



SPECTRAL ANNOUNCES THIRD QUARTER 2015 RESULTS

TORONTO, Canada – November 13, 2015 – Spectral Medical Inc., (TSX:EDT) (OTCQX: EDTXF), a Phase III company developing the first treatment for patients with septic shock that comprises a therapeutic device guided by a companion diagnostic, today announced its unaudited financial results for the third quarter ended September 30, 2015.

Financial Review

Revenue for the three months ended September 30, 2015 was \$679,000 compared to \$643,000 for the same period in the preceding year. For the nine months ended September 30, 2015 revenues were \$2,374,000 compared to \$2,265,000 in the first nine months of 2014. Revenues for both the quarter and the year 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 September 30, 2015 amounted to \$3,192,000 compared to \$2,668,000 in 2014. Operating costs for the nine months ended were \$9,566,000, representing a decrease of \$364,000 from \$9,930,000 for the first nine months of 2014. The year to date decrease is almost entirely attributable to lower costs for the EUPHRATES trial, resulting from fewer new sites being initiated into the trial and lower patient enrolment after the implementation of an additional exclusion criterion in April, 2014 that refined patient selection. The higher costs in the third quarter of 2015 were related to expenses incurred for the PMA submission and investigator meetings. Apart from clinical trial activities, the Company continues to maintain a low cost operating structure for its base business operations.

For the three months ended September 30, 2015, the Company reported a loss of \$2,493,000 (\$0.01 per share) compared to a loss of \$1,403,000 (\$0.01 per share) for the three months ended September 30, 2014. The loss for the nine months ended September 30, 2015 was \$7,124,000 (\$0.04 per share) compared to \$7,029,000 (\$0.05 per share) for the same nine month period in the prior year.

The Company concluded the third quarter of 2015 with cash and cash equivalents of \$8,404,000 compared to \$10,054,000 cash and cash equivalents on hand as of December 31, 2014.

The total number of shares outstanding for the Company was 190,686,405 as at September 30, 2015.

About Spectral

Spectral is a Phase III company seeking U.S. FDA approval for its lead theranostics product for the treatment of endotoxemic septic shock. Toraymyxin™ (PMX) is a therapeutic hemoperfusion device that removes endotoxin, a main trigger of sepsis, from the bloodstream. Directed by the Company's Endotoxin Activity Assay (EAA™), 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 for a medical device in the area of septic shock.

PMX has been approved for therapeutic use in Japan and Europe, and has been used 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 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.

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.

For further information please contact:

Anthony Businskas
Executive Vice President and CFO
Spectral Medical Inc.
416-626-3233 ext. 2200
tbusinskas@spectraldx.com

Ali Mahdavi
Capital Markets & Investor Relations
416-962-3300
am@spinnakercmi.com

Spectral Medical Inc.

Condensed Interim Statements of Financial Position

(in thousands of Canadian dollars)

	September 30 2015 \$	December 31 2014 \$
	Unaudited	Audited
Assets		
Current assets		
Cash and cash equivalents	8,404	10,054
Trade and other receivables	685	583
Inventories	255	166
Prepayments	245	185
	9,589	10,988
Non-current assets		
Property and equipment	613	490
Intangible asset	366	384
	979	874
Total assets	10,568	11,862
Liabilities		
Current liabilities		
Trade and other payables	2,815	2,893
Deferred revenue	69	149
Total liabilities	2,884	3,042
Equity		
Share capital	53,011	46,879
Contributed surplus	7,849	7,849
Other equity reserves	3,621	3,542
Deficit	(56,797)	(49,450)
Total equity	7,684	8,820
Total liabilities and equity	10,568	11,862

Spectral Medical Inc.

Condensed Interim Statements of Loss and Comprehensive Loss
For the nine months ended September 30, 2015 and 2014
(Unaudited)

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

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
	\$	\$	\$	\$
Revenue	679	643	2,374	2,265
Expenses				
Changes in inventories of finished goods and work- in-process	28	30	108	230
Raw materials and consumables used	133	104	340	315
Employee benefits	846	840	2,665	2,709
Consulting and professional fees	1,451	1,310	4,693	5,200
Product development	16	-	16	-
Regulatory and investor relations	197	51	505	185
Travel and entertainment	329	162	721	726
Depreciation and amortization	43	49	130	172
Foreign exchange loss (gain)	8	2	(5)	49
Other expenses	141	120	393	344
	3,192	2,668	9,566	9,930
Operating loss	(2,513)	(2,025)	(7,192)	(7,665)
Finance income	20	13	68	27
Loss and comprehensive loss before tax	(2,493)	(2,012)	(7,124)	(7,638)
Deferred tax recovery	-	609	-	609
Loss and comprehensive loss for the period	(2,493)	(1,403)	(7,124)	(7,029)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.04)	(0.05)
Weighted average number of common shares outstanding	190,830,571	168,846,613	187,168,709	146,049,893

Spectral Medical Inc.

Condensed Interim Statements of Changes in Equity
For the nine months ended September 30, 2015 and 2014
(Unaudited)

(in thousands of Canadian dollars)

	Issued capital		Contributed surplus	Share-based compensation	Warrants	Deficit	Total Equity
	Number	\$	\$	\$	\$	\$	\$
Balance, January 1, 2014	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 period	-	-	-	-	-	(7,029)	(7,029)
Share-based compensation	-	-	-	295	-	-	295
Balance, September 30, 2014	179,737,241	46,879	7,849	3,489	-	(46,987)	11,230
Balance, January 1, 2015	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	379,700	243	-	(104)	-	-	139
Loss and comprehensive loss for the period	-	-	-	-	-	(7,124)	(7,124)
Share-based compensation	-	-	-	183	-	-	183
Balance, September 30, 2015	190,686,405	53,011	7,849	3,621	-	(56,797)	7,684

Spectral Medical Inc.

Condensed Interim Statements of Cash Flows

For the nine months ended September 30, 2015 and 2014

(Unaudited)

(in thousands of Canadian dollars)

	Nine months ended September 30	
	2015	2014
	\$	\$
Cash flow provided by (used in)		
Operating activities		
Loss and comprehensive loss for the period	(7,124)	(7,029)
Adjustments for:		
Depreciation on property and equipment	112	154
Amortization of intangible asset	18	18
Share-based compensation	183	295
Deferred tax recovery	-	(609)
Changes in items of working capital:		
Trade and other receivables	(102)	(41)
Inventories	(89)	136
Prepayments	(60)	(100)
Trade and other payables	(78)	(1,104)
Deferred revenue	(80)	(79)
Net cash used in operating activities	(7,220)	(8,359)
Investing activities		
Property and equipment expenditures	(235)	(47)
Net cash used in investing activities	(235)	(47)
Financing activities		
Private placement	6,021	12,816
Share options exercised	139	60
Warrants exercised	-	1
Shares repurchased under the NCIB	(355)	-
Net cash provided by financing activities	5,805	12,877
(Decrease)increase in cash and cash equivalents	(1,650)	4,471
Cash and cash equivalents, beginning of period	10,054	7,229
Cash and cash equivalents, end of period	8,404	11,700