

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	Reclassified (Refer Note 16)		Reclassified (Refer Note 16)	
		Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	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
<u>Cash, beginning of period</u>	<u>2,988</u>	<u>2,952</u>
Cash, end of period	3,100	7,536