Nash Pharmaceuticals Announces 84% Reduction of Fibrosis by Additional Lead Compound In Second Pre-Clinical Study For Non-Alcoholic Fatty Liver Disease

Compound Showed Marked Improvement Over Cenicriviroc

VANCOUVER, BC – (January 21, 2019) – Nash Pharmaceuticals Inc., a wholly owned subsidiary of Breathtec Biomedical Inc. (CSE: BTH) (CNSX: BTH) (FRANKFURT: BTI) (OTCQB: BTHCF) (the "**Company**" or "Nash Pharma") is pleased to announce that its lead compound for non-alcoholic steatohepatitis ("NASH") NP-160 showed repeated positive results in a recently completed study investigating its therapeutic effects in the widely used STAM™ mouse model from SMC Laboratories. In addition, a second compound, NP-135 was identified as an additional lead. Both NP-135 and NP-160 are one of a number of already approved compounds that Nash has been screening for new therapeutic uses as part of its drug repurposing strategy.

Data from this study demonstrated statistically significant improvements in several key measures relevant to the development and progression of NASH including:

- Cenicriviroc (40 mg/kg, QID) both a positive control and comparator arm in the study showed a 1.5 point drop in the NAFLD/NAS score vs controls ($p<0.01$) and 54.1% ($p<0.0001$) reduction in fibrosis area compared to controls as measured by Sirius Red staining
- NP-160 (40 mg/kg, QID) showed a 1.25 point drop in the NAFLD/NAS score vs controls ($p<0.05$) and a 59.9% reduction ($p<0.0001$) in fibrosis area.
- NP-135 (200 mg/kg, QID) showed a 1.1 point drop in the NAFLD/NAS score vs controls ($p>0.05$) **and a 84.4% reduction ($p<0.0001$) in fibrosis area.**
- As previously reported, both NP-160 and NP-135 at the same doses recently showed significant anti-fibrotic activity in a unilateral urinary obstruction (UUO) model of chronic kidney disease (CKD), reducing fibrosis by 57.6% ($p <0.000001$) and 52.1% ($p<0.000001$) respectively. Cenicriviroc reduced fibrosis in the same study by only 31.9% ($p=0.00032$).

"We have now had several studies from multiple independent laboratories, confirming that these two compounds are remarkably active in pre-clinical models of NASH and in CKD, both of which involve fibrosis. We were also very pleased to see the performance of our compounds against the comparator data of Cenicriviroc, a known anti-fibrotic compound in the same two studies," said Christopher J. Moreau, CEO of NASH Pharmaceuticals. "It is also important to note that Cenicriviroc, itself a re-positioned HIV drug from Takeda, was acquired by Allergan from Tobira in 2016 for a total potential consideration of up to $1.695 billion We are looking forward to advancing these compounds into Phase II clinical trials as quickly as possible to establish human efficacy".

About NASH/NFLD

According to a new report published by Allied Market Research, “Global Opportunity Analysis and Industry Forecast, 2021-2025," the global NASH market was valued at $1.17 Billion in 2017, and is expected to reach $21.4 Billion by 2025, growing at a CAGR of 58.4% from 2021 to 2025. Currently, there are no US FDA approved treatments for NAFLD or NASH.

About Nash Pharmaceuticals Inc.

Nash Pharmaceuticals Inc. is a wholly owned subsidiary of Breathtec Biomedical Inc. Nash is a clinical stage pharmaceutical development company focused on drug repurposing in the areas of non–alcoholic steatohepatitis (NASH), chronic kidney disease (CKD) and inflammatory bowel disease (IBD). Drug repurposing is the process of discovering new therapeutic uses for existing drugs.

For more information, visit www.nashpharmaceuticals.com

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