Aequus Pharmaceuticals Inc.

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Aequus Pharmaceuticals has the right Rx to bring new drugs to the Canadian market

- Specialty pharmaceutical company focused on developing and commercializing high-quality products
- Pipeline includes several commercial products in ophthalmology and transplant
- Also has a development stage pipeline in neurology and psychiatry
- First-quarter results saw 76% jump in revenues

What Aequus Pharmaceuticals does

Aequus Pharmaceuticals Inc (CVE:AQS) (OTCQB:AQSZF) is a specialty pharmaceutical company focused on developing and commercializing high quality, differentiated products.

The Vancouver-based company has expanded its pipeline to include several commercial products in ophthalmology and transplant, and also has a development stage pipeline in neurology and psychiatry with the goal of addressing a need for improved medication adherence through enhanced delivery systems.

Aequus takes medications that are already available in the US or elsewhere and licenses or acquires the Canadian rights, then takes the clinical data that supported that approval and works with Health Canada, Canada's national health system, to get them approved and commercialized in Canada.

A trio of pharmaceutical products currently form the core of its business.

The first is Zepto, an FDA-approved precision pulse technology that offers benefits over traditional surgical techniques to remove cataracts. The Zepto technology was licensed from Mynosys Cellular Devices, a Fremont, California-based company.

Price: 0.115

Market Cap: $12.84 m

1 Year Share Price Graph

Share Information

Code:		AQS
Listing:		TSX-V
52 week	**High**	**Low**
	0.18	**0.065**
Sector:		**Pharma & Biotech**
Website:		**www.aequuspharma.ca**

Company Synopsis:
Aequus Pharmaceuticals Inc. is a growing specialty pharmaceutical company focused on developing and commercializing high quality, differentiated products.

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The second is Vistitan, which reduces the pressure inside the eyes of patients with glaucoma and was first marketed by the pharmaceutical giant Sandoz.

Its third drug is the transplant therapy Tacrolimus, which aims to treat and prevent acute rejection following an organ transplant.

The most recent addition to the development pipeline is a long-acting form of medical cannabis, where there is a high need for consistent, predictable and pharmaceutical-grade delivery of products for patients.

Aequus intends to commercialize its internal programs in Canada alongside its current portfolio of marketed established medicines and will look to form strategic partnerships that would maximize the reach of its product candidates worldwide.

How is it doing:

Aequus started 2020 on a strong note, reporting first-quarter results that saw its revenues jump 76% year-over-year to

C$579,450 on the back of greater market access and higher sales volume.

The company also reported a narrowed loss of C$405,815, down from a loss of C$730,215 in the first quarter of 2019, mainly due to higher sales and a decrease in expenses.

The figures followed a similarly positive performance in 2019, when the group posted a record C$1.6 million in revenue compared to C$1.4 million in the year ended December 31, 2018.

Aequus's 2019 net loss was C$3.1 million, an increase of 11% from the C$2.8 million loss in 2018, mainly due to debenture related expense.

The closing weeks of 2019 were also marked by a deal between Aequus and Medicom Healthcare, a UK-based pharmaceutical company with a focus on preservative-free therapies in ophthalmology, to jointly commercialize a portfolio of products in the US.

The structure of the deal was similar to a joint venture, with revenues shared equally and investments and contributions made by each party reconciled through a joint profit and loss statement.

The first products launched in the US may include Medicom's Evolve line of preservative-free, dry-eye products; a preservative-free prescription product for the treatment of open-angle glaucoma; and a range of supporting diagnostics.

The deal with Medicom is already starting to see results, with Aquus announcing in April that its partner had received a positive outcome from an audit for its Evolve products to meet standards for the Canadian Medical Device Single Audit Program (MDSAP).

The MDSAP, fully implemented by Health Canada in January 2019, establishes a new audit standard for all medical device manufacturers that distribute in Canada, including those with existing marketed products.

In other 2020 developments, Aquus has advanced the filings for provincial reimbursement in Quebec and British Columbia (BC) for Vistitan, while in January the group hailed a further boost to revenues of its Sandoz tacrolimus treatment in BC after a major health authority mandated in November 2019 that the drug was to be dispensed to all new patients requiring tacrolimus for prophylaxis.

Sandoz tacrolimus is used to prevent patient rejection after organ transplants.

The company has also made some changes in the board room, bringing on board seasoned ophthalmology executive Stu Fowler as a strategic commercial advisor while its chief commercial officer, Ian Ball, is transitioning into a senior role at its partner Medicom.

Aequus is also faring well despite the coronavirus pandemic, saying in a March update that it has adequate funds and cash flow to operate the business amid the outbreak.

Inflection points:

- Further progress with reimbursement filings
- Development of Medicom partnership
- Further revenue growth and loss reductions

What the boss says:

In a statement accompanying the company's fourth-quarter numbers in 2019, Aequus CEO Doug Janzen said: "We had a strong end to 2019 and set new records for both quarterly and annual revenue."

"We continue to drive this momentum forward into 2020, with preliminary revenue numbers in Q1 looking positive. This, in combination with efforts to streamline operations in response to the changing world around us, we are aiming to reach operational breakeven in 2020," he added.

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