Grant of share options

Oct 11, 2021

LONDON, U.K. AND DALLAS, TX, U.S. Spectral MD Holdings, Ltd. (AIM: SMD), a predictive analytics company that develops proprietary AI algorithms and optical technology for faster and more accurate treatment decisions in wound care, announces that it has granted options ("Options") over 250,000 common stock of US$0.001 each in the Company ("Common Stock ") to four individuals, including a Director and a Person Discharging Managerial Responsibilities ("PDMR") as detailed below. 150,000 Options are granted under the 2018 Long Term Incentive Plan, vest over a 3 year period from the date of grant, and expire after 10 years. Details are as follows:

Name	Options granted	Date of Grant	Exercise price	Vesting period
Wensheng Fan, CEO	100,000	October 8, 2021	39 pence	1/3 annually over 3 years
Maria Cadic	25,000	October 8, 2021	39 pence	1/3 annually over 3 years

25,000 Options were granted to one employee on the same date and under the same terms. These grants of Options are related to performance criteria associated with the successful conclusion of the recently announced additional funding of US$18.8 million from the U.S. Biomedical Advanced Research and Development Authority (BARDA).

On the same date, 100,0000 Options were granted to one employee pursuant to an Employment Agreement and under the same terms as stated above, except the vesting period is 1/12th quarterly over 3 years from the date of grant.

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ('MAR'). Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

For further information please contact:

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Using its DeepView® Wound Imaging Solution, an internally developed AI technology and multispectral imaging solution that has received FDA Breakthrough Designation for the burn indication, Spectral MD is able to distinguish between non-healing and healing human tissue invisible to the naked eye. Spectral MD currently is able to provide 'Day One' healing assessments for burn wounds and diabetic foot ulcers with other applications being explored.

Spectral MD has to date received substantial support from the U.S. government with contracts from institutions such as Biomedical Advanced Research and Development Authority, National Science Foundation, National Institute of Health and Defense Health Agency in support of the burn application for its DeepView® solution, with total grant funding received to date from all of these organizations of over $93 million, including $40.5 million received in 2021. This grant funding is non-dilutive to our shareholders and the Company believes it validates the important nature of our mission and technology. The Company leverages this funding to support R&D efforts that are applicable to burn, DFU and potentially other indications where DeepView can play an important role in Day 1 wound healing assessment.

The Company has two principal trading subsidiaries, Spectral MD, Inc. and Spectral MD UK Limited.

DeepView®

DeepView® is a predictive analytics platform that integrates proprietary AI algorithms and advanced optical technology for wound healing predictions. It is non-invasive, non-radiation, non-laser and does not require the use of injectable dye. This integration can be characterised into four distinct components: DeepView® imaging, data extraction, AI model building and AI wound healing prediction.

- The DeepView® imaging technology consists of patented, proprietary, multi-spectral optics and sensors that can classify wound tissue physiology and capture the viability of various biomarkers within the skin. The imaging technology extracts appropriate clinical data, processes the image, and displays a comparison of the original image next to an image with a colour overlay of the non-healing portions of the wound. The image acquisition takes 0.2

seconds, and the output takes approximately 20 to 25 seconds.

- The DeepView® data extraction consists of proprietary optics that are able to collect millions of data points from each raw image. This information is then used to build and continually improve the AI model, which is trained and tested against a proprietary database of more than 66.7 billion pixels with an ever-growing input of clinically validated data points.
- The AI algorithm then produces a predictive wound healing assessment in the form of an objective, accurate, and immediate binary wound healing prediction. This prediction is graphically represented to the clinician through a coloured overlay of the original image that annotates the non-healing portion of the wound.

DeepView® is designed to allow clinicians to make a more accurate, timely and informed decision regarding the treatment of the patient's wound. In the case of DFUs, a non-healing assessment would provide the clinician with the appropriate justification to use an advanced wound care therapy on 'Day One' as opposed to waiting 30 days and potentially losing the patient to lack of patient follow-up or risking patient noncompliance with standard wound therapy. For burn wounds, the clinician can make an immediate and objective determination to identify appropriate candidates for surgery as well as determining what specific areas of the burn wound will require skin grafting. DeepView® 's current accuracy for determining the healing potential of burn wounds is 91 percent, compared with current physician accuracy of 50 to 70 percent. The current clinical accuracy of DeepView® is 83 percent for DFUs. Both of these accuracy percentages are expected to increase with additional R&D efforts, including clinical studies.

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them.

1.	**Details of the person discharging managerial responsibilities / person closely associated**	
a)	Name	1. Wensheng Fan2. Maria Cadic
2.	**Reason for the Notification**	
a)	Position/status	1. CEO2. Head of Operations, Government and Regulatory Affairs
b)	Initial notification/Amendment	Initial notification
3.	**Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor**	
a)	Name	Spectral MD Holdings, Ltd
b)	LEI	213800VXW1FVGWTCKL44
4.	**Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted**	
a)	Description of the Financial instrument, type of instrument	Common Stock of US$0.001 each
Identification code	USU8457V1099	
b)	Nature of the transaction	Issue of Options
c)	Price(s) and volume(s)	Price(s)Volume(s)1. 39p 2. 39p 100,000 25,000
d)	Aggregated information:- Aggregated volume- Price	Price(s)Volume(s) 39p 125,000
e)	Date of the transaction	8 October 2021
f)	Place of the transaction	Outside a trading venue