



## **SPECTRAL ANNOUNCES FOURTH QUARTER AND FISCAL 2015 RESULTS**

**TORONTO, Canada – March 30, 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 financial results for the fourth quarter and for the year ended December 31, 2015.

### **Financial Review**

Revenue for the three months ended December 31, 2015 was \$715,000 compared to \$699,000 for the same three month period last year. Revenue for the year ended December 31, 2015 was \$3,089,000 compared to \$2,964,000 for the prior year, representing an increase of \$125,000, or 4%.

For the quarter ended December 31, 2015, the Company reported operating costs of \$3,130,000 compared to \$3,195,000 for the corresponding period in 2014. Operating costs for the year ended December 31, 2015 amounted to \$12,696,000 compared to \$13,125,000 in 2014. 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 December 31, 2015 was \$2,400,000 (\$0.01 per share) compared to \$2,463,000 (\$0.01 per share) for the same quarter last year. For the year ended December 31, 2015, the Company reported a loss of \$9,524,000, (\$0.05 per share), compared to a loss of \$9,492,000 (\$0.06 per share), for the year ended December 31, 2014.

The Company concluded the 2015 year with cash and cash equivalents of \$6,369,000 compared to \$10,054,000 cash and cash equivalents on hand as of December 31, 2014. After closing of its bought deal financing subsequent to the year end, the Company had \$14,048,000 of cash to fund its operations.

The total number of shares outstanding for the Company was 190,771,405 as at December 31, 2015.

### **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.

## Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

	December 31 2015 \$	December 31 2014 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	6,369	10,054
Trade and other receivables	630	583
Inventories	243	166
Prepayments and other assets	141	185
	7,383	10,988
<b>Non-current assets</b>		
Property and equipment	717	490
Intangible asset	359	384
	1,076	874
<b>Total assets</b>	8,459	11,862
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	2,850	2,893
Deferred revenue	176	149
<b>Total liabilities</b>	3,026	3,042
<b>Equity</b>		
Share capital	53,058	46,879
Contributed surplus	7,849	7,849
Other equity reserves	3,723	3,542
Deficit	(59,197)	(49,450)
<b>Total equity</b>	5,433	8,820
<b>Total liabilities and equity</b>	8,459	11,862

# Spectral Medical Inc.

Consolidated Statements of Loss and Comprehensive Loss  
For the years ended December 31, 2015 and 2014

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>	3,089	2,964
<b>Expenses</b>		
Changes in inventories of finished goods and work-in-process	199	310
Raw materials and consumables used	469	444
Employee benefits	3,600	3,460
Consulting and professional fees	6,112	6,584
Product development	16	273
Regulatory and investor relations	624	300
Travel and entertainment	976	989
Depreciation and amortization	172	205
Foreign exchange (gain) loss	(12)	54
Other expenses	540	506
	12,696	13,125
<b>Operating loss</b>	<b>(9,607)</b>	<b>(10,161)</b>
Finance income	83	60
<b>Loss and comprehensive loss before tax</b>	<b>(9,524)</b>	<b>(10,101)</b>
Deferred tax recovery	-	609
<b>Loss and comprehensive loss for the year</b>	<b>(9,524)</b>	<b>(9,492)</b>
<b>Basic and diluted loss per common share</b>	<b>(0.05)</b>	<b>(0.06)</b>
<b>Weighted average number of common shares outstanding</b>	<b>188,064,621</b>	<b>154,540,951</b>

# Spectral Medical Inc.

Consolidated Statements of Changes in Equity  
For the years ended December 31, 2015 and 2014

(in thousands of Canadian dollars)

	Issued capital		Contributed surplus	Share-based compensation	Warrants	Deficit	Total equity
	Number	\$	\$	\$	\$	\$	\$
<b>Balance, January 1, 2014</b>	134,462,561	33,957	3,864	3,239	4,594	(39,958)	5,696
Private placement	45,051,186	12,816	-	-	-	-	12,816
Share options exercised	222,500	105	-	(45)	-	-	60
Warrants exercised	994	1	-	-	-	-	1
Warrants expiry, net of tax	-	-	3,985	-	(4,594)	-	(609)
Loss and comprehensive loss for the year	-	-	-	-	-	(9,492)	(9,492)
Share-based compensation	-	-	-	348	-	-	348
<b>Balance, December 31, 2014</b>	179,737,241	46,879	7,849	3,542	-	(49,450)	8,820
Private placement	11,049,464	6,021	-	-	-	-	6,021
Shares repurchased under NCIB	(480,000)	(132)	-	-	-	(223)	(355)
Share options exercised	464,700	290	-	(124)	-	-	166
Loss and comprehensive loss for the year	-	-	-	-	-	(9,524)	(9,524)
Share-based compensation	-	-	-	305	-	-	305
<b>Balance, December 31, 2015</b>	190,771,405	53,058	7,849	3,723	-	(59,197)	5,433

# Spectral Medical Inc.

Consolidated Statements of Cash Flows  
For the years ended December 31, 2015 and 2014

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(in thousands of Canadian dollars)

(in thousands of Canadian dollars)

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<hr/> <b>Cash flow provided by (used in)</b> <hr/>		
<b>Operating activities</b>		
Loss and comprehensive loss for the year	(9,524)	(9,492)
Adjustments for:		
Depreciation on property and equipment	147	180
Amortization of intangible asset	25	25
Share-based compensation	305	348
Loss on disposal of property and equipment	7	1
Deferred tax recovery	-	(609)
Changes in items of working capital :		
Trade and other receivables	(47)	(14)
Inventories	(77)	149
Prepayments and other assets	44	104
Trade and other payables	(43)	(743)
Deferred revenue	27	43
<b>Net cash used in operating activities</b>	<b>(9,136)</b>	<b>(10,008)</b>
<b>Investing activities</b>		
Property and equipment expenditures	(403)	(60)
Proceeds on disposal of property and equipment	22	16
<b>Net cash used in investing activities</b>	<b>(381)</b>	<b>(44)</b>
<b>Financing activities</b>		
Private placement	6,021	12,816
Share options exercised	166	60
Shares repurchased under NCIB	(355)	-
Warrants exercised	-	1
<b>Net cash provided by financing activities</b>	<b>5,832</b>	<b>12,877</b>
<b>(Decrease) increase in cash</b>	<b>(3,685)</b>	<b>2,825</b>
<b>Cash, beginning of year</b>	<b>10,054</b>	<b>7,229</b>
<b>Cash, end of year</b>	<b>6,369</b>	<b>10,054</b>

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