Spectral AI Names Erich Spangenberg CEO of its IP Focused Subsidiary and Explores Potential Spin-Off of that Subsidiary

Apr 24, 2024

Spangenberg brings significant IP monetization experience and the potential to unlock additional value for Spectral AI shareholders

DALLAS, April 24, 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 that Erich Spangenberg has been appointed as the Chief Executive Officer of its health care IP-focused subsidiary, Spectral IP.

"Spectral AI is fortunate that our largest shareholder, Erich Spangenberg, has agreed to assume the CEO role at Spectral IP. Erich has consistently been recognized for his unrivaled track record in global IP investment, monetization, enforcement, acquisition, and licensing," said Pete Carlson, CEO of Spectral AI. "Our goal with Spectral IP is to create a health care IP-focused enterprise that potentially provides additional IP protection for the Company and unlocks additional value for MDAI shareholders while requiring limited Company management resources and no additional capital from the Company. As CEO of Spectral IP, Erich will report to me and to our Board as he prepares Spectral IP for a potential spin-off."

Erich Spangenberg stated, "I believe Spectral IP represents a significant opportunity to deliver additional value to Spectral AI shareholders. One of my affiliates has provided Spectral IP with $1.0 million of debt capital. I believe I can secure an additional $5.0-$10.0 million of equity capital for our new entity, which I believe will be more than adequate to fund Spectral IP for approximately one year after a possible spin-off transaction is completed. As the largest shareholder and investor in Spectral AI, I plan to utilize my global network and my decades of IP experience to focus on health care IP-related investments and acquisitions. These IP-related investments and acquisitions will include licensing, sales, royalty finance, credit-related and other diverse financial opportunities within the IP class."

Mr. Spangenberg is the Founder and co-Managing Partner at Sauvegarder Investment Management (SIM), a multi-strategy investment firm dedicated to IP-related financing and investment opportunities. SIM invests across IP as an asset class and across jurisdictions, primarily focusing on the US, Europe, and Asia. He is recognized by various publications as one of the world's top-50 IP strategists, credited with being one of the people who is changing the way people think about and use patents. After an early career that included partnership in a leading global law firm, investment banker, and business executive, in 2003, Erich focused his business efforts on IP investment opportunities. Erich has been involved as a principal in over 1,000 IP licensing transactions that generated over $500 million in revenue and as a principal and advisor on over $2 billion of patent financing and technology acquisition transactions.

Spectral AI also announced that a Special Committee of the Board of Directors will be formed to evaluate and oversee the implementation of the contemplated transactions, including a possible partial spin-off transaction of Spectral IP shares to its shareholders.

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. There can be no assurance that the contemplated transactions, spin out or dividend of shares will occur, or that any transaction, spin out or dividend will be successful; in addition, the Company has not yet determined what percentage of Spectral IP it will retain following completion of the proposed activities.

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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