Spectral AI Announces Receipt of $1 Million of Financing for Spectral IP, Inc., its Intellectual Property Subsidiary Focused on the Broader Artificial Intelligence Ecosystem

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DALLAS, March 19, 2024 (GLOBE NEWSWIRE) -- **Spectral AI, Inc. (Nasdaq: MDAI) ("Spectral AI" or the "Company"),** an artificial intelligence (AI) company focused on medical diagnostics for faster and more accurate treatment decisions in wound care, today announced it has received a $1 million investment from an affiliate of its largest shareholder into its recently formed subsidiary Spectral IP, Inc. ("Spectral IP"). The investment is structured as a note payable with a one-year maturity, an interest rate of 8%, and requiring earlier prepayment if Spectral IP is spun off to the Company's shareholders or sold.

Peter M. Carlson, Chief Executive Officer of Spectral AI, said, "Following our recent announcement that we had identified additional opportunities for Spectral AI to enhance its position and add value for its shareholders by developing or acquiring IP applicable to the broader AI ecosystem, we received a very attractive proposal to provide financing to Spectral IP from our largest outside shareholder, who also happens to be a recognized IP industry-leader. This is an important initiative for the Company and its shareholders to potentially unlock additional value and this investment immediately validates this initiative." Mr. Carlson continued, "While we recognize the opportunities created by Spectral IP, management is of the view that any capital required for this initiative should be funded separately so that the Company can deploy its capital to pursue our core operations."

Spectral IP will focus on advancing intellectual property (IP) in the broader AI ecosystem through acquisitions, strategic partnerships and collaborations with AI technology providers, healthcare institutions, and research organizations to accelerate innovation and expand market reach.

Wensheng Fan, Spectral AI's Chief Innovation Strategist, said, "Medical Device companies are not only focusing on innovation to enhance their patent portfolios but are also making strategic investments in AI. The integration of Artificial Intelligence is increasing in the medical device industry, but still lags other industries in its adoption. We see tremendous benefits to developing and acquiring IP outside our core product offering that will protect the developing AI healthcare ecosystem."

Spectral AI remains committed to advancing AI-driven solutions in healthcare, including opportunities and strategic developments fostered by Spectral IP.

About Spectral AI

Spectral AI, Inc. is a Dallas-based predictive AI company focused on medical diagnostics for faster and more accurate treatment decisions in wound care, with initial applications involving patients with burns and diabetic foot ulcers. The Company is working to revolutionize the management of wound care by "Seeing the Unknown®" with its DeepView System. DeepView is a predictive device that offers clinicians an objective and immediate assessment of a wound's healing potential prior to treatment or other medical intervention. With algorithm-driven results and a goal of exceeding the current standard of care in the future, DeepView is expected to provide faster and more accurate treatment insight towards value care by improving patient outcomes and reducing healthcare costs. For more information about DeepView, visit www.spectral-ai.com.

Forward-Looking Statements

Certain statements made in this release are "forward looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995, including statements regarding the Company's strategy, plans, objectives, initiatives and financial outlook. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements.

These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside Company's control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. As such, readers are cautioned not to place undue reliance on any forward-looking statements.

Investors should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" sections of the Company's filings with the SEC, including the Registration Statement and the other documents filed by the Company. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements.

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