

## **CRITICAL OUTCOME TECHNOLOGIES REPORTS FISCAL 2014 FIRST QUARTER RESULTS**

### *Continued progress made on key commercialization initiatives*

**London, Ontario (September 27, 2013):** Critical Outcome Technologies Inc. (TSX Venture: COT) (“COTI” or the “Company”) reported its financial and operating results today for the three months ended July 31, 2013.

Highlights for the quarter included:

- receiving positive results from experiments carried out with the Company’s lead cancer drug candidate, COTI-2;
- the continued advancement of three collaboration research and development (R&D) agreements involving COTI’s proprietary drug discovery technology, CHEMSAS®; and,
- the completion of a private placement to provide additional funding for operations.

“Our first quarter was marked by the receipt of positive data for our lead cancer drug candidate from a world-renowned cancer research authority and the continued progress of our three R&D collaborations,” said Dr. Wayne Danter, President and CEO. “The financing we were able to obtain during the quarter, and subsequent to quarter-end, enables us to move forward with our licensing efforts for COTI-2 and our other commercial activities to realize on their potential.”

### **Financial Results**

The Company reported a quarterly net loss of \$500,052, or \$0.01 per share, in the first quarter of fiscal 2014 compared to a net loss of \$722,769, or \$0.01 per share, for the first quarter a year earlier. The improvement of \$222,717 related to a decrease in costs in all functional areas. R&D expenditures decreased \$133,851 primarily reflecting a decrease in the testing related to COTI-2 compared to the first quarter in fiscal 2013. General and administration expenditures decreased \$69,412 related primarily to a decline in professional fees, lower salaries and benefits due to a staffing reduction, a decrease in corporate governance costs related to the timing of the annual general meeting, and a decrease in share-based compensation. Sales and marketing expenditures decreased primarily due to lower salaries and benefits and a reduction in consulting expense. A decline in other income sources of \$39,128 offset some of the expenditure savings and related primarily to a decrease in investment tax credits of \$28,639 due to the lower R&D expenditure levels and reductions to the amount of eligible expenses as set out in the federal budget of March 2012.

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

On June 11, 2013, the Company announced that it had received positive results from experiments carried out with the Company's lead cancer drug candidate, COTI-2, in the cancer research laboratories of Dr. Gordon Mills, M.D., Ph.D., at the MD Anderson Cancer Center in Houston, Texas. These preclinical experiments demonstrated that:

- COTI-2's major mechanism of action leads to the self destruction of human cancer cells that carry p53 gene mutations. This is of significant therapeutic importance because at least 50% of all human cancers have at least one type of p53 mutation;
- COTI-2 restores p53 mutant protein to a more normal structure and function in human cancer cells with a wide range of common p53 gene mutations. This range includes a number of the most common mutations found in more than 20% of all human cancers. This is important as COTI-2 is selective for not just one or a few p53 mutation types but can affect a broad range of p53 mutations;
- COTI-2 is also effective in the absence of p53 mutations where other common mutations in the PI3K/AKT/mTOR cell signaling pathway exist. For example, COTI-2 is effective in cancers with mutations that lead to over expression of the tumor promoting protein AKT. This is important as COTI-2 has the potential to impact such cancers as a single therapy or in combination therapy with other treatments; and,
- While COTI-2 is generally less effective in human cancer cells without some level of mutant p53 protein, it also appears highly active in some cells where other genes in the p53 family like p63 and p73 contain mutations.

### **CHEMSAS® Yields Positive Results in Drug Discovery Collaborations**

On May 6, 2013, the Company announced that all three of the collaboration R&D projects announced in the fall of 2012 are on time and progressing well. These collaborations include: a drug discovery project with Western University; a co-development project with Delmar Chemicals Inc.; and, a drug discovery project with a major global pharmaceutical company.

### **Financing**

During the quarter, the Company realized gross proceeds of \$529,907 on a non-brokered private placement with accredited investors to provide funding for operations. Subsequent to quarter-end, the Company completed another non-brokered private placement with accredited investors that raised gross proceeds of approximately \$1,225,000 to support operations.

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 July 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:

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