Press Release

CRITICAL OUTCOME TECHNOLOGIES REPORTS FISCAL 2018 SECOND QUARTER FINANCIAL AND OPERATING RESULTS

London, ON and Boston, MA (December 29, 2017): Critical Outcome Technologies Inc. (TSX Venture: COT; OTCQB: COTQF) ("COTI" or the "Company") reported its financial and operating results today for the three- and six-month periods ended October 31, 2017. Recent highlights include:

Advanced the Phase 1 trial of COTI-2:

- In August 2017, COTI completed the dose escalation portion of its Phase 1 trial of COTI-2 in gynecological malignancies, which showed that COTI-2 is generally safe and well-tolerated at doses up to 1.7 mg/kg;
- In October 2017, COTI dosed the first patient in the expansion arm of its Phase 1 trial of COTI-2 in head and neck squamous cell carcinoma (HNSCC);
- Subsequent to the reporting quarter, in November 2017, COTI announced pharmacokinetic (PK) data from the dose escalation portion of its Phase 1 trial of COTI-2 in gynecological malignancies, which showed that COTI-2 exhibited rapid absorption, long half-life and lack of long-term drug accumulation. These data support the potential for daily oral dosing and the continued development of COTI-2 as a potential treatment for patients;
- Subsequent to the reporting quarter, in December 2017, COTI announced pharmacodynamic (PD) data and positive signals of efficacy from the dose escalation portion of its Phase 1 trial of COTI-2 in gynecological malignancies, which suggest COTI-2 may be a potentially efficacious treatment for patients. COTI concurrently announced it established a recommended Phase 2 dose of 1.0 mg/kg in ovarian cancer based on strong safety, tolerability and pharmacokinetic data;
- Continued to analyze results from the gynecological arm of the trial.

Secured additional funding

- In September and October 2017, COTI announced the close of the first and second tranches of a non-brokered private placement with accredited investors. The Company raised gross proceeds of approximately $2.1 million CAD. The funds will support the continued clinical development of COTI-2 in HNSCC.
- Subsequent to the reporting quarter, the Company entered into an engagement with a U.S. investment bank in connection with proposed financing efforts in the U.S.

Reaffirmed identity as a clinical-stage pharmaceutical company:

- During the quarter, the Company underwent a branding review recognizing its evolution from a technology-driven company to a clinical-stage pharmaceutical company. This led COTI to announce subsequent to the reporting quarter in December 2017, that shareholders approved a name change to Cotinga Pharmaceuticals. Cotinga refers to a diverse bird species in South and Central America, and symbolizes the potential for the Company's cancer therapeutics to treat a wide spectrum of cancer patients.

"We are pleased to report we continued to make significant strides in the second quarter to advance the Phase 1 trial of COTI-2 and secure additional funding to support our clinical development programs," said Alison Silva, President & CEO. "The encouraging data readouts from the gynecological malignancies arm and the successful dosing of the first patient in our HNSCC expansion arm reinforce our confidence in COTI-2 as a potential treatment for a range of oncology indications. We are continuing with our financing efforts as we seek to carry out our mission in the year ahead as the newly-named Cotinga Pharmaceuticals, a clinical-stage pharmaceutical company advancing the development of cancer therapeutics to treat a wide spectrum of cancer patients."

Upcoming Milestones

COTI-2:

- Additional exploratory endpoint data from the dose escalation portion of the Phase 1 trial in gynecological malignancies expected in first quarter of 2018;
- Initial safety readout from HNSCC expansion arm expected in second quarter of 2018;
- Initiation of basket, combination and expansion studies in multiple oncology indications expected in 2018.

COTI-219:

- Completion of GMP manufacturing and IND-enabling studies expected in 2018;
- IND-filing expected in 2018.

Financial Results

The Company's operational activities during the quarter were primarily focused on advancing the Phase 1 clinical trial of COTI-2 in gynecological malignancies and HNSCC.

For the three-months ended October 31, 2017, the Company incurred a net loss of $1.781 million, or $0.11 per share, compared to a net loss of $0.748 million, or $0.05 per share, for the three-months ended October 31, 2016. The increase in net loss during the three-month period is primarily due to a change in the fair value of the warrant liability, as a large non-cash valuation gain was recorded in the three-months ended October 31, 2016, thus reducing the loss in that period with no comparable valuation change occurring in the same period this year.

For the six-months ended October 31, 2017, the Company incurred a net loss of $2.023 million, or $0.13 per share, compared to a net loss of $3.063 million, or $0.21 per share, for the six-months ended October 31, 2016. The decrease in net loss during the six-month period is primarily due to a significant favorable swing in the valuation of the warrant liability.

