FLASH NOTE

BELL POTTER

HEALTHCARE

Oncosil Medical (OSL)

Oncosil provided an important update today regarding the progress of its Global Pancreatic Cancer clinical programme for the treatment of advanced pancreatic cancer. The key points are as follows. (our comments are included in italics).

- **20 patients have reached the key Week 8, and 14 patients the Week 16 milestone following commencement of treatment.**
- 3 of the first 20 patients implanted are now being actively considered by their clinical teams for surgical resection.

  Under the current standard of care (Abraxane & Gemcitabine chemotherapy) these outcomes are practically unheard of and suggest a reduction in tumour size not previously seen under the standard of care.
- 20 patient data shows excellent local disease control and safety at Week 8 - Local Disease Control Rate (DCR) at Week 8 is 100%.

  The DCR is consistent with update provided in October 2017. During the first 8 weeks of treatment, every single patient showed experienced stable disease or better.
- Local Disease Control Rate at Week 16 is 87%

  By week 16 (4 months) the disease control rate slips to 87% which is consistent with the earlier pilot study (where the DCR was 82%). ***The pilot produced a median overall survival of 10 months****, relative to 8.5 months OS on standard of care. The primary endpoint of this current trial is localised progression free survival (LPFS). LPFS data was not discussed in today's announcement most likely because the data continues to mature. OSL has not discussed the benchmark for LPFS, nevertheless, indications are that this current trial is headed in the same direction as the earlier pilot study.* ***The duration of response is very encouraging indeed and this is likely to draw the attention of clinicians at upcoming conferences.***
- So far 4 of the first 20 patients (20%) implanted have achieved a partial response.

  Partial response indicates a reduction in tumour size of at least 30%. These will be the patients being considered for potentially curative surgery. We consider this is a very encouraging sign as it could extend the patient group from those with inoperable disease to now include borderline resection patients.
- No Serious Adverse Events attributed to device or implantation procedure

Safety is a crucial point for all future approvals. The absence of SAE's is also consistent with the prior pilot study.

- Patient recruitment continues, with a total of 35 patients enrolled in the global study across Australia, UK and Belgium and 1 patient enrolled in the US.
- 27 patients successfully implanted with the OncoSil™ device.
- The Company anticipates providing 16-week data for the first 20 patients to the EU Notified Body, BSI by 31 May, 2018

We concluded that the trial continues to produce high quality data. The next step is submission of patient data as per the final bullet point and this may result in the granting of the CE Mark for Europe later in the year. This would allow the company to commence commercial sales in Europe.

We currently have a buy on Oncosil with a target price of $0.41.

Disclosure: Bell Potter Securities acted as lead manager of the company's 2016 capital raise and received fees for that service.

Recommendation:	**Buy**	**Previous Close:**	**$0.15**	**Price Target:**	**$0.41**

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