

Spectral Medical Inc.

Condensed Interim Consolidated Statements of Financial Position

In CAD (000s), except for share and per share data

(Unaudited)

| | Notes | June 30, 2025 \$ | December 31, 2024 \$ |
|--|-------|------------------------|----------------------------|
| Assets | | | |
| Current assets | | | |
| Cash | | 3,100 | 2,988 |
| Trade and other receivables | | 306 | 451 |
| Inventories | | 244 | 229 |
| Prepayments and other assets | | 934 | 790 |
| | | 4,584 | 4,458 |
| Non-current assets | | | |
| Right-of-use-asset | | 382 | 444 |
| Property and equipment | | 196 | 243 |
| Intangible asset | | 334 | 175 |
| Total assets | | 5,496 | 5,320 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 3,219 | 2,769 |
| Current portion of contract liabilities | 6 | 510 | 380 |
| Current portion of lease liability | | 132 | 129 |
| Notes payable | 7 | 14,901 | 14,425 |
| Derivative Liability | 7 | 19,540 | 9,742 |
| | | 38,302 | 27,445 |
| Non-current liability | | | |
| Lease liability | | 304 | 371 |
| Non-current portion of contract liabilities | 6 | 4,807 | 5,049 |
| Promissory Note | 8 | 2,183 | - |
| Non-current interest accrual promissory note | | 76 | - |
| Total liabilities | | 45,672 | 32,865 |
| Shareholders' (deficiency) equity | 10 | | |
| Share capital | | 91,201 | 90,566 |
| Contributed surplus | | 10,149 | 10,149 |
| Share-based compensation | | 12,484 | 11,196 |
| Warrants | | 1,368 | 1,383 |
| Deficit | | (155,378) | (140,839) |
| Total shareholders' (deficiency) equity | | (40,176) | (27,545) |
| Total liabilities and shareholders' (deficiency) equity | | 5,496 | 5,320 |

Spectral Medical Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
In CAD (000s), except for share and per share data
(Unaudited)

| | Notes | Three months ended June 30, 2025 | Reclassified (Refer Note 16) Three months ended June 30, 2024 | Six months ended June 30, 2025 | Reclassified (Refer Note 16) Six months ended June 30, 2024 |
|---|-------|--|---|--------------------------------------|---|
| | | \$ | \$ | | \$ |
| Revenue | 11 | 813 | 471 | 1,385 | 1,139 |
| Expenses | | | | | |
| Cost of goods sold | | 232 | 171 | 357 | 277 |
| Gross Profit | | 581 | 300 | 1,028 | 862 |
| Raw materials and consumables used | | 59 | 321 | 201 | 558 |
| Salaries and benefits | 14 | 1,025 | 998 | 2,081 | 1,981 |
| Consulting and professional fees | | 1,314 | 1,445 | 2,581 | 2,370 |
| Regulatory and investor relations | | 136 | 126 | 266 | 301 |
| Travel and entertainment | | 98 | 195 | 175 | 271 |
| Facilities and communication | | 30 | 88 | 88 | 176 |
| Insurance | | 82 | 105 | 183 | 210 |
| Depreciation and amortization | | 26 | 525 | 67 | 641 |
| Interest expense | 7 | 1,175 | 668 | 2,258 | 1,208 |
| Finance income promissory note | 8 | (3,137) | - | (3,137) | - |
| Foreign exchange(gain) loss | | (1,546) | 65 | (1,583) | 529 |
| Share-based compensation | 10 | 306 | 1,079 | 1,567 | 1,256 |
| Other expense | | 57 | - | 116 | (12) |
| Fair value adjustment derivative liabilities | 7 | 2,889 | (913) | 10,701 | (68) |
| | | 2,514 | 4,702 | 15,564 | 9,421 |
| Loss and comprehensive loss for the period from continuing operations | | (1,933) | (4,402) | (14,536) | (8,559) |
| Loss from discontinued operations | 4 | - | - | (3) | (3) |
| Loss and comprehensive loss for the period | | (1,933) | (4,402) | (14,539) | (8,562) |
| Basic and diluted loss from continuing operations per common share | 11 | (0.00) | (0.02) | (0.05) | (0.03) |
| Basic and diluted loss from discontinued operations per common share | 11 | (0.00) | 0.00 | (0.00) | 0.00 |
| Basic and diluted loss per common share | 11 | (0.00) | (0.02) | (0.05) | (0.03) |
| Weighted average number of common shares outstanding - basic and diluted | 11 | 284,906,444 | 280,049,434 | 284,801,035 | 279,539,697 |

Spectral Medical Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

In CAD (000s)

