Press Release

Avisa Diagnostics Begins Trading on the Canadian Securities Exchange

- Public Listing offers Access to CAD 52 Million from Share Subscription and Drawdown Agreement, Sufficient Funding to Complete Development and Launch Avisa BreathTest™
- Pivotal Trials Planned in Post-COVID-19 Long Haulers and Ventilator-Associated Pneumonia

Santa Fe, NM, May 18, 2021. Avisa Diagnostics Inc. (Avisa) is pleased to announce that the Company has begun trading on the Canadian Securites Exchange (CSE:AVBT) through the previously announced merger completion with Fogchain Corp. Avisa has developed the Avisa BreathTest™ (ABT), an ultra-rapid, point-of-care biomarker breath test for the detection and monitoring of bacterial load in Post-COVID-19 "long haulers," who can develop acute respiratory disease, and ventilator-associated pneumonia (VAP), an indication with high morbidity and mortality.

The public listing enables Avisa to draw down over the period of three years CAD 52 million (~USD 41 million) from a share subscription and drawdown agreement put in place in 2020 with GEM GLOBAL YIELD LLC SCS (GEM), a $3.4 billion alternative investment group with offices in Paris, New York, and Los Angeles.

David S. Joseph, President and Chief Executive Officer of Avisa, said: "The CSE listing is a major milestone for our company that enables us to utilize the equity facility that we have in place. This funding is expected to be sufficient for us to complete the development and FDA regulatory approval process for the Avisa BreathTest in our two lead indications - in Post-COVID-19 long haulers and for ventilator-associated pneumonia – as well as to launch the ABT in the U.S."

Graham Timmins, Ph.D., Chief Science Advisor of Avisa, added: "There is an urgent need to detect severe respiratory infections quickly to guide treatment. The ABT measures bacterial load in suspected respiratory infections and may represent an effective alternative to sputum culture-based diagnostics. Importantly, the ABT can then monitor the efficacy of ongoing treatments and mitigate the over use of antibiotics and the growing rise of antimicrobial resistance."

Avisa provides an update on ABT development plans

Avisa is currently developing ABT for detection and patient monitoring of Post-COVID-19 bronchiectasis and VAP. The ABT may overcome the limitations of current tests in terms of speed, accuracy and ease of administration.

Bronchiectasis in Post-COVID-19 Long Haulers: Bronchiectasis is a condition whereby the bronchial tubes are permanently damaged, widened and thickened, allowing bacteria and mucus build up in the lungs. This results in frequent infections and airway blockage. Metadata studies cite 52% of Post-COVID-19 patients are diagnosed with "traction" bronchiectasis[1]. The ABT has a unique ability to address this emerging problem, prevent exacerbations and positively impact the healthcare system with better health outcomes. Leading pulmonologists are setting up Post-COVID-19 follow-up clinics in major medical centers, similar to exisiting clinics for patients with chronic obstructive pulmonary disorder (COPD). Avisa is planning to submit an Investigational Device Exemption (IDE) application to the U.S. Food and Drug Administration (FDA) in the first quarter of 2022 to initiate a pivotal trial in this indication. The trial, if successful, will serve as the basis for submitting a Premarket Approval Application (PMA).

Ventilator Associated Pneumonia (VAP): In the U.S. alone, there are approximately 400,000 cases of VAP annually[2]. Approximately 25% of the 1.7 million intensive care unit (ICU) patients who are on ventilators each year develop VAP. VAP results in extended hospital stays and high mortality; 30-50% of VAP patients die. The ABT provides a quantitative measurement of bacterial load to detect colonization and guide treatment before virulent VAP establishes itself. The ABT can also monitor VAP antibiotic therapy. Avisa plans to submit a supplemental IDE application to the FDA to initiate a pivotal trial in VAP in the third quarter of 2022.

About the Avisa BreathTest™

The Avisa BreathTest™ (ABT) is a biomarker, quantitative, point-of-care test for rapidly detecting pulmonary infections due to certain virulent pathogens without the need to collect and culture sputum or other biological samples. The ABT is based on the presence of the urease enzyme found in certain bacterial species that cause pneumonia, such as *S. aureus*, *P. aeruginosa*, *Klebsiella* and *H. influenzae*. Live urease-containing bacteria can be detected using inhaled ^{13}C-urea, which is converted by these bacteria to labeled carbon dioxide ($^{13}CO_2$) and ammonia. The non-radioactive, isotopic ratio of $^{13}CO_2/^{12}CO_2$

[1] American Journal of Roentgenology (May 2020) "Relation Between Chest CT Findings and Clinical Conditions of Coronavirus Disease (COVID-19) Pneumonia: A Multicenter Study", Zhao, W. *et al.*
[2] Critical Care (March 2014) "Ventilator-associated pneumonia in the ICU", Kalanuria A, A., Zai W. & Mirski M.

in the exhaled breath of the patient is measured by the Avisa spectrometer. The spectrometer, together with the simple inhaled drug/device combination, measures the whole lung, live organisms in just 10 minutes, akin to a thermometer.

Additional ^{13}C-urea indications for potential future development include community- and hospital-acquired pneumonia as well as COPD.

About Avisa Diagnostics Inc.

Avisa is a clinical-stage medical device company developing the Avisa BreathTest™, a novel drug/device biomarker technology platform that enables the ultra-rapid detection of virulent bacterial pathogens, detecting and monitoring bacterial load after the patient inhales or ingests its proprietary drug substrates. The Company has established clinical proof-of-concept through trials in cystic fibrosis, tuberculosis and community-acquired pneumonia, which demonstrated positive safety and clinical efficacy results. Avisa is planning pivotal trials in Post-COVID-19 bronchiectasis and ventilator-associated pneumonia and plans to submit Investigational Device Exemption applications to the U.S. FDA for these trials next year. For further information, visit http://avisadx.com/ and follow us on LinkedIn and Twitter.

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