverse split of its common stock. The common stock is expected to commence trading on a post-reverse split basis upon the opening of trading on May 11, 2017 on the NASDAQ Capital Market under the symbol "NVUS."

"The completion of this transaction and emergence of Novus as one of the few publicly-listed ENT companies marks a significant milestone," said Gregory J. Flesher, President and CEO of Novus Therapeutics, Inc. "Our pipeline provides a compelling opportunity for value creation as we move our product candidates through development. With the capital obtained through this transaction and continued access to the capital markets, we will be able to accelerate development of OP-01 for acute otitis externa and OP-02 for chronic and recurrent otitis media."

The combined company has approximately $30 million in cash at close, excluding $7 to 8 million in estimated transaction-related expenses. Following the completion of the transaction, together with the $7 million concurrent financing and reverse stock split, the company has approximately 7 million shares of common stock outstanding.

Novus Therapeutics will operate under the leadership of Gregory J. Flesher, President and Chief Executive Officer; Christine G. Ocampo, Chief Financial and Chief Compliance Officer; and Dr. Catherine C. Turkel, Chief Development Officer. The Board of Directors of the company is initially comprised of seven directors: Keith A. Katkin (Chairman), Gregory J. Flesher, Gary A. Lyons, Erez Chimovits, Cheryl Cohen, John S. McBride, and Jodie P. Morrison. The corporate headquarters is located in Irvine, California.

About Novus Therapeutics

Novus Therapeutics is a pharmaceutical company focusing on the acquisition, development, and commercialization of ear, nose, and throat (ENT) products. The company has two technologies, each of which has the potential to be developed for multiple ENT indications. The company's lead product is a nasally-administered, combination drug product (OP-02) intended to address the underlying cause of otitis media and Eustachian tube dysfunction (OM/ETD), conditions that affect more than 700 million people around the world every year. Otitis media is one of the most common diseases seen by pediatricians and the most frequent reason children consume antibiotics or undergo surgery. The company also has a foam-based drug delivery technology platform (OP-01) that can be used to deliver drugs into the ear, nose, and sinus cavities. The company is currently developing a foam-based combination drug-product delivered to the external ear canal that is an improved treatment option for acute otitis externa ("swimmers ear"). For more information on the company, please visit novustherapeutics.com.

Forward-looking Statements

Any statements in this press release about the company's future expectations, plans and prospects, including statements about its strategy, future operations, development of its product candidates, the review of strategic alternatives and the outcome of such review and other statements containing the words "believes," "anticipates," "plans," "expects," "may," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, expectations regarding the timing for the commencement and completion of our clinical trials and our ability to accelerate the development of our drug candidates. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: the sufficiency of the company's cash resources; the ability to timely develop and manufacture clinical batches of our study drugs; the ability to obtain necessary approvals to commence additional clinical trials; whether data from early clinical trials will be indicative of the data that will be obtained from future clinical trials; whether the results of clinical trials will warrant submission for regulatory approval of any investigational product, any such submission will receive approval from the United States Food and Drug Administration or equivalent foreign regulatory agencies and, if we are able to obtain such approval for an investigational product, it will be successfully distributed and marketed. Any forward-looking statements contained in this press release speak only as of the date hereof and not of any future date, and the company expressly disclaims any intent to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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