(Unaudited)

| | Notes | Number of Shares | Share Capital \$ | Contributed surplus \$ | Share-based compensation \$ | Warrants \$ | Deficit \$ | Total Shareholders' (deficiency) equity \$ |
|---|-------|---------------------|------------------------|------------------------------|-----------------------------------|----------------|------------------|--|
| Balance January 1, 2024 | | 278,576,261 | 87,061 | 8,916 | 10,385 | 2,526 | (125,437) | (16,549) |
| Warrants exercised | 10 | 750,000 | 463 | - | - | (90) | - | 373 |
| Warrants issued | 10 | - | (212) | - | - | 212 | - | - |
| Share Options Exercised | 10 | 1,867,627 | 1,163 | - | (524) | - | - | 639 |
| RSU released | 10 | 51,651 | 26 | - | (26) | - | - | - |
| Loss and comprehensive loss for the period | | - | - | - | - | - | (8,562) | (8,562) |
| Share-based compensation | 10 | - | - | - | 1,256 | - | - | 1,256 |
| Balance June 30, 2024 | | 281,245,539 | 88,501 | 8,916 | 11,091 | 2,648 | (133,999) | (22,843) |
| Warrants exercised | 10 | 232,500 | 155 | - | - | (31) | - | 124 |
| Warrants issued | 10 | - | 212 | - | - | - | - | 212 |
| Warrants expired | 10 | - | - | 1,233 | - | (1,233) | - | - |
| Share Options Exercised | 10 | 39,984 | 27 | - | (11) | - | - | 16 |
| RSU released | 10 | 62,559 | 24 | - | (24) | - | - | - |
| Notes Conversion | 7 | 1,879,647 | 1,368 | - | - | - | - | 1,368 |
| DSU exercise | 10 | 855,978 | 279 | - | (279) | - | - | - |
| Loss and comprehensive loss for the period | | - | - | - | - | - | (6,840) | (6,840) |
| Share-based compensation | 10 | - | - | - | 419 | - | - | 419 |
| Balance December 31, 2024 | | 284,316,207 | 90,566 | 10,149 | 11,196 | 1,383 | (140,839) | (27,545) |
| Balance January 1, 2025 | | 284,316,207 | 90,566 | 10,149 | 11,196 | 1,383 | (140,839) | (27,545) |
| Share Options Exercised | 10 | 831,882 | 472 | - | (179) | - | - | 293 |
| RSU released | 10 | 574,269 | 100 | - | (100) | - | - | - |
| Warrants exercised | 10 | 97,341 | 63 | - | - | (16) | - | 47 |
| Loss and comprehensive loss for the period | | - | - | - | - | - | (14,539) | (14,539) |
| Share-based compensation | 9 | - | - | - | 1,567 | - | - | 1,567 |
| Balance June 30, 2025 | | 285,819,699 | 91,201 | 10,149 | 12,484 | 1,368 | (155,378) | (40,176) |

Spectral Medical Inc.

Condensed Interim Consolidated Statements of Cash Flows

In CAD (000s)

(Unaudited)

| | Six months ended June 30, 2025 | Six months ended June 30, 2024 |
|--|-----------------------------------|-----------------------------------|
| Cash flow provided by (used in) | | |
| Operating activities | | |
| Loss for the period | (14,539) | (8,562) |
| Adjustments for: | | |
| Finance income on Promissory Note | (3,137) | - |
| Depreciation on right-of-use asset | 62 | 62 |
| Depreciation on property and equipment | 47 | 56 |
| Amortization of intangible asset | 8 | 9 |
| Amortization and Derivative related financing fee | 127 | 554 |
| Unrealized foreign exchange (gain) and loss | (1,583) | 537 |
| Interest expense on lease liability | (4) | 17 |
| Accreted interest on Notes Payable | 2,136 | 1,191 |
| Accreted interest on Promissory Note | 108 | - |
| Share-based compensation expense | 1,567 | 1,256 |
| Fair value adjustment derivative liabilities | 10,701 | (68) |
| Changes in items of working capital: | | |
| Trade and other receivables | 145 | (166) |
| Inventories | (15) | 94 |
| Prepayments and other assets | (144) | (311) |
| Trade and other payables | 481 | (36) |
| Contract liabilities | (112) | 1,747 |
| Net cash provided by used in operating activities | (4,152) | (3,620) |
| Investing activities | | |
| Purchase of property and equipment | - | (24) |
| Purchase of Technology | (167) | - |
| Net cash used in investing activities | (167) | (24) |
| Financing activities | | |
| Financing charges paid | (202) | (722) |
| Interest expense paid | (1,161) | (518) |
| Lease liability payments | (60) | (76) |
| Share options exercised | 293 | 639 |
| Share warrants exercised | 47 | 373 |
| 9% convertible notes issued | - | 8,532 |
| Promissory Note | 5,514 | - |
| Net cash provided by financing activities | 4,431 | 8,228 |
| Increase in cash | 112 | 4,584 |
| Cash, beginning of period | 2,988 | 2,952 |
| Cash, end of period | 3,100 | 7,536 |