

## **CRITICAL OUTCOME TECHNOLOGIES REPORTS SECOND QUARTER RESULTS**

### ***Lead cancer drug candidate continues to yield positive results; receives additional patent protection during the quarter***

**London, Ontario (December 18, 2013):** Critical Outcome Technologies Inc. (TSX Venture: COT) (“COTI” or the “Company”) reported its financial and operating results today for the three and six month periods ended October 31, 2013.

Highlights for the quarter included:

- Receipt of continuing positive results from experiments carried out with the Company’s lead cancer drug candidate, COTI-2, as it is readied for completing the two-species 28-day toxicity testing;
- Receipt of the fifth U.S. patent grant for COTI-2; and,
- Completion of a private placement to provide additional funding for operations.

“Continued experiments with COTI-2 confirm the compounds potential to be a breakthrough treatment for many common cancers,” said Dr. Wayne Danter, President and CEO. “The continued strengthening of our patent position is consistent with our extensive pre-clinical evaluation of our lead compound. The additional financing raised during the quarter has enabled us to move forward with our plans for the final testing of COTI-2 necessary to completing an investigational new drug application leading to Phase 1 human clinical trials and our ultimate goal of licensing this potential therapy.”

### **Financial Results**

The Company had a net loss of \$598,220, or \$0.01 per share, for the quarter compared to a net loss of \$762,669, or \$0.01 per share, for the second quarter a year earlier. For the six months ended October 31, 2013, the Company reported a loss of \$1,098,273, or \$0.01 per common share, compared to a loss of \$1,485,439, or \$0.02 per common share, for the same period last year. The expense reduction for the quarter and the year-to-date were attributable to expense reductions of \$164,449 and \$387,166 respectively in the Company’s three functional expense areas.

Research and development expenditures decreased \$115,537 for the quarter and \$249,389 year-to-date primarily reflecting a decrease in the contract testing related to COTI-2 compared to the first six months in fiscal 2013. General and administration expenditures decreased \$50,658 in the quarter and \$120,070 year-to-date related to a decline in professional fees, lower salaries and benefits due to a staffing reduction, a decrease in corporate governance costs, and a decrease in share-based compensation. Sales and marketing expenditures decreased \$29,162 in the quarter and \$87,744 year-to-date resulting

from lower salaries and benefits and a reduction in consulting expense. A decline in other income sources of \$19,889 during the quarter and \$55,614 year-to-date offset some of the expenditure cost savings and related primarily to a decrease in investment tax credits (ITC) calculated on the overall lower level of R&D contract expenses year-to-date compared to the prior year period and reductions to the amount of such expenses eligible for ITCs as set out in the federal budget of March 2012.

### **Promising Advance for Many Common Cancers**

During the quarter, the Company received its fifth U.S. Patent for COTI-2. The additional patent reaffirms the unique mechanism of action of COTI-2, which based on preclinical results, provides real potential in treating cancers for which no effective therapy is currently available, especially when used in combination with other anti-cancer drugs acting through complementary mechanisms. The patent covers synergistic combinations of COTI-2 and other anti-cancer agents in the treatment of cancers that have a KRAS mutation, an EGFR mutation, or that over express AKT2. This covers many cancers that are notoriously difficult to treat, including colorectal cancers, in which approximately 50% of the patients do not respond to conventional treatment due to the presence of a KRAS mutation.

### **Financing**

During the quarter, the Company realized gross proceeds of approximately \$1,225,000 on a non-brokered private placement with accredited investors to provide funding for operations. The Company also amended warrants as a potential source of future financing that were scheduled to expire at various dates in the quarter. The Company will continue to seek additional financing to support the development of its lead asset COTI-2 to a licensing agreement and fund its other activities.

More detailed operating and financial results can be found in the Company's Unaudited Condensed Interim Financial Statements and Management Discussion and Analysis for the quarter ended October 31, 2013, which can be found on SEDAR at [www.sedar.com](http://www.sedar.com). This material is also available on the Company's website at [www.criticaloutcome.com](http://www.criticaloutcome.com).

### **About Critical Outcome Technologies Inc. (COTI)**

COTI is a leading-edge technology company specializing in accelerating the discovery and development of small molecules – dramatically reducing the time and cost to bring new drugs to market. COTI'S proprietary artificial intelligence system, CHEMSAS®, utilizes a series of predictive computer models to identify compounds with a high probability of being successfully developed from disease specific drug discovery through chemical optimization and preclinical testing. These compounds are targeted for a variety of diseases, particularly those for which current treatments are either lacking or ineffective.

For more information, visit [www.criticaloutcome.com](http://www.criticaloutcome.com) or contact:

Critical Outcome Technologies Inc.  
Dr. Wayne Danter  
President & CEO  
Tel: 519-858-5157  
Email: [wdanter@criticaloutcome.com](mailto:wdanter@criticaloutcome.com)

Heisler Communications  
Trevor Heisler  
Investor Relations  
Tel: 416-500-8061  
Email: [trevor@heislercommunications.com](mailto:trevor@heislercommunications.com)

Follow @CriticalOutcome on Twitter at <http://twitter.com/CriticalOutcome>

### **Notice to Readers**

Information contained in this press release may contain certain statements, which constitute “forward-looking statements” within the meaning of the Securities Act (Ontario) and applicable securities laws. For example, the statement “... confirm the compounds potential to be a breakthrough treatment for many common cancers” and “...enabled us to move forward with our plans for the final testing of COTI-2 necessary to completing an Investigational new drug application leading to Phase 1 human clinical trials and our ultimate goal of licensing this potential therapy” and “... provides real potential in treating cancers for which no effective therapy is currently available, especially when used in combination with other anti-cancer drugs acting through complementary mechanisms” and “... will continue to seek additional financing to support the development of its lead asset COTI-2 to a licensing agreement” are forward-looking statements. Forward-looking statements by their nature are not guarantees of future performance and are based upon management’s current expectations, estimates, projections and assumptions. COTI operates in a highly competitive environment that involves significant risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. Management of COTI considers the assumptions on which these forward-looking statements are based to be reasonable, but as a result of the many risk factors, cautions the reader that actual results could differ materially from those expressed or implied in these forward-looking statements. Information in this press release should be considered accurate only as of the date of the release and may be superseded by more recent information disclosed in later press releases, filings with the securities regulatory authorities or otherwise.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*