



Grant of share options and Management update

Dec 21, 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 share options (“Options”) to acquire 1,000,000 ordinary shares with a par value \$0.001 per share (“Ordinary Shares”) to Mr. Nils Windler, a Person Discharging Managerial Responsibilities (“PDMR”), in connection with his recent appointment as Chief Financial Officer and pursuant to the terms of his employment agreement. All Options are granted under the 2018 Long Term Incentive Plan, will vest pro-rata 6/36th on the last day of the month following his 180 day anniversary with the Company, and in thirty (30) equal tranches on the last day of each calendar month during the continued period of his employment such that the Options will vest and be exercisable with respect to 100% of the Options as of the three year anniversary of the Date of Grant, and expire after 10 years:

NAME AND TITLE	OPTIONS GRANTED	DATE OF GRANT	EXERCISE PRICE	VESTING PERIOD
Nils Windler, CFO	1,000,000	December 17, 2021	38.5p	Over 3 years

In addition, the Company announces the following revisions to the terms of option grants previously provided to Mr. Wan Lung Eng, previously Chief Financial Officer, in connection with his departure from the Company: On 31 January 2022, 145,000 unvested share options will become fully vested and exercisable, subject to the terms of Mr. Eng’s Orderly Market Agreement; Mr. Eng will not sell or transfer any Company stock before 31 December 2022 without prior written consent of the Company; and the exercise period for all option grants vested under the terms of the 2018 Long Term Incentive Plan (which totals 395,000 including those set forth above) is extended until 31 December 2022.

Mr. Marc Dudek, previously head of corporate and business development, has resigned his position from the Company to pursue other opportunities and the Company wishes him the best in his future endeavours.

Spectral MD Holdings, Ltd.

Wensheng Fan, Chief Executive Officer

Nils Windler, Chief Financial Officer

investors.spectralmd.com

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About Spectral MD

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. In its ongoing clinical trials, Spectral MD is studying its ability 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 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. In clinical research to date, DeepView[®]'s accuracy for determining the healing potential of burn wounds has been 92 percent in adults and 88 percent in children, 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.

Spectral MD's products are currently in the research and development phase. The safety and efficacy of Spectral MD's products have not yet been evaluated by the applicable regulatory authorities and are not at this time approved, cleared, marketed, or available for sale or reimbursement in any market.

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	Nils Windler
2.	Reason for the Notification	
a)	Position/status	CFO
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	213800VXW1FVGWTKL44
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)38.5p 1,000,000
d)	Aggregated information: – Aggregated volume – Price	Price(s)Volume(s) 38.5p 1,000,000
e)	Date of the transaction	17 December 2021
f)	Place of the transaction	Outside a trading venue