Novus Therapeutics to Postpone Offering of Common Stock

September 7, 2018

IRVINE, Calif.--(BUSINESS WIRE)--Sep. 7, 2018-- Novus Therapeutics, Inc. (NASDAQ: NVUS), a specialty pharmaceutical company focused on developing products for patients with disorders of the ear, nose, and throat (“ENT”), today announced that it has elected to postpone the previously announced public offering of its common stock due to market conditions, including valuation sensitivity at the current share price.

As of June 30, 2018, the company had $19.2 million in cash and cash equivalents. Novus believes that its current cash will be sufficient to achieve several key milestones in 2019, including completion of its planned phase 1 clinical trials with OP-02 in healthy adults, children with otitis media with effusion (“OME”), and adults with acute otitis media (“AOM”).

About OP-02

OP-02 is being developed as a potential first-in-class treatment option for otitis media (“OM”), which is often caused by Eustachian tube dysfunction (“ETD”). OP-02 is a drug-device combination product comprised of a proprietary formulation surfactant (dipalmitoylphosphatidylcholine or “DPPC”) and a spreading agent (cholesteryl palmitate or “CP”) suspended in propellant. The product is administered intranasally via a pressurized metered-dose inhaler (“pMDI”) and is intended to be used to restore the normal physiologic activity of the Eustachian tube (“ET”), which is the small tube that connects the middle ear to the back of the nasopharynx. Together DPPC and CP are designed to effectively absorb to the air-liquid interface of the mucosa and reduce the interfacial surface tension of the ET, which reduces passive pressure required for the ET to open. In other words, OP-02 is intended to promote ‘de-sticking’ of the ET so that ventilation and drainage of the middle ear may occur.

About Novus Therapeutics

Novus Therapeutics, Inc. (“Novus”) is a specialty pharmaceutical company focused on developing products for patients with disorders of the ear, nose, and throat (“ENT”). Novus has two technologies, each that has the potential to be developed for multiple ENT indications. Novus’ lead product candidate (OP-02) is a surfactant-based, combination drug product being developed as a potential first-in-class treatment option for patients at risk for, or with, otitis media (“OM” or middle ear inflammation with or without infection). Globally, OM affects more than 700 million adults and children every year, with over half of cases occurring in children under five years of age. OM is one of the most common disorders seen in pediatric practice, and in the United States is a leading cause of health care visits and the most frequent reason children are prescribed antibiotics or undergo surgery. Novus also has a foam-based drug delivery technology (OP-01), which may be developed in the future to deliver drugs into the ear, nasal, and sinus cavities.

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, manufacture drug product 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 and any capital raising plans or activities; 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. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of the Company in general, see Novus’s annual 10-K, quarterly 10-Q, and additional filings with the Securities and Exchange Commission at www.sec.gov/.

View source version on businesswire.com: https://www.businesswire.com/news/home/20180907005240/en/

Source: Novus Therapeutics, Inc.

LifeSci Advisors, LLC
Timothy McCarthy, 212-915-2564
tim@lifesciadvisors.com