



## SPECTRAL ANNOUNCES FIRST QUARTER RESULTS

**TORONTO, Canada – May 12, 2016 – Spectral Medical Inc., (TSX:EDT) (OTCQX:EDTXF)**, a Phase III company developing the first treatment for patients with septic shock guided by a companion diagnostic, today announced its unaudited financial results for the first quarter ended March 31, 2016.

### Financial Review

Revenue for the three months ended March 31, 2016 was \$1,062,000 compared to \$877,000 for the same three month period last year. First quarter revenues were consistent with prior year levels and this trend is expected to continue for the remainder of the year.

Operating costs for the quarter ended March 31, 2016 were \$4,069,000 compared to \$3,223,000 in 2015. Most of the Company's expenses are incurred in its Phase III clinical trial and will vary depending on the timing and level of patient enrolment. Apart from clinical trial activities, the Company continues to maintain a low cost operating structure for its base business operations.

Loss for the quarter ended March 31, 2016 was \$2,994,000 (\$0.02 per share) compared to \$2,322,000 (\$0.01 per share) for the same quarter last year.

The Company concluded the first quarter of 2016 with cash on hand of \$12,861,000 compared to \$6,369,000 as of December 31, 2015.

In February, 2016, the Company closed a bought deal prospectus financing for net proceeds of \$9,042,000.

The total number of shares outstanding for the Company was 206,733,209 as at March 31, 2016.

### Corporate Update

The clinical trial is on track to complete enrollment by the end of June, 2016. There will be a corporate update on clinical and regulatory activities to be released prior to the Annual General Meeting.

### About Spectral

Spectral is a Phase III company seeking U.S. FDA approval for its unique product for the treatment of patients with septic shock, Toraymyxini<sup>®</sup> (PMX<sup>®</sup>). PMX is a therapeutic hemoperfusion device that removes endotoxin, which can cause sepsis, from the bloodstream. Directed by the Company's Endotoxin Activity Assay (EAA<sup>®</sup>), the only FDA cleared diagnostic for the risk of developing sepsis, Spectral's EUPHRATES trial is the world's only active and most innovative Phase III study in the area of septic shock.

PMX has been approved for therapeutic use in Japan and Europe, and has been used safely and effectively on more than 150,000 patients to date. In March 2009, Spectral obtained the exclusive development and commercial rights in the U.S. for PMX, and in November 2010, signed an exclusive distribution agreement for this product in Canada. Approximately 350,000 patients are diagnosed with severe sepsis and septic shock in North America each year, representing a greater than \$3 billion market opportunity for Spectral. Spectral is listed on the Toronto Stock Exchange under the symbol EDT, and on the OTCQX under the symbol EDTXF. For more information please visit [www.spectraldx.com](http://www.spectraldx.com)

### Forward-looking statement

*Information in this news release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. Implicit in this information, particularly in respect of the future outlook of Spectral and anticipated events or results, are assumptions based on beliefs of Spectral's*

*senior management as well as information currently available to it. While these assumptions were considered reasonable by Spectral at the time of preparation, they may prove to be incorrect. Readers are cautioned that actual results are subject to a number of risks and uncertainties, including the availability of funds and resources to pursue R&D projects, the successful and timely completion of clinical studies, the ability of Spectral to take advantage of business opportunities in the biomedical industry, the granting of necessary approvals by regulatory authorities as well as general economic, market and business conditions, and could differ materially from what is currently expected.*

*The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this statement.*

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# Spectral Medical Inc.

Condensed Interim Consolidated Statements of Financial Position  
(Unaudited)

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(in thousands of Canadian dollars)

	<b>March 31 2016 \$</b>	<b>December 31 2015 \$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash	12,861	6,369
Trade and other receivables	886	630
Inventories	325	243
Prepayments and other assets	301	141
	<hr/> 14,373	<hr/> 7,383
<b>Non-current assets</b>		
Property and equipment	735	717
Intangible asset	353	359
	<hr/> 1,088	<hr/> 1,076
<b>Total assets</b>	<hr/> <b>15,461</b>	<hr/> <b>8,459</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	2,828	2,850
Deferred revenue	167	176
<b>Total liabilities</b>	<hr/> 2,995	<hr/> 3,026
<b>Equity</b>		
Share capital	62,918	53,058
Contributed surplus	7,849	7,849
Other equity reserves	3,890	3,723
Deficit	(62,191)	(59,197)
<b>Total equity</b>	<hr/> 12,466	<hr/> 5,433
<b>Total liabilities and equity</b>	<hr/> <b>15,461</b>	<hr/> <b>8,459</b>