There was no revenue for the three- and six-month periods ended October 31, 2017 or in the comparative periods in the year prior.

Operating expenses in the three- and six-month periods ended October 31, 2017 increased by $0.040 million and $0.224 million respectively over the same periods in the year prior, primarily due to increases in Research and Development ("R&D") expense and a decrease in investment tax credits earned. These increases were partially offset by a decrease in General and Administration ("G&A") expense and Sales and Marketing ("S&M") expense.

R&D expense in the three- and six-month periods ended October 31, 2017 increased by $0.252 million and $0.305 million respectively over the same periods in the year prior, primarily due to an increase in synthesis and miscellaneous R&D expenses, other costs, and salaries and benefits. These increases were partially offset by a decrease in clinical trial expenses.

G&A expense in the three- and six-month periods ended October 31, 2017 decreased $0.181 million and $0.052 million respectively over the same period in the year prior, primarily due to reduction in professional fees, corporate governance, marketing and travel, and share-based compensation expense. These decreases were partially offset by an increase in salaries, benefits, rent and insurance.

S&M expense in the three- and six-month periods ended October 31, 2017 decreased by $0.073 million and $0.095 million respectively compared to the same periods in the year prior due to a decrease in professional fees and marketing and travel. These decreases were partially offset by an increase in other S&M expenses.

ITC income for the three- and six-month periods ended October 31, 2017 decreased by $0.039 million and $0.061 million respectively compared to the same periods in the year prior due to a decrease in eligible R&D expenditures.

Financing

The Company executed on financing efforts during the quarter, closing two tranches of a non-brokered private placement with accredited investors in September and October 2017 for approximately $2.1 million in gross proceeds. As at October 31, 2017, the Company had cash, cash equivalents and investments of $1,246,852 and will need to obtain additional financing during the current fiscal year. Subsequent to the reporting quarter, the Company entered into an engagement with a U.S. investment bank in connection with proposed financing efforts in the U.S.

Detailed operating and financial results can be found in the Company's Unaudited Condensed Interim Financial Statements and Management Discussion and Analysis for the three- and six-month periods ended October 31, 2017, which can be found on SEDAR at www.sedar.com or on the Company's website at www.criticaloutcome.com.

About Critical Outcome Technologies Inc.

COTI is a clinical stage biotech company that uses proprietary artificial intelligence technologies to pursue a targeted and transformational approach to treating cancer and other unmet medical needs. COTI's CHEMSAS® technology accelerates the discovery and development of novel drug therapies, allowing the Company to build a pipeline of potential drug candidates faster and with a higher probability of success than traditional methods.

The Company's lead compound, COTI-2, has a novel p53-dependent mechanism of action with selective and potent anti-cancer activity. P53 mutations occur in over 50% of all cancers. COTI-2 is initially being evaluated for the treatment of gynecologic cancers and head and neck squamous cell carcinoma in a Phase 1 clinical trial at the MD Anderson Cancer Center at the University of Texas and the Lurie Cancer Center at Northwestern University. The Company has secured orphan drug status in the United States for COTI-2 for the treatment of ovarian cancer. Preclinical data suggests that COTI-2 could dramatically improve the treatment of cancers with mutations in the p53 gene.

The Company's second lead compound, COTI-219, is a novel oral small molecule compound targeting the mutant forms of KRAS without inhibiting normal KRAS function. KRAS mutations occur in up to 30% of all cancers and represent a tremendous unmet clinical need and a desirable drug target. COTI-219 is undergoing IND-enabling studies to support a regulatory submission in 2018.

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

Neither the 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.

For more information, visit www.criticaloutcome.com or contact:

Alison Silva
President and CEO
Tel: 1-800-798-6860
Email: asilva@criticaloutcome.com

Notice to Readers:

Information contained in this press release may contain certain statements which constitute "forward-looking statements" as such term is defined under applicable securities laws. For example, the statements "These data support the potential for daily oral dosing and the continued development of COTI-2 as a potential treatment for patients" and "Subsequent to the reporting quarter, in December 2017, COTI announced pharmacodynamic (PD) data and positive signals of efficacy from the dose escalation portion of its Phase 1 trial of COTI-2 in gynecological malignancies, which suggest COTI-2 may be a potentially efficacious treatment for patients" and "The encouraging data readouts from the gynecological malignancies arm and the successful dosing of the first patient in our HNSCC expansion arm reinforce our confidence in COTI-2 as a potential treatment for a range of oncology indications" 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. Except as required by law, COTI assumes no obligation to update forward-looking statements should circumstances or management's expectations, estimates, projections and assumptions change.