



## **SPECTRAL ANNOUNCES FIRST QUARTER RESULTS**

**TORONTO, Canada – May 11, 2018– 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, 2018.

### **Financial Review**

Revenue for the three months ended March 31, 2018 was \$1,163,000 compared to \$910,000 for the same three-month period last year. First quarter revenues were consistent with prior year levels.

Operating costs for the quarter ended March 31, 2018 were \$1,877,000 compared to \$1,903,000 for the same period in 2017. Most of the Company's expenses are incurred in its Phase III clinical trial and regulatory program and will vary depending on the timing and determination of the regulatory path forward. Apart from clinical trial and regulatory activities, the Company continues to maintain a low cost operating structure for its base business operations.

Loss for the quarter ended March 31, 2018 was \$714,000 (\$0.003 per share) compared to \$993,000 (\$0.005 per share) for the same quarter last year.

The Company concluded the first quarter of 2018 with cash on hand of \$982,000 compared to \$1,449,000 as of December 31, 2017. After closing of its private placement financing subsequent to the quarter end, the Company had \$5,842,000 of cash to pursue its regulatory approval for the PMX cartridge, working capital, and general corporate purposes.

The total number of shares outstanding for the Company was 207,796,522 as at March 31, 2018.

### **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 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. 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 2018 \$	December 31 2017 Restated (Note 7) \$	January 01 2017 Restated (Note 7) \$
<b>Assets</b>			
<b>Current assets</b>			
Cash	982	1,449	5,080
Trade and other receivables	857	881	642
Inventories	298	191	244
Prepayments and other assets	249	73	166
Contract asset	126	-	-
	2,512	2,594	6,132
<b>Non-current assets</b>			
Property and equipment	526	570	634
Intangible asset	303	309	334
<b>Total assets</b>	<b>3,341</b>	<b>3,473</b>	<b>7,100</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	514	612	1,112
Contract liability	3	3	6
<b>Total liabilities</b>	<b>517</b>	<b>615</b>	<b>1,118</b>
<b>Equity</b>			
Share capital	63,345	63,225	63,084
Contributed surplus	7,981	7,849	7,849
Share-based compensation	5,474	4,914	4,103
Warrants	-	132	132
Deficit	(73,976)	(73,262)	(69,186)
<b>Total equity</b>	<b>2,824</b>	<b>2,858</b>	<b>5,982</b>
<b>Total liabilities and equity</b>	<b>3,341</b>	<b>3,473</b>	<b>7,100</b>

# Spectral Medical Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
For the three months ended March 31, 2018 and 2017  
(Unaudited)

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

	2018	2017
	\$	Restated (Note 7) \$
<b>Revenue</b>	1,163	910
<b>Expenses</b>		
Changes in inventories of finished goods and work- in-process	24	15
Raw materials and consumables used	68	52
Employee benefits	1,165	1,080
Consulting and professional fees	210	320
Product development	-	50
Regulatory and investor relations	198	96
Travel and entertainment	28	86
Depreciation and amortization	62	54
Foreign exchange (gain) loss	(30)	3
Other expenses	152	147
	1,877	1,903
<b>Loss and comprehensive loss for the period</b>	(714)	(993)
<b>Basic and diluted loss per common share</b>	(0.003)	(0.005)
<b>Weighted average number of common shares outstanding</b>	207,584,717	207,165,587

# Spectral Medical Inc.

Condensed Interim Consolidated Statements of Changes in Equity  
For the three months ended March 31, 2018 and 2017  
(Unaudited)

(in thousands of Canadian dollars)

	Issued capital		Contributed surplus	Share-based compensation	Warrants	Deficit	Total equity
	Number	\$	\$	\$	\$	\$	\$
<b>Balance, January 1, 2017</b>	207,165,587	63,084	7,849	4,103	132	(69,346)	5,822
Change in accounting policies	-	-	-	-	-	160	160
Restated equity, January 1, 2017	207,165,587	63,084	7,849	4,103	132	(69,186)	5,982
Loss and comprehensive loss for the period, restated	-	-	-	-	-	(993)	(993)
Share-based compensation	-	-	-	310	-	-	310
<b>Balance, March 31, 2017</b>	207,165,587	63,084	7,849	4,413	132	(70,179)	5,299
Share options exercised	293,435	141	-	(57)	-	-	84
Loss and comprehensive loss for the period, restated	-	-	-	-	-	(3,083)	(3,083)
Share-based compensation	-	-	-	558	-	-	558
<b>Balance, December 31, 2017</b>	207,459,022	63,225	7,849	4,914	132	(73,262)	2,858
<b>Balance, January 1, 2018</b>	207,459,022	63,225	7,849	4,914	132	(73,285)	2,835
Change in accounting policies	-	-	-	-	-	23	23
Restated equity, January 1, 2018	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

# Spectral Medical Inc.

Condensed Interim Consolidated Statements of Cash Flows  
For the three months ended March 31, 2018 and 2017  
(Unaudited)

(in thousands of Canadian dollars)

	2018	2017
	\$	Restated (Note 7) \$
<b>Cash flow provided by (used in)</b>		
<b>Operating activities</b>		
Loss and comprehensive loss for the period	(714)	(993)
Adjustments for:		
Depreciation on property and equipment	56	48
Amortization of intangible asset	6	6
Share-based compensation	609	310
Changes in items of working capital :		
Trade and other receivables	24	(150)
Inventories	(107)	(15)
Prepayments and other assets	(176)	(133)
Contract asset	(126)	-
Trade and other payables	(98)	(354)
Contract liability	-	(4)
<b>Net cash used in operating activities</b>	<b>(526)</b>	<b>(1,285)</b>
<b>Investing activities</b>		
Property and equipment expenditures	(12)	(81)
<b>Net cash used in investing activities</b>	<b>(12)</b>	<b>(81)</b>
<b>Financing activities</b>		
Share options exercised	71	-
<b>Net cash provided by financing activities</b>	<b>71</b>	<b>-</b>
Decrease in cash	(467)	(1,366)
Cash, beginning of period	1,449	5,080
<b>Cash, end of period</b>	<b>982</b>	<b>3,714</b>