Spectral Medical Inc.

Condensed Interim Consolidated Statements of Financial Position

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

(Unaudited)

	Notes	September 30, 2026	December 31, 2025
		$	$
Assets			
Current assets			
Cash		869	4,071
Trade and other receivables		200	205
Inventories		564	377
Prepayments and other assets		714	640
		2,347	**5,293**
Non-current assets			
Right-of-use-asset		229	321
Property and equipment		102	153
Intangible asset		291	333
Total assets		**2,969**	**6,100**
Liabilities			
Current liabilities			
Trade and other payables		3,114	2,484
Current portion of contract liabilities	6	426	693
Current portion of lease liability		142	136
Notes payable	7	19,502	16,435
Derivative Liability	7	31,247	46,520
		54,431	**66,268**
Non-current liability			
Non-current portion of lease liability		128	235
Non-current portion of contract liabilities	6	4,201	4,564
Non-current portion of promissory note	8	6,641	4,285
Non-current portion of interest accrual promissory note	8	1,252	470
Total liabilities		**66,653**	**75,822**
Shareholders' deficiency	10		
Share capital		98,466	95,933
Contributed surplus		10,220	10,220
Share-based compensation		13,459	12,266
Warrants		211	390
Deficit		(186,040)	(188,531)
Total shareholders' deficiency		**(63,684)**	**(69,722)**
Total liabilities and shareholders' deficiency		**2,969**	**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)

		Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
			$		$
Revenue	6	**275**	**675**	**1,787**	**2,060**
Expenses					
Cost of goods sold		71	191	492	548
Gross Profit		**204**	**484**	**1,295**	**1,512**
Raw materials and consumables used		77	163	302	364
Salaries and benefits	14	1,002	1,046	3,068	3,127
Consulting and professional fees		455	1,375	1,861	3,956
Regulatory and investor relations		191	393	551	659
Travel and entertainment		72	63	287	238
Facilities and communication		51	91	239	178
Insurance		101	98	306	281
Depreciation and amortization		39	53	123	121
Interest expense	7,8	1,948	1,364	5,278	3,622
Finance income promissory note	8	(627)	(2,252)	(1,266)	(5,389)
Foreign exchange(gain) loss		(107)	551	2,539	(1,032)
Share-based compensation	10	259	336	2,173	1,903
Other expense		73	46	195	161
Fair value adjustment derivative liabilities	7	(8,431)	27,473	(16,857)	38,175
		(4,897)	30,800	(1,201)	46,364
Income (loss) and comprehensive income (loss) for the period from continuing operations		**5,101**	**(30,316)**	**2,496**	**(44,852)**
Loss from discontinued operations	4	(2)	-	(5)	(3)
Income (loss) and comprehensive income (loss) for the period		**5,099**	**(30,316)**	**2,491**	**(44,855)**
Basic income (loss) from continuing operations per common share	11	0.02	(0.11)	0.01	(0.16)
Diluted income (loss) from continuing operations per common share	11	(0.01)	(0.11)	(0.03)	(0.16)
Basic income (loss) per common share	11	0.02	(0.11)	0.01	(0.16)
Diluted income (loss)per common share	11	(0.01)	(0.11)	(0.03)	(0.16)

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)**
Warrants exercised		2,011,716	1,303	-	-	(337)	-	966
Share Options Exercised	10	1,773,216	1,537	-	(670)	-	-	867
RSU released	10	1,037,681	368	-	(368)	-	-	-
Loss and comprehensive loss for the period		-	-	-	-	-	(44,855)	(44,855)
Share-based compensation	10	-	-	-	1,903	-	-	1,903
Balance September 30, 2025		**289,138,820**	**93,774**	**10,149**	**12,061**	**1,046**	**(185,694)**	**(68,664)**
Warrants exercised	10	3,386,259	2,132	-	-	(585)	-	1,547
Warrants expired	10	-	-	71	-	(71)	-	-
Share Options Exercised	10	37,834	27	-	(11)	-	-	16
Loss and comprehensive loss for the period		-	-	-	-	-	(2,837)	(2,837)
Share-based compensation		-	-	-	216	-	-	216
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	1,853,428	1,724	-	(722)	-	-	1,002
RSU released	10	306,530	258	-	(258)	-	-	-
Warrants exercised	10	928,539	551	-	-	(179)	-	372
Income and comprehensive income for the period		-	-	-	-	-	2,491	2,491
Share-based compensation	10	-	-	-	2,173	-	-	2,173
Balance September 30, 2026		**295,651,410**	**98,466**	**10,220**	**13,459**	**211**	**(186,040)**	**(63,684)**

Spectral Medical Inc.

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

	Notes	Nine months ended September 30, 2026	Nine months ended September 30,2025
Cash flow provided by (used in)			
Operating activities			
Income (Loss) for the period		2,491	(44,855)
Adjustments for:			
Finance income on Promissory Note		(1,266)	(5,389)
Depreciation on right-of-use asset		92	92
Depreciation on property and equipment		51	71
Amortization of intangible asset		42	23
Amortization and derivative related financing fee	7	191	191
Unrealized foreign exchange (gain) and loss		2,539	(1,012)
Interest expense on lease liability		15	20
Accreted interest on Notes Payable	7	3,881	3,242
Accreted interest on Promissory Note	8	599	115
Interest expense on Promissory Note	8	782	244
Share-based compensation expense	10	2,173	1,903
Fair value adjustment derivative liabilities		(16,857)	38,175
Changes in items of working capital:			
Trade and other receivables		5	18
Inventories		(187)	11
Prepayments and other assets		(74)	79
Trade and other payables		(623)	240
Contract liabilities	6	(630)	15
Net cash used in operating activities		(6,776)	(6,817)
Investing activities			
Purchase of Technology		-	(195)
Net cash used in investing activities		-	(195)
Financing activities			
Financing charges paid		(10)	(207)
Interest expense paid		(453)	(1,263)
Lease liability payments		(116)	(116)
Share options exercised	10	1,002	867
Share warrants exercised	10	372	966
Promissory Note issued		2,779	9,669
Net cash provided by financing activities		3,574	9,916
Increase (decrease) in cash		(3,202)	2,904
Cash, beginning of period		4,071	2,988
Cash, end of period		869	5,892