AIT Therapeutics Announces $9.82 Million Private Placement

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NEW YORK, Feb. 16, 2018 (GLOBE NEWSWIRE) -- AIT Therapeutics Inc. (OTC:AITB), a clinical-stage biopharmaceutical company focused on developing inhaled Nitric Oxide (NO) for the treatment of patients with serious lung infections and pulmonary hypertension, today announced that it has completed a private placement with a select group of investors, which, assuming the exercise of the Tranche A portion of the warrants (as described below) sold in the private placement, will result in gross proceeds to the Company of approximately $9.82 million, before deducting placement agent fees and offering expenses. The private placement consists of warrants to purchase shares of the Company's common stock. Each warrant is comprised of (i) 2,299,802 Tranche A warrants to purchase one share of common stock at an exercise price of $4.25 per share, exercisable within three days from warrant issuance, and (ii) an equal number of Tranche B warrants to purchase one share of common stock at an exercise price of $4.25 per share, exercisable within three years from warrant issuance. The Company has also agreed to provide the investors customary resale registration rights with respect to the shares of common stock issuable upon exercise of the warrants.

AIT Therapeutics expects to use the proceeds from the offering primarily to support the Company's ongoing operations related to its three inhaled Nitric Oxide (NO) programs:

- **Persistent Pulmonary Hypertension of the Newborn (PPHN)**
  • AIT anticipates a 510k regulatory submission in the United States (US) around year-end 2018
  • Select regulatory filings outside the US are planned to begin in 2019

- **Bronchiolitis (BRO)**
  • Data from a pilot study were published in 2017 in the Pediatric Pulmonology Journal
  • A 94 patient study is ongoing in Israel with top-line data expected to be reported early in the second quarter of 2018

• A US pivotal study is expected to start in the fourth quarter of 2018 and complete in the second quarter of 2019 with a US regulatory filing to follow shortly thereafter
• Regulatory filings outside the US are planned to begin in 2020

- **Nontuberculous Mycobacteria (NTM) Abscessus**
  • AIT recently announced preliminary results from a pilot study and will present the full dataset at the American Thoracic Society Meeting, to be held in San Diego from May 18 to 23, 2018
  • AIT anticipates meeting with FDA during the second quarter of 2018 to discuss a pivotal trial design
  • AIT anticipates the completion of treatment of one cystic fibrosis patient suffering from NTM abscessus around the end of the first quarter 2018. The treatment will be administered at the National Heart, Lung, and Blood Institute (NHLBI) with our commercial scale generator based NO delivery system

Laidlaw & Co. (UK) Ltd. acted as lead placement agent for the transaction and Brookline Capital, a division of CIM Securities, acted as co-placement agent.

The securities to be sold in this private placement have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or applicable state securities laws, and accordingly may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act and such applicable state securities laws. AIT Therapeutics has agreed to file a registration statement with the Securities and Exchange Commission (the "SEC") registering the resale of the shares of common stock, the shares of common stock issuable upon the conversion of the series A convertible preferred stock, and the common stock issuable upon the exercise of the warrants issued in this private placement.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state. Any offering of the securities under the resale registration statement will only be by means of a prospectus.

About Persistent Pulmonary Hypertension of the Newborn (PPHN)
Persistent pulmonary hypertension of the newborn (PPHN) occurs when pulmonary vascular resistance (PVR) remains abnormally elevated after birth. This may lead to severe hypoxemia that may not respond to conventional respiratory support. NO therapy is indicated as an adjunct therapy in such situations.

About Mycobacterium abscessus complex (MABSC) of the Lungs
MABSC is the most aggressive and difficult to treat form of non-tuberculous mycobacteria (NTM). There are currently no approved treatments for MABSC. Current standard-of-care is a cocktail of antibiotics that often proves to be ineffective with severe adverse effects. Most patients suffering from MABSC have an underlying disease, such as cystic fibrosis or chronic

obstructive pulmonary disease (COPD). The median survival of those suffering from MABSC is less than 5 years.

About Bronchiolitis

The majority of hospital admissions of infants with bronchiolitis are caused by respiratory syncytial virus (RSV). RSV is a common and highly transmissible virus that infects the respiratory tract of most children before their second birthday. While most infants with RSV present with minor respiratory symptoms, a small percentage develop serious lower airway infections, termed bronchiolitis, which can become life-threatening. The absence of treatment options for bronchiolitis limits the care of these sick infants to largely supportive measures. AIT's system is designed to effectively deliver 160 ppm NO, which has been proven to eliminate bacteria, viruses, fungi and other microbes from the lungs.

About AIT Nitric Oxide (NO) Generator and Delivery System

The AIT NO delivery system can generate NO on demand for delivery to the lungs at concentrations ranging from 0.5 parts per million (ppm) to 400 ppm and can target all lung conditions requiring NO at any concentration, regardless of the need for intermittent or continuous dosing. The AIT NO delivery system does not require large, high-pressure cylinders containing NO, a significant advantage in the hospital setting via the elimination of cumbersome and costly inventory, storage and safety requirements. Given the AIT NO delivery system weight of approximately 6 lbs. and the simplicity of the system operation, at home use may become a reality in the near future for those patients suffering from chronic lung disease and severe acute lung infections.

About NO

Nitric oxide (NO) is a powerful molecule proven to play a critical role in a broad array of biological functions. In the airways, NO is believed to play a key role in the innate immune system at concentrations of approximately 200 ppm. In vitro studies suggest that NO possesses anti-microbial activity not only against common bacteria, both gram positive and gram negative, but also against other diverse organisms including mycobacteria, fungi, yeast, and parasites, and has the potential to eliminate their multi-drug resistant strains. At concentrations below 80 ppm, NO has proven to be an effective vasodilator in the pulmonary vasculature.

About AIT Therapeutics Inc.

AIT Therapeutics Inc. is a clinical-stage biopharmaceutical company using nitric oxide (NO) to treat serious lung infections and pulmonary hypertension. The Company is currently applying its therapeutic expertise to treat lower respiratory tract infections that are not effectively addressed with current standards of care. AIT Therapeutics is advancing its revolutionary NO respiratory targeted system in clinical trials for the treatment of bronchiolitis and for nontuberculous mycobacteria (NTM). For more information, visit **www.AIT-Pharm.com**.

Forward-Looking Statement

This press release contains "forward-looking statements." Forward-looking statements include statements about our expectations, beliefs, or intentions regarding our product

offerings, business, financial condition, results of operations, strategies or prospects. You can identify such forward-looking statements by the words “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” “likely,” “goal,” “assumes,” “targets,” “potential,” and similar expressions and/or the use of future tense or conditional constructions (such as “will,” “may,” “could,” “should” and the like) and by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. These forward-looking statements are only predictions and reflect our views as of the date they are made with respect to future events and financial performance. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements, including risks related to: our approach to discover and develop novel drugs, which is unproven and may never lead to marketable products; our ability to fund and the results of further pre-clinical and clinical trials; obtaining, maintaining and protecting intellectual property utilized by our products; our ability to enforce our patents against infringers and to defend our patent portfolio against challenges from third parties; our ability to obtain additional funding to support our business activities; our dependence on third parties for development, manufacture, marketing, sales, and distribution of products; the successful development of our product candidates, all of which are in early stages of development; obtaining regulatory approval for products; competition from others using technology similar to ours and others developing products for similar uses; our dependence on collaborators; and our short operating history. We undertake no obligation to update, and we do not have a policy of updating or revising, these forward-looking statements, except as required by applicable law.

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