



Spectral AI Announces 2026 First Quarter Financial Results

May 12, 2026

***Development Work for DeepView® Systems Continues with Support of Recently Awarded
\$31.7 Million of Funding from BARDA***

Reiterates Annual Revenues Guidance

DALLAS, May 12, 2026 (GLOBE NEWSWIRE) -- Spectral AI, Inc. (Nasdaq: MDAI) ("Spectral AI" or the "Company"), an artificial intelligence company focused on medical diagnostics for faster and more accurate treatment decisions in wound care, today announced financial results for the first quarter ended March 31, 2026.

"Our results for the 2026 first quarter reflected the progress we have made in developing our DeepView® System for burn indication under the base phase of our Project BioShield Contract with BARDA," said Vincent Capone, Chief Executive Officer of Spectral AI. "The work we have completed under this base phase – which was ongoing in last year's first quarter - allowed us to submit our De Novo 510(k) application to the U.S. Food and Drug Administration ("FDA") for the DeepView System in June 2025. As we await determination on market authorization from the FDA, we are furthering the development of the DeepView System under an accelerated second phase of our contract with BARDA that includes \$31.7 million of advanced, non-dilutive funding."

Mr. Capone concluded, "Our financial condition remains strong, and we continue to make investments that align with our strategic priorities and in advance of planned commercialization activities. One such priority was to strengthen our leadership team, and I am happy to once again welcome David McGuire as the Company's Chief Financial Officer. David brings a wealth of relevant public company experience to his role at Spectral AI and his appointment helps bolster our leadership team for the next exciting phase of our growth."

2026 FIRST QUARTER ("Q1 2026") FINANCIAL RESULTS OVERVIEW

All comparisons to Q1 2026 are to the comparable period ended March 31, 2025 unless otherwise stated.

Research & Development Revenue

Research & Development revenue for Q1 2026 was \$4.0 million compared to \$6.7 million, reflecting the anticipated decline in completed work under the base phase of the Company's Project BioShield (PBS) contract with the Biomedical Advanced Research and Development Authority (BARDA). This was partially offset by an increase in revenue from awards and work performed under the Company's other U.S. government contracts, primarily related to work on the Company's handheld device.

Gross Margin

Gross margin for Q1 2026 was 50.8% compared to 47.2%, due primarily to an increased concentration of direct labor as a component of overall revenue.

General & Administrative Expense

General and administrative expenses in Q1 2026 were \$4.0 million, down from \$4.1 million reflecting an overall decrease in administrative expense offset by an increase in non-revenue generating R&D activities, primarily related to salaries and related costs and consulting fees.

Total Other (Expense) / Income

Total other expense in Q1 2026 was \$(1.5) million compared to other income of \$3.9 million. This was due largely to a change in fair value of warrant liability, which was an expense of \$(1.0) million in Q1 2026 as compared to a benefit of \$4.3 million.

Net (Loss) Income

Net loss for Q1 2026 was \$(3.4) million, or \$(0.11) per diluted share, compared to net income of \$2.9 million, or \$0.11 per diluted share primarily related to a change in the fair value of the Company's warrant liability.

Financial Condition

As of March 31, 2026, cash was \$11.7 million compared to \$15.4 million as of December 31, 2025.

2026 Guidance

The Company is forecasting revenue of approximately \$18.5 million for the year ending December 31, 2026, primarily reflecting the continued development of the Company's DeepView System through the BARDA PBS Contract. This guidance does not include any material contributions from the sale of the DeepView System for the burn indication.

CONFERENCE CALL

The Company will host a conference call today at 5:00 pm Eastern Time to discuss these results. Investors interested in participating in the live call can dial:

- 833-890-6620 – U.S.
- 412-564-3789 – International

A simultaneous webcast of the call may be accessed online from the Events section of the Investor Relations page of the Company's website at <https://investors.spectral-ai.com/news-events/events>.

About Spectral AI

Spectral AI, Inc. is a Dallas-based predictive AI company focused on medical diagnostics for faster and more accurate treatment decisions in wound care, with initial applications involving patients with burns. The Company is working to revolutionize the management of wound care by "Seeing the

Unknown® with its DeepView System. The DeepView System is being developed as a predictive diagnostic device to offer clinicians an objective and immediate assessment of a burn wound's healing potential prior to treatment or other medical intervention. With algorithm-driven results and a goal of exceeding the current standard of care in the future, the DeepView System is expected to provide fast and accurate treatment insight towards value care by improving patient outcomes and reducing healthcare costs. Spectral AI has been named to TIME's list of World's Top HealthTech companies 2025. For more information about the DeepView System, visit www.spectral-ai.com.

Forward-Looking Statements

Certain statements made in this release are "forward looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995, including statements regarding the Company's strategy, plans, objectives, initiatives and financial outlook. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside Company's control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. As such, readers are cautioned not to place undue reliance on any forward-looking statements.

Investors should carefully consider the foregoing factors, and the other risks and uncertainties described in the "Risk Factors" sections of the Company's filings with the SEC, including the Registration Statement and the other documents filed by the Company. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements.

