

Spectral AI, Inc.

(MDAI - NASDAQ)

MDAI: First Quarter 2026 Results

Our valuation employs a discounted cash flow (DCF) model and a 15% discount rate for Spectral AI. We forecast revenues from both inside and outside the United States in the burn indication to produce our cash flow estimates.

Current Price (5/13/2026) **\$2.04**
Valuation \$5.00

OUTLOOK

Spectral AI is developing an AI-guided predictive medical device that harnesses multispectral imaging (MSI) to estimate a wound's capacity to heal. The company is pursuing indications in burn and potentially other indications and is receiving support from BARDA & other government agencies. Spectral is distinguished by its combination of MSI and AI to improve diagnoses.

Spectral is conducting multiple clinical trials around the world to obtain approval for its device with the FDA & other regulatory agencies. In 2Q:25, a pivotal burn study was submitted to the FDA using the De Novo pathway. The device has received the UKCA mark for burn in the UK & has deployed devices in Australia. The company is also pursuing the CE mark in Europe. Spectral will consider new diagnostic areas for DeepView such as amputation & critical limb ischemia.

We forecast DeepView product revenues from burn centers & emergency departments using a licensing fee model that provides access to service, training & algorithm updates. Device sales & per transaction fees may also be part of the reimbursement model. Geographical opportunities include US, the UK and EU with potential for broader distribution.

SUMMARY DATA

52-Week High **3.21**
 52-Week Low **1.18**
 One-Year Return (%) **43.7**
 Beta **1.2**
 Average Daily Volume (sh) **738,955**

Shares Outstanding (mil) **31.8**
 Market Capitalization (\$mil) **64.9**
 Short Interest Ratio (days) **4.6**
 Institutional Ownership (%) **15.5**
 Insider Ownership (%) **12.5**

Annual Cash Dividend **\$0.00**
 Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates
 Sales (%) **N/A**
 Earnings Per Share (%) **N/A**
 Dividend (%) **N/A**

P/E using TTM EPS **N/A**
 P/E using 2026 Estimate **N/A**
 P/E using 2027 Estimate **N/A**

Zacks Rank **N/A**

Risk Level **Above Average**
 Type of Stock **Small-Growth**
 Industry **Med-Tech Devices**

ZACKS ESTIMATES

Revenue

(In millions of USD)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2025	\$6.7 A	\$5.1 A	\$3.8 A	\$4.1 A	\$19.7 A
2026	\$4.0 A	\$4.8 E	\$4.8 E	\$5.1 E	\$18.7 E
2027					\$41.4 E
2028					\$42.2 E

Earnings per Share

	Q1	Q2	Q3	Q4	Year
2025	\$0.15 A	-\$0.31 A	-\$0.13 A	\$0.03 A	-\$0.29 A
2026	-\$0.11 A	-\$0.16 E	-\$0.15 E	-\$0.14 E	-\$0.56 E
2027					-\$0.28 E
2028					-\$0.26 E

WHAT'S NEW

Spectral AI, Inc. (NASDAQ: MDAI) reported first quarter 2026 results on May 12th after the market close. Since the previous financial update about a month and a half ago, the company has appointed David McGuire as Chief Financial Officer (CFO), presented DeepView at the American Burn Association and received the Small Business Innovator Award in Texas. CEO Vincent Capone also participated in a podcast discussing DeepView's opportunities, where he identified some of the company's long-term objectives.

During its earnings presentation, the company reaffirmed 2026 research and development revenue guidance of \$18.5 million. The guidance excludes product revenues. Spectral believes there will be deployments inside and outside the United States in 2026. It plans to update its United Kingdom Conformity Assessed (UKCA) burn assessment mark approval to reflect improvements, which could lead to UK sales after the updated labeling. Back state-side, Spectral confirmed that a prototype handheld version of DeepView was delivered to MTEC for review. It expects that if the agency accepts the device, MTEC may award another grant in December 2026. The search for a Chief Commercial Officer continues and we think that an appointment could be announced in the next month.

