



SPECTRAL ANNOUNCES SECOND QUARTER 2015 RESULTS

TORONTO, Canada – August 14, 2015 – Spectral Medical Inc., (TSX:EDT) (OTCQX: EDTXQ), 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 second quarter ended June 30, 2015.

Financial Review

Revenue for the three months ended June 30, 2015 was \$818,000 compared to \$778,000 for the same period in the preceding year. For the six months ended June 30, 2015 revenues were \$1,695,000 compared to \$1,622,000 in the first half 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 June 30, 2015 amounted to \$3,208,000 compared to \$3,229,000 in 2014. Operating costs for the six months ended were \$6,374,000, a decrease of \$888,000 from \$7,262,000 for the first six months of 2014. The 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. 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 June 30, 2015, the Company reported a loss of \$2,366,000 (\$0.01 per share) compared to a loss of \$2,451,000 (\$0.02 per share) for the three months ended June 30, 2014. The loss for the six months ended June 30, 2015 was \$4,631,000 (\$0.02 per share) compared to \$5,626,000 (\$0.04 per share) for the same six month period in the prior year.

The Company concluded the second quarter of 2015 with cash and cash equivalents of \$10,936,000 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 191,052,655 as at June 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 100,000 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.

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Spectral Medical Inc.

Condensed Interim Statements of Financial Position

(in thousands of Canadian dollars)

	June 30 2015 \$	December 31 2014 \$
	Unaudited	Audited
Assets		
Current assets		
Cash and cash equivalents	10,936	10,054
Trade and other receivables	780	583
Inventories	267	166
Prepayments	320	185
	12,303	10,988
Non-current assets		
Property and equipment	606	490
Intangible asset	372	384
	978	874
Total assets	13,281	11,862
Liabilities		
Current liabilities		
Trade and other payables	2,783	2,893
Deferred revenue	74	149
Total liabilities	2,857	3,042
Equity		
Share capital	53,099	46,879
Contributed surplus	7,826	7,849
Other equity reserves	3,580	3,542
Deficit	(54,081)	(49,450)
Total equity	10,424	8,820
Total liabilities and equity	13,281	11,862

Spectral Medical Inc.

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

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

	Three months ended		Six months ended	
	June 30		June 30	
	2015	2014	2015	2014
	\$	\$	\$	\$
Revenue	818	778	1,695	1,622
Expenses				
Changes in inventories of finished goods and work- in-process	56	27	80	200
Raw materials and consumables used	107	134	207	211
Employee benefits	872	835	1,819	1,869
Consulting and professional fees	1,670	1,603	3,242	3,890
Regulatory and investor relations	138	58	308	134
Travel and entertainment	189	385	392	564
Depreciation and amortization	44	59	87	123
Foreign exchange loss (gain)	4	20	(13)	47
Other expenses	128	108	252	224
	3,208	3,229	6,374	7,262
Operating loss	(2,390)	(2,451)	(4,679)	(5,640)
Finance income	24	-	48	14
Loss and comprehensive loss for the period	(2,366)	(2,451)	(4,631)	(5,626)
Basic and diluted loss per common share	(0.01)	(0.02)	(0.02)	(0.04)
Weighted average number of common shares outstanding	190,803,548	134,462,639	185,307,431	134,462,611

Spectral Medical Inc.

Condensed Interim Statements of Changes in Equity

For the six months ended June 30, 2015 and 2014

(Unaudited)

(in thousands of Canadian dollars)

	Issued capital Number	\$	Contributed surplus \$	Share-based compensation \$	Warrants \$	Deficit \$	Total Equity \$
Balance, January 1, 2014	134,462,561	33,957	3,864	3,239	4,594	(39,958)	5,696
Warrants exercised	186	-	-	-	-	-	-
Loss and comprehensive loss for the period	-	-	-	-	-	(5,626)	(5,626)
Share-based compensation	-	-	-	257	-	-	257
Balance, June 30, 2014	134,462,747	33,957	3,864	3,496	4,594	(45,584)	327
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 the normal course issuer bid	(90,000)	(32)	(23)	-	-	-	(55)
Share options exercised	355,950	231	-	(99)	-	-	132
Loss and comprehensive loss for the period	-	-	-	-	-	(4,631)	(4,631)
Share-based compensation	-	-	-	137	-	-	137
Balance, June 30, 2015	191,052,655	53,099	7,826	3,580	-	(54,081)	10,424

Spectral Medical Inc.

Condensed Interim Statements of Cash Flows
For the six months ended June 30, 2015 and 2014
(Unaudited)

(in thousands of Canadian dollars)

	Six months ended	
	2015	2014
	\$	\$
Cash flow provided by (used in)		
Operating activities		
Loss and comprehensive loss for the period	(4,631)	(5,626)
Adjustments for:		
Depreciation on property and equipment	75	111
Amortization of intangible asset	12	12
Share-based compensation	137	257
Changes in items of working capital:		
Trade and other receivables	(197)	(78)
Inventories	(101)	133
Prepayments	(135)	(160)
Trade and other payables	(110)	(400)
Deferred revenue	(75)	(23)
Net cash used in operating activities	(5,025)	(5,774)
Investing activities		
Property and equipment expenditures	(191)	(14)
Net cash used in investing activities	(191)	(14)
Financing activities		
Private placement	6,021	-
Share options exercised	132	-
Shares repurchased under the NCIB	(55)	-
Net cash provided by financing activities	6,098	-
Increase (decrease) in cash and cash equivalents	882	(5,788)
Cash and cash equivalents, beginning of period	10,054	7,229
Cash and cash equivalents, end of period	10,936	1,441