Otonomy Announces Exclusive License Agreement with Kyorin for Novel Compound in OTO-6XX Hearing Loss Program

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Compound has potential to benefit patients with severe hearing loss

SAN DIEGO, Aug. 03, 2020 (GLOBE NEWSWIRE) -- Otonomy, Inc. (Nasdaq: OTIC), a biopharmaceutical company dedicated to the development of innovative therapeutics for neurotology, today announced an exclusive license agreement with KYORIN Pharmaceutical Co., Ltd. (“Kyorin”) that provides Otonomy with exclusive worldwide rights to develop, manufacture and commercialize a novel compound for the treatment of sensorineural hearing loss. Under the terms of the agreement, Otonomy will make an upfront payment to Kyorin as well as success-based milestone payments and royalties on worldwide net sales of a product containing the patent-protected compound. Otonomy is formulating the compound utilizing the company’s proprietary technology to provide sustained drug exposure in the inner ear following a single local administration.

“We are pleased to complete this license agreement that stems from a successful research collaboration with Kyorin focused on identifying a novel treatment for hearing loss,” said David A. Weber, Ph.D., president and CEO of Otonomy. “We have demonstrated that this compound is active in preclinical models of cochlear hair cell regeneration, and has potential for the treatment of severe hearing loss. The OTO-6XX hair cell regeneration program is complementary to our OTO-413 hearing loss program that repairs damaged connections between hair cells and auditory nerve fibers, giving us the opportunity to address a broad population of hearing loss patients. We look forward to advancing the OTO-6XX program while also working to complete the ongoing Phase 1/2 trial of OTO-413 in patients with speech-in-noise hearing difficulty, with results from this trial expected in the fourth quarter of 2020.”

About Otonomy

Otonomy is a biopharmaceutical company dedicated to the development of innovative therapeutics for neurotology. The company pioneered the application of drug delivery technology to the ear in order to develop products that achieve sustained drug exposure from a single local administration. This approach is covered by a broad patent estate and is being utilized to develop a pipeline of products addressing important unmet medical needs including Ménière’s disease, hearing loss, and tinnitus. For additional information please visit www.otonomy.com.

Cautionary Note Regarding Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or the future financial or operating performance of Otonomy. Forward-looking statements in this press release include, but are not limited to, expectations regarding the potential benefits and opportunities of, and activities under the license agreement between Kyorin and Otonomy; expectations regarding preclinical programs, including potential benefits, development activity, and advancement; expectations regarding potential benefits of, and timing of results for ongoing clinical trials; and statements by Otonomy’s president and CEO. Otonomy’s expectations regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties. Actual results may differ materially from those indicated by these forward-looking statements as a result of these risks and uncertainties, including but not limited to: delays and disruption resulting from the COVID-19 pandemic and governmental responses to the pandemic, including current and future impacts to Otonomy’s operations, the manufacturing of its product candidates, the progression of its current clinical trials, enrollment in its current and future clinical trials and patient conduct and compliance; the risks of the occurrence of any event, change or other circumstance that could give rise to the termination of the license agreement between Kyorin and Otonomy; Otonomy’s ability to obtain additional financing; Otonomy’s dependence on the regulatory success and advancement of its product candidates; the uncertainties inherent in the clinical drug development process, including, without limitation, Otonomy’s ability to adequately demonstrate the safety and efficacy of its product candidates, the nonclinical and clinical results for its product candidates, which may not support further development, and challenges related to patient enrollment in clinical trials; side effects or adverse events associated with Otonomy’s product candidates; Otonomy’s dependence on third parties to conduct nonclinical studies and clinical trials; expectations regarding potential therapy benefits; general economic and market conditions; and other risks. Information regarding the foregoing and additional risks may be found in the section entitled "Risk Factors" attached as Exhibit 99.2 to Otonomy’s 8-K filed with the Securities and Exchange Commission (the "SEC") on July 9, 2020, and Otonomy’s future reports to be filed with the SEC. The forward-looking statements in this press release are based on information available to Otonomy as of the date hereof. Otonomy disclaims any obligation to update any forward-looking statements, except as required by law.

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