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PYT – TSX Venture Exchange



Pyng Medical Corp. Reports Fiscal 2016 Financial Results

Vancouver, B.C. Pyng Medical Corp. (PYT: TSX .V) today announced financial and operating results for the fiscal year ended September 30, 2016. All amounts are in Canadian dollars unless stated otherwise.

The Company reported total sales of \$5,291,215 for fiscal 2016, down \$2,723,206 or 34% from \$8,014,421 reported a year ago. The sales decrease was primarily attributed to the decline of sternal IO product sales from the military market, partially offset by the higher sales of trauma products from the civilian market. Gross margin as a percentage of sales increased to 47% this year from 46% in fiscal 2015, driven by the cost reduction on trauma products and increased sales from higher margin products.

The Company also reported a net loss of \$1,222,086 for fiscal 2016, as compared to a net income of \$5,967 reported for fiscal 2015. The lower sales this year and the increased operating expenses are the main contributors of the net loss, partially offset by the lower interest expenses and foreign exchange gain driven by the favorable currency movement. The net loss per share was \$0.04, compared to a net income of \$0.0002 per share for last year. Earnings before interest, depreciation, amortization and taxes (“EBITDA”) from continuing operations decreased to negative \$673,891 for fiscal 2016 from positive \$654,596 reported for fiscal 2015.

For the fourth quarter ended September 30, 2016, the Company recorded total sales of \$1,514,637, down 42% from \$2,875,046 reported for the comparative quarter of last year. As a result, gross margin decreased to \$731,412, from \$1,265,545. A net loss of \$72,755 was reported for the fourth quarter this year compared to a net income of \$258,991 reported a year ago.

As of September 30, 2016, the Company had a working capital deficiency of \$1,266,629, an increase of \$883,292, compared with the deficiency of \$383,337 as at September 30, 2015. During fiscal 2016, The Company paid out two promissory notes and issued 2,765,167 units to settle a short-term loan and certain trade payable totaling \$138,256. Subsequent to the year end, the Company completed amendments for the previously issued convertible debentures and the secured note with its largest manufacturing partner. The Company continues to pursue strategic financing options in the new fiscal year to improve its working capital position and provide growth capital. There can be no assurance that these initiatives will be successful.

Full audited financial results for fiscal year ended September 30, 2016 are available on SEDAR at www.sedar.com.

About Pyng Medical Corp.

Pyng Medical Corp. commercializes award-winning trauma and resuscitation products for front-line critical care personnel. Pyng's expanded product portfolio includes a variety of innovative, lifesaving tools. With growing markets in North America, Europe and Asia, Pyng offers user-preferred medical devices for use by hospital staff, emergency medical services and military forces worldwide.

For More Information

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Safe Harbour Statement; Forward-Looking Statements: This release may contain forward-looking statements based on management's expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, product development, market position, expected expenditures and financial results are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects", "anticipates", "plans", "intends", "projects", "indicates", and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors, including those discussed more fully elsewhere in this release and in documents which may be filed with the British Columbia Securities Commission, the Alberta Securities Commission, the Ontario Securities Commission, the TSX Venture Exchange, as well as other USA Commissions, could cause results to differ materially from those stated. These factors include, but are not limited to changes in the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries in which the Company does business; competitive pressures; successful integration of structural changes, including restructuring plans, acquisitions, divestitures and alliances; cost of raw material, research and development of new products, including regulatory approval and market acceptance; and seasonality of sales in some products.

Neither the TSX Venture Exchange nor its Regulatory Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.