



## **SPECTRAL ANNOUNCES FIRST QUARTER RESULTS**

**TORONTO, Canada – May 9, 2019– Spectral Medical Inc., (TSX: EDT)**, 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, 2019.

### **Financial Review**

Revenue for the three months ended March 31, 2019 was \$547,000 compared to \$1,163,000 for the same three-month period last year. The decrease is due to the expiry of certain patents at the end of 2018. The fall in royalty revenue was partially offset by a technology transfer agreement that was entered into at the end of 2018.

Operating costs for the quarter ended March 31, 2019 were \$1,540,000 compared to \$1,877,000 for the same period in 2018. The decrease is primarily due to a reduction in share compensation expense, as share options were not granted in the first quarter of 2019. Operating costs are expected to increase once Tigris trial activities commence. The Company continues to maintain a low cost operating structure for its base business operations.

Loss for the quarter ended March 31, 2019 was \$993,000 (\$0.004 per share) compared to \$714,000 (\$0.003 per share) for the same quarter last year.

The Company concluded the first quarter of 2019 with cash on hand of \$4,613,000 compared to \$4,368,000 as of December 31, 2018.

The total number of shares outstanding for the Company was 225,591,183 as at March 31, 2019.

### **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, Toraymyxin™ (“PMX”). PMX is a therapeutic hemoperfusion device that removes endotoxin, which can cause sepsis, from the bloodstream and is guided by the Company’s Endotoxin Activity Assay (EAA™), the only FDA cleared diagnostic for the risk of developing sepsis.

PMX has been approved for therapeutic use in Japan and Europe, and has been used safely and effectively on more than 170,000 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.

Spectral, through its wholly owned subsidiary, Dialco Medical Inc. (“Dialco”), is also commercializing a new proprietary platform, “SAMI”, targeting the renal replacement therapy (“RRT”) market. Dialco is also seeking regulatory approval for “DIMI” which is based on the same RRT platform, but will be intended for home hemodialysis use.

Spectral is listed on the Toronto Stock Exchange under the symbol EDT. 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)

(in thousands of Canadian dollars)

	March 31 2019	December 31 2018
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	4,613	4,368
Trade and other receivables	266	1,433
Inventories	193	197
Prepayments and other assets	486	192
Contract asset	-	126
	5,558	6,316
<b>Non-current assets</b>		
Right-of-use-asset	790	-
Property and equipment	349	377
Intangible asset	278	284
<b>Total assets</b>	<b>6,975</b>	<b>6,977</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	524	500
Contract liability	254	107
Current portion of lease liability	71	-
	849	607
<b>Non-current liability</b>		
Lease liability	725	-
<b>Total liabilities</b>	<b>1,574</b>	<b>607</b>
<b>Equity</b>		
Share capital	66,646	66,646
Contributed surplus	7,981	7,981
Share-based compensation	5,588	5,564
Warrants	1,930	1,930
Deficit	(76,744)	(75,751)
<b>Total equity</b>	<b>5,401</b>	<b>6,370</b>
<b>Total liabilities and equity</b>	<b>6,975</b>	<b>6,977</b>

# Spectral Medical Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
For the three months ended March 31, 2019 and 2018  
(Unaudited)

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

	2019 \$	2018 \$
<b>Revenue</b>	547	1,163
<b>Expenses</b>		
Changes in inventories of finished goods and work-in-process	75	24
Raw materials and consumables used	60	68
Salaries and benefits	709	1,165
Consulting and professional fees	260	210
Regulatory and investor relations	86	198
Travel and entertainment	88	28
Depreciation and amortization	71	62
Foreign exchange loss (gain)	42	(30)
Interest expense on lease liability	9	-
Other expenses	140	152
	1,540	1,877
<b>Loss and comprehensive loss for the period</b>	(993)	(714)
<b>Basic and diluted loss per common share</b>	(0.004)	(0.003)
<b>Weighted average number of common shares outstanding</b>	225,591,183	207,584,717

# Spectral Medical Inc.

Condensed Interim Consolidated Statements of Changes in Equity  
For the three months ended March 31, 2019 and 2018  
(Unaudited)

(in thousands of Canadian dollars)

	Issued capital		Contributed surplus	Share-based compensation	Warrants	Deficit	Total equity
	Number	\$	\$	\$	\$	\$	\$
<b>Balance, January 1, 2018</b>	207,459,022	63,225	7,849	4,914	132	(73,262)	2,858
Share options exercised	337,500	120	-	(49)	-	-	71
Warrant expiry	-	-	132	-	(132)	-	-
Loss and comprehensive loss for the period	-	-	-	-	-	(714)	(714)
Share-based compensation	-	-	-	609	-	-	609
<b>Balance, March 31, 2018</b>	207,796,522	63,345	7,981	5,474	-	(73,976)	2,824
Private placement	17,694,661	3,267	-	-	1,930	-	5,197
Share options exercised	100,000	34	-	(14)	-	-	20
Loss and comprehensive loss for the period	-	-	-	-	-	(1,775)	(1,775)
Share-based compensation	-	-	-	104	-	-	104
<b>Balance, December 31, 2018</b>	225,591,183	66,646	7,981	5,564	1,930	(75,751)	6,370
<b>Balance, January 1, 2019</b>	225,591,183	66,646	7,981	5,564	1,930	(75,751)	6,370
Loss and comprehensive loss for the period	-	-	-	-	-	(993)	(993)
Share-based compensation	-	-	-	24	-	-	24
<b>Balance, March 31, 2019</b>	225,591,183	66,646	7,981	5,588	1,930	(76,744)	5,401

# Spectral Medical Inc.

Condensed Interim Consolidated Statements of Cash Flows  
For the three months ended March 31, 2019 and 2018  
(Unaudited)

(in thousands of Canadian dollars)

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flow provided by (used in)</b>		
<b>Operating activities</b>		
Loss and comprehensive loss for the period	(993)	(714)
Adjustments for:		
Depreciation on right-of-use asset	23	-
Depreciation on property and equipment	42	56
Amortization of intangible asset	6	6
Interest expense on lease liability	9	-
Share-based compensation	24	609
Loss on disposal of property and equipment	7	-
Changes in items of working capital :		
Trade and other receivables	1,167	24
Inventories	4	(107)
Prepayments and other assets	(294)	(176)
Contract asset	126	(126)
Trade and other payables	24	(98)
Contract liability	147	-
<b>Net cash provided by (used in) operating activities</b>	<b>292</b>	<b>(526)</b>
<b>Investing activities</b>		
Property and equipment expenditures	(21)	(12)
<b>Net cash used in investing activities</b>	<b>(21)</b>	<b>(12)</b>
<b>Financing activities</b>		
Lease liability payments	(26)	-
Share options exercised	-	71
<b>Net cash (used in) provided by financing activities</b>	<b>(26)</b>	<b>71</b>
Increase (decrease) in cash	245	(467)
Cash, beginning of period	4,368	1,449
<b>Cash, end of period</b>	<b>4,613</b>	<b>982</b>