For Media and Investor Relations, please contact:

The Equity Group
Devin Sullivan
Managing Director
dsullivan@theequitygroup.com

Conor Rodriguez
Associate
crodriguez@theequitygroup.com

Spectral AI, Inc. Unaudited Condensed Consolidated Balance Sheets (in thousands, except share and per share data)

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash	\$ 11,655	\$ 15,394
Accounts receivable, net	1,185	1,267
Inventory	831	838
Prepaid expenses	738	821
Other current assets	1,577	1,133
Total current assets	15,986	19,453
Non-current assets:		
Property and equipment, net	228	258
Right-of-use assets	1,260	1,407
Other assets	260	287
Total Assets	<u>\$ 17,734</u>	<u>\$ 21,405</u>
Commitments and contingencies (Note 7)		
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 1,422	\$ 3,010
Accrued expenses	2,649	2,341
Deferred revenue	-	154
Lease liabilities, short-term	755	734
Notes payable	3,912	2,854
Warrant liabilities	12,535	11,533
Total current liabilities	21,273	20,626
Notes payable, long-term	4,502	5,538
Lease liabilities, long-term	769	968
Total Liabilities	26,544	27,132
Stockholders' Deficit		
Preferred stock (\$0.0001 par value); 1,000,000 shares authorized; no shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	-	-
Common stock (\$0.0001 par value); 80,000,000 shares authorized; 31,823,895 and 30,688,895 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	3	3
Additional paid-in capital	50,369	50,030

Accumulated other comprehensive income	30	40
Accumulated deficit	(59,212)	(55,800)
Total Stockholders' Deficit	(8,810)	(5,727)
Total Liabilities and Stockholders' Deficit	\$ 17,734	\$ 21,405

Spectral AI, Inc.
Unaudited Condensed Consolidated Statements of Operations
(in thousands, except share and per share data)

	Three Months Ended March 31,	
	2026	2025
Research and development revenue	\$ 3,991	\$ 6,707
Cost of revenue	(1,964)	(3,539)
Gross profit	2,027	3,168
Operating costs and expenses:		
General and administrative	3,998	4,064
Total operating costs and expenses	3,998	4,064
Operating loss	(1,971)	(896)
Other income (expense):		
Net interest (expense) income	(258)	(20)
Financing related costs	(7)	(581)
Amortization of debt discount	(179)	-
Change in fair value of warrant liability	(1,002)	4,253
Change in fair value of notes payable	-	220
Foreign exchange transaction loss, net	(5)	(8)
Other income (expense), including transaction costs	-	-
Total other income (expense), net	(1,451)	3,864
Income (loss) before income taxes	(3,422)	2,968
Income tax provision	10	(71)
Net income (loss)	<u>\$ (3,412)</u>	<u>\$ 2,897</u>
Net income (loss) per share of common stock		
Basic	\$ (0.11)	\$ 0.13
Diluted	<u>\$ (0.11)</u>	<u>\$ 0.11</u>
Weighted-average common shares outstanding		
Basic	31,756,649	22,986,350
Diluted	<u>31,756,649</u>	<u>24,030,518</u>
Other comprehensive income (loss):		
Foreign currency translation adjustments	\$ (10)	\$ 17
Total comprehensive income (loss)	<u>\$ (3,422)</u>	<u>\$ 2,914</u>

Spectral AI, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands, except share and per share data)

	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net income (loss)	\$ (3,412)	\$ 2,897
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	30	2
Amortization of debt issuance costs	179	-
Stock-based compensation	183	200
Amortization of right-of-use assets	147	141
Change in fair value of warrant liabilities	1,001	(4,253)

Change in fair value of notes payable	-	(220)
Issuances of shares for borrowing related costs	-	241
Changes in operating assets and liabilities:		
Accounts receivable	82	402
Inventory	7	(12)
Prepaid expenses	110	2
Other assets	(444)	(94)
Accounts payable	(1,587)	(947)
Accrued expenses	308	502
Deferred revenue	(154)	(297)
Lease liabilities	(178)	(69)
Net cash used in operating activities	(3,728)	(1,505)
Cash flows from financing activities:		
Proceeds from issuance of common stock and warrants	-	3,080
Proceeds from notes payable	-	8,285
Payments for notes payable	(157)	(1,131)
Stock option exercises	156	158
Net cash provided by financing activities	(1)	10,392
Effect of exchange rate changes on cash	(10)	17
Net increase in cash	(3,739)	8,904
Cash, beginning of period	15,394	5,157
Cash, end of period	\$ 11,655	\$ 14,061
Supplemental cash flow information:		
Cash paid for interest	\$ 278	\$ 11
Cash paid for taxes	\$ 5	\$ 11
Noncash investing and financing activities disclosure:		
Tenant improvement allowance payments made by the lessor directly to a third party	\$ -	\$ 164
Issuance of common stock to settle notes payable	\$ -	\$ 1,192
Capitalized and unpaid debt issuance costs	\$ -	\$ (25)