1Q:26 Financial and Operational Results

Spectral reported 1Q:26 results in a [press release](#) on May 12th, followed by a [conference call](#) to discuss results with investors and take questions from analysts. A [Form 10-Q](#) was subsequently filed with the SEC. For the quarter ending March 31st, 2026, Spectral recognized research and development revenues of \$4.0 million. Net loss from operations was \$2.0 million. For 1Q:26 versus the same, prior year period:

- Revenues of \$4.0 million fell 40% from \$6.7 million reflecting a reduction in direct labor, clinical trial and other reimbursed study costs related to the BARDA contract. This was partially offset by work on other contracts, including the Medical Technology Enterprise Consortium (MTEC) for the handheld device;
- Cost of revenue, which can be thought of as research and development expense, totaled \$2.0 million, down 45% from \$3.5 million due to decreased development activity. Gross margin rose 356 basis points to 50.8%, reflecting a higher concentration of direct labor as a percentage of the total work performed on the BARDA Project BioShield (PBS) Contract from the prior year;
- General & Administrative expenses were \$4.0 million, down 2% from \$4.1 million on overall cost reductions partially offset by an increase in public company infrastructure costs;
- Net interest expense was \$258,000 compared to \$20,000 with the increase related to the Avenue Capital financing and insurance policy financing;
- Other expense of \$1.2 million was attributable to a change in fair value of warrants and the amortization of the discount on the Avenue notes payable;
- Income tax benefit was \$10,000 vs. an expense of \$71,000;
- Net loss was \$3.4 million or \$0.11 per share vs net income of \$2.9 million and \$0.15 per share.

As of March 31st, 2026, cash totaled \$11.7 million. This amount compares to the \$15.4 million cash balance held at the end of 2025. Cash burn in the quarter was \$3.7 million and cash flow from financing was insignificant.

Addition of New CFO

David McGuire steps into the CFO role at Spectral following the elevation of Vincent Capone to CEO. A [press release](#) issued on April 8th, 2026 announced David's appointment. Mr. McGuire has 20 years of experience in finance and accounting roles. Prior to joining Spectral AI, he served as the Chief Accounting Officer of Solo Brands, a publicly-traded consumer products company, where he was responsible for overseeing the accounting, financial reporting, internal controls and tax functions, while also supporting broader finance and operational initiatives to scale its public company infrastructure.

He also served as Deputy CFO and Chief Accounting Officer of EZCORP, a multi-national, publicly-traded provider of consumer retail transactions and consumer financial services, where he was responsible for financial operations and played a key role in capital markets activities and broader strategic initiatives. Mr. McGuire was a Managing Director at a professional services company where he built the firm's Texas practice and advised growing companies on finance and accounting transformation. He began his career at Ernst & Young, where he assumed positions of

increasing responsibility over a 14-year career. He holds a Bachelor of Business Administration and a Master in Professional Accounting from The University of Texas at Austin and is a Certified Public Accountant.

American Burn Association Annual Meeting

Spectral AI and its representatives attended the American Burn Association (ABA) Annual Meeting held in Orlando, Florida from April 14th to 17th, 2026. This event brings together many of the most important leaders and stakeholders in the burn care education, research and practice from around the world. Spectral brought along its DeepView System to display to attendees. Dr. Christopher Lewis, the lead investigator and author on evaluations of the device, also joined the conference. He provided a review of DeepView and real-world observations of its use in emergency practice. Spectral engaged with prospectively interested parties including the military, during the conference. As a follow-up to this event, CEO Vince Capone noted that he would be attending the Institute of Strategic Research conference next month, which is heavily attended by Department of Defense representatives. This should provide another opportunity to share the DeepView device with interested parties.

As part of the meeting, Spectral offered several podium and poster presentations which we list below:

Podium Presentations

- [Evaluation of Triage Patterns of Burn-Injured Patients Using the BEACON Model \(Dr. Taryn Travis\)](#).
- [The First Reader Study of Burn Wounds with Predictive Artificial Intelligence Analysis \(Dr. Alisa Savetamal\)](#)
- [Artificial-intelligence Enhanced Multispectral Imaging for Burn Wound Assessment: Pilot Evaluation of Complex Anatomical Sites \(Dr. Shreyas Supparamaniam\)](#)
- [Advancements in Burn Size Assessment: A Systematic Review of Emerging Technologies \(Dr. Amy Woods\)](#)

Poster Presentations

- [Exploring Patient Experiences of Decision-Making Around Skin Graft Surgery Using an AI Burn Assessment Tool \(Dr. Zoe Gotts\)](#)
- [Artificial Intelligence-Enhanced Multispectral Imaging for Burn Wound Assessment: A Multi-Centre UK Evaluation update \(Dr. Leslie Tan\)](#)
- [Usability of an Artificial Intelligence-Enhanced Multispectral Imaging Tool for Burn Assessment: A Retrospective Heuristic Evaluation \(Dr. Hajar Abdulla\)](#)

Product Update

During the first quarter conference call, CEO Vince Capone guided towards a mid-year response from the FDA. In the meantime, the team will be focused on pre-commercialization activities. Despite the departure of the company's Chief Commercial Officer earlier this year, Spectral is conducting a search to identify a new one. We think that an appointment could be announced in the near term.