# Spectral Medical Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
For the three months ended March 31, 2016 and 2015  
(Unaudited)

(in thousands of Canadian dollars, except for share and per share data)

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>	1,062	877
<b>Expenses</b>		
Changes in inventories of finished goods and work-in-process	25	24
Raw materials and consumables used	203	100
Employee benefits	1,241	1,004
Consulting and professional fees	2,055	1,572
Product development		
Regulatory and investor relations	135	170
Travel and entertainment	209	203
Depreciation and amortization	42	43
Foreign exchange loss (gain)	15	(17)
Other expenses	144	124
	4,069	3,223
<b>Operating loss</b>	<b>(3,007)</b>	<b>(2,346)</b>
Finance income	13	24
<b>Loss and comprehensive loss for the period</b>	<b>(2,994)</b>	<b>(2,322)</b>
<b>Basic and diluted loss per common share</b>	<b>(0.02)</b>	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding</b>	<b>198,015,803</b>	<b>179,750,247</b>

# Spectral Medical Inc.

Condensed Interim Consolidated Statements of Changes in Equity  
For the three months ended March 31, 2016 and 2015  
(Unaudited)

(in thousands of Canadian dollars)

	Issued capital Number	\$	Contributed surplus \$	Share-based compensation \$	Warrants \$	Deficit \$	Total equity \$
<b>Balance, January 1, 2015</b>	179,737,241	46,879	7,849	3,542	-	(49,450)	8,820
Shares repurchased under NCIB	(90,000)	(23)				(32)	(55)
Share options exercised	108,500	84	-	(41)	-	-	43
Loss and comprehensive loss for the period	-	-	-	-	-	(2,322)	(2,322)
Share-based compensation	-	-	-	162	-	-	162
<b>Balance, March 31, 2015</b>	179,755,741	46,940	7,849	3,663	-	(51,804)	6,648
<b>Balance, January 1, 2016</b>	190,771,405	53,058	7,849	3,723	-	(59,197)	5,433
Bought deal prospectus offering	15,106,804	9,402	-	-	-	-	9,402
Share options exercised	855,000	458	-	(192)	-	-	266
Loss and comprehensive loss for the period	-	-	-	-	-	(2,994)	(2,994)
Share-based compensation	-	-	-	359	-	-	359
<b>Balance, March 31, 2016</b>	206,733,209	62,918	7,849	3,890	-	(62,191)	12,466

# Spectral Medical Inc.

Condensed Interim Consolidated Statements of Cash Flows  
For the three months ended March 31, 2016 and 2015  
(Unaudited)

(in thousands of Canadian dollars)

	2016 \$	2015 \$
<b>Cash flow provided by (used in)</b>		
<b>Operating activities</b>		
Loss and comprehensive loss for the period	(2,994)	(2,322)
Adjustments for:		
Depreciation on property and equipment	35	37
Amortization of intangible asset	6	6
Share-based compensation	359	162
Changes in items of working capital :		
Trade and other receivables	(256)	(92)
Inventories	(82)	(52)
Prepayments and other assets	(160)	(49)
Trade and other payables	(22)	(482)
Deferred revenue	(9)	(64)
<b>Net cash used in operating activities</b>	<b>(3,123)</b>	<b>(2,856)</b>
<b>Investing activities</b>		
Property and equipment expenditures	(53)	(118)
<b>Net cash used in investing activities</b>	<b>(53)</b>	<b>(118)</b>
<b>Financing activities</b>		
Bought deal prospectus offering	9,402	-
Share options exercised	266	43
Shares repurchased under NCIB	-	(55)
<b>Net cash provided by (used in) financing activities</b>	<b>9,668</b>	<b>(12)</b>
Increase(decrease) in cash	6,492	(2,986)
Cash, beginning of period	6,369	10,054
<b>Cash, end of period</b>	<b>12,861</b>	<b>7,068</b>