

Spectral Medical Inc.

Condensed Interim Consolidated Statements of Financial Position

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

(Unaudited)

	Notes	March 31, 2026 \$	December 31, 2025 \$
Assets			
Current assets			
Cash		1,918	4,071
Trade and other receivables		478	205
Inventories		478	377
Prepayments and other assets		959	640
		3,833	5,293
Non-current assets			
Right-of-use-asset		290	321
Property and equipment		135	153
Intangible asset		319	333
Total assets		4,577	6,100
Liabilities			
Current liabilities			
Trade and other payables		3,460	2,484
Contract liabilities	6	545	693
Lease liability		138	136
Notes payable	7	17,423	16,435
Derivative liability	7	43,929	46,520
		65,495	66,268
Non-current liability			
Lease liability		200	235
Contract liabilities	6	4,443	4,564
Promissory notes	8	4,508	4,285
Interest accrual promissory note		699	470
Total liabilities		75,345	75,822
Shareholders' deficiency			
	10		
Share capital		96,685	95,933
Contributed surplus		10,220	10,220
Share-based compensation		13,406	12,266
Warrants		390	390
Deficit		(191,469)	(188,531)
Total shareholders' deficiency		(70,768)	(69,722)
Total liabilities and shareholders' deficiency		4,577	6,100

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 March 31, 2026 \$	Three months ended March 31,2025 \$
Revenue	6	891	572
Expenses			
Cost of goods sold		193	125
Gross Profit		698	447
Raw materials and consumables used		107	142
Salaries and benefits	14	968	1,056
Consulting and professional fees		859	1,266
Regulatory and investor relations		205	129
Travel and entertainment		76	77
Facilities and communication		99	58
Insurance		104	101
Depreciation and amortization		43	41
Interest expense	7,8	1,600	1,083
Foreign exchange (gain) and loss		1,283	(36)
Share-based compensation	10	1,621	1,260
Other expense		51	59
Fair value adjustment derivative liabilities	7	(3,383)	7,813
		3,633	13,049
Loss and comprehensive loss for the period from continuing operations		(2,935)	(12,602)
Loss from discontinued operations	4	(3)	(3)
Loss and comprehensive loss for the period		(2,938)	(12,605)
Basic and diluted loss from continuing operations per common share	11	(0.01)	(0.04)
Basic and diluted loss from discontinued operations per common share	11	(0.00)	(0.00)
Basic and diluted loss per common share	11	(0.01)	(0.04)
Weighted average number of common shares outstanding - basic and diluted	11	293,233,056	284,760,158

Spectral Medical Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
In CAD (000s), except for share and per share data
(Unaudited)

	Notes	Number of Shares	Share Capital	Contributed surplus	Share-based compensation	Warrants	Deficit	Total Shareholders' (deficiency) equity
			\$	\$	\$	\$	\$	\$
Balance January 1, 2025		284,316,207	90,566	10,149	11,196	1,383	(140,839)	(27,545)
Share options exercised		431,882	219	-	(74)	-	-	145
RSU released		350,386	100	-	(100)	-	-	-
Warrants exercised		18,750	12	-	-	(3)	-	9
Loss and comprehensive loss for the period		-	-	-	-	-	(12,605)	(12,605)
Share-based compensation		-	-	-	1,260	-	-	1,260
Balance March 31, 2025		285,117,225	90,897	10,149	12,282	1,380	(153,444)	(38,736)
Share options exercised		1,379,168	1,345	-	(607)	-	-	738
RSU released		687,295	268	-	(268)	-	-	0
Warrants exercised		5,379,225	3,423	-	-	(919)	-	2,504
Warrants expired		-	-	71	-	(71)	-	0
Loss and comprehensive loss for the period		-	-	-	-	-	(35,087)	(35,087)
Share-based compensation		-	-	-	859	-	-	859
Balance December 31, 2025		292,562,913	95,933	10,220	12,266	390	(188,531)	(69,722)
Balance January 1, 2026		292,562,913	95,933	10,220	12,266	390	(188,531)	(69,722)
Share Options Exercised	10	549,548	494	-	(223)	-	-	271
RSU released	10	306,530	258	-	(258)	-	-	-
Loss and comprehensive loss for the period		-	-	-	-	-	(2,938)	(2,938)
Share-based compensation	10	-	-	-	1,621	-	-	1,621
Balance March 31, 2026		293,418,991	96,685	10,220	13,406	390	(191,469)	(70,768)

Spectral Medical Inc.

Condensed Interim Consolidated Statements of Cash Flows

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

(Unaudited)

	Notes	Three months ended March 31, 2026 \$	Three months ended March 31, 2025 \$
Cash flow provided by (used in)			
Operating activities			
Loss for the period		(2,938)	(12,605)
Adjustments for:			
Depreciation on right-of-use asset		31	31
Depreciation on property and equipment		18	25
Amortization of intangible asset		14	4
Amortization and derivative related financing fee	7	64	63
Unrealized foreign exchange (gain) and loss		1,283	(26)
Interest expense on lease liability		5	6
Accreted interest on promissory note	8	151	-
Interest expense on promissory note	8	229	-
Accreted Interest on notes payable	7	1,215	1,076
Share-based compensation	10	1,621	1,260
Fair Value adjustment derivative liabilities	7	(3,383)	7,813
Changes in items of working capital:			
Trade and other receivables		(273)	141
Inventories		(101)	28
Prepayments and other assets		(319)	(289)
Trade and other payables		266	820
Contract liabilities	6	(269)	219
Net cash used in operating activities		(2,386)	(1,434)
Investing activities			
Net cash used in investing activities		-	-
Financing activities			
Lease liability payments		(38)	(38)
Share options exercised	10	271	145
Share warrants exercised	10	-	9
Net cash used in financing activities		232	116
Decrease in cash		(2,153)	(1,318)
Cash, beginning of period		4,071	2,988
Cash, end of period		1,918	1,670