In parallel, the company will engage Deloitte Consulting to help with the strategic plan for commercialization and expects sales inside and outside of the BARDA universe this year. Spectral plans to structure the implementations as multi-year contracts that provide for software upgrades, product licensing and device maintenance. Spectral will receive help from the BARDA contract which will fund device deployment.

SnapShot, a handheld version of DeepView, is undergoing additional testing for durability in the battlefield for the Department of Defense. The device offers civilian applications and Spectral management is in discussions with authorities for its use in public settings such as ambulances. Management expects that regulatory clearance for SnapShot will follow the faster 510(k) pathway, relying on the DeepView device as a predicate. Spectral achieved a near-term milestone for SnapShot and delivered a fully functioning prototype of the handheld device in early May. The Medical Technology Enterprise Consortium (MTEC) will consider the device and application and could grant another award by year end. For DeepView, further research and development work is expected, including a label expansion to image and diagnose burns on the head, hands and feet. Spectral may also pursue a new indication which may be in critical limb ischemia or amputations. Partnerships could also be developed for work in wound care.

Despite federal funding uncertainties, Spectral [announced](#) \$31.7 million of BARDA funding that will accelerate the development of DeepView. The company will augment this funding with another \$9.7 million to support additional features for the device.

Spectral AI CEO Podcast

Spectral AI CEO Vincent Capone discusses the key factors driving the value of the company. The conversation touches on the \$32 million BARDA award, 2026 revenue guidance, the handheld device and expectations for unit deployments assuming approval occurs in the next weeks. Follow the embedded link for the [full episode](#).

Exhibit I – Spectral AI CEO Vincent Capone



Source: Screenshot from interview video

Milestones

- Vincent Capone elevated to CEO – February 2026
- Award of \$31.7 million of BARDA funding – March 2026
- [Acceptance](#) of Small Business Innovator Award at the Texas Innovation Conference – April 2026
- [Attendance](#) at the 2026 American Burn Association Annual Meeting – April 2026
- Fully functional prototype of handheld SnapShot delivered – May 2026
- [Annual Meeting](#) of Stockholders – May 29th, 2026
- Launch of DeepView in US Burn Centers – 2H:26
- Decision on contract award for SnapShot handheld device by MTEC – December 2026
- Launch of DeepView in US Emergency Departments (Burn) – 2026/2027
- DeepView SnapShot Launch for Military Use - 2027

Summary

As we move closer to the anticipated FDA decision on DeepView, Spectral reports its first quarter 2026 financial and operational results. Beyond the addition of a new CFO, the company offered several presentations and posters at the American Burn Association Meeting in April. The company delivered the prototype handheld device to MTEC in early May and could receive a response by year-end. If SnapShot is accepted for further development, we expect further grants to support the work. In 2H:26, we expect DeepView deployments worldwide. While product revenues will be limited at first, given the anticipated subscription model, they are expected to build in 2027 and 2028. In the meantime, Spectral is working on upgrades to the device which provides improved algorithms and advantages including a total body surface area (TBSA) measurement tool. Other research and development efforts include the pursuit of a label expansion, collaborations with partners, especially in wound care, and new indications possibly in amputation or critical limb ischemia. We maintain our valuation of \$5.00 per share.

