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Pulmotect Completes Clinical Testing, Receives CPRIT Funding for Continued Development

Houston, TX (October 23, 2014) – Houston-based Pulmotect, Inc. (www.pulmotect.com), a clinical stage biotechnology and Fannin Innovation Studio portfolio company, has announced the successful completion of a Phase I clinical trial with PUL-042, a drug designed to prevent and treat respiratory infections. By completing this clinical milestone, Pulmotect has received the final \$3.5M tranche of funding from the Cancer Prevention Research Institute of Texas. Together with newly issued claims on its patent, Pulmotect is well positioned to move into the next phase of development.

The Phase I clinical study of PUL-042 included a randomized, double-blind, placebo-controlled, single ascending dose study in healthy subjects. It was conducted at ICON plc clinical site in San Antonio, Texas. This first in man study was designed to assess the safety and tolerability of the inhalation solution. The study results support further development of PUL-042 with doses at and above the expected therapeutic dose showing a favorable safety profile. Planned future studies include a repeat dosing study to support use of the drug in cancer patients who are at risk of developing pneumonia as a consequence of their cancer treatments.

“We are very excited to see this technology advancing into the next phase of development and getting closer to helping those that receive sub-optimal cancer treatment due to the risk of pneumonia due to myelosuppression. Overall there is a significant need to reduce the incidence of respiratory infections in cancer patients, asthmatics and the general population. PUL-042 has tremendous potential to impact the effects of respiratory infections in multiple circumstances,” said Dr. Brenton Scott, President of Pulmotect, Inc.

By receiving the last of three funding tranches from the state, the Company has demonstrated the ability to accomplish its objectives on time and on budget. These funds will be used to further advance the technology while making it an attractive partner to pursue multiple other market indications. The potential for additional indications is validated by the recent awards of nearly \$1M for a phase II Small Business Innovative Research (SBIR) grant to investigate the use of PUL-042 to prevent asthma attacks due to respiratory infections and a \$250K Phase I SBIR award to optimize treating influenza.

“We are very pleased by not only the clinical results but also the position the Company is now in to execute on its long-term objectives as we drive PUL-042, our immune modulation drug, through the clinical trial process,” said Leo Linbeck III, Chairman of the Board.

Pulmotect’s novel technology stimulates the lungs’ innate immune system, the body’s natural “first line of defense,” providing effective defense against a wide range of lethal inhaled pathogens. The initial indication for PUL-042 is the prevention of opportunistic pneumonia in cancer patients who have been immunocompromised by their chemotherapy treatment. Other applications of PUL-042 now being developed include biodefense (e.g. against the inhaled pathogens anthrax or even SARS or ebola), prevention and treatment of seasonal and pandemic influenza, and other respiratory infections, such as those commonly suffered by those with asthma, COPD and Cystic Fibrosis.

About Pulmotect, Inc.

Founded in 2007, Pulmotect’s technology is licensed from The Texas A&M University System and the University of Texas MD Anderson Cancer Center Pulmotect. Pulmotect partnered in 2008 with Fannin Innovation Studio, a Houston-based early-stage life science management and investment company to assist in the drug’s commercial development. Pulmotect is the recipient of multiple early stage investments and grants, as well as recognition and awards from the biotechnology community, including winning the Southeast Bio Early Stage Shootout. In 2012 the Company was awarded \$7.1M award from the Cancer Prevention Institute of Texas (CPRIT). The company has been awarded five SBIR grants from the National Institutes of Health (NIH). For more information, visit www.pulmotect.com.

About Fannin Innovation Studio

Fannin Innovation Studio is an early-stage life sciences development firm focused exclusively on commercializing medical technologies. Fannin partners with life science innovators to co-found startup companies by providing a shared management team, central office space and funding. To further bridge the commercialization gap, Fannin’s apprenticeship program provides aspiring entrepreneurs with on-the-job training to collaboratively lead its subsidiary companies from innovation to commercialization. For more information, visit www.FanninInnovation.com or call 713.966.5887.

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