PROJECTED FINANCIALS

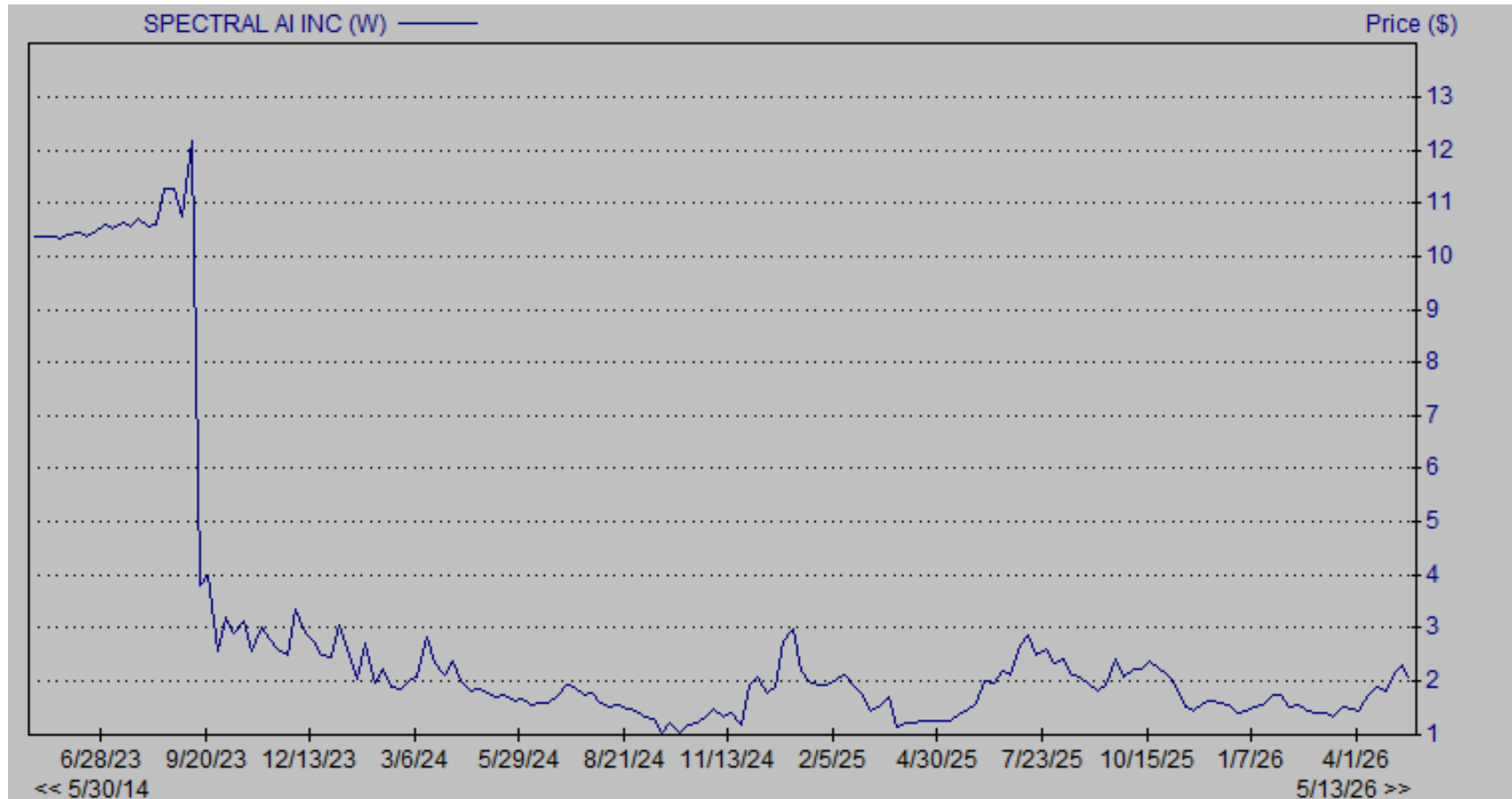
Spectral AI, Inc. - Income Statement

Spectral AI, Inc.	2024 A	2025 A	Q1 A	Q2 E	Q3 E	Q4 E	2026 E	2027 E	2028 E
Total Revenues (\$US '000)	\$29,581	\$19,650	\$3,991	\$4,790	\$4,820	\$5,074	\$18,675	\$41,368	\$42,231
YOY Growth	64%	-34%	-40%				-5%	122%	2%
Cost of Goods Sold	\$16,307	\$10,725	\$1,964	\$2,563	\$2,579	\$2,715	\$9,820	\$22,752	\$23,227
Product Gross Margin	44.9%	45.4%	50.8%	46.5%	46.5%	46.5%	46.8%	45.0%	45.0%
General & administrative	\$19,856	\$17,528	\$3,998	\$7,100	\$7,015	\$7,237	\$25,350	\$28,100	\$28,900
Research & development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income from operations	(\$6,582)	(\$8,603)	(\$1,971)	(\$4,873)	(\$4,774)	(\$4,878)	(\$16,495)	(\$9,485)	(\$9,896)
Operating Margin									
Interest (expense) income, net	\$14	(\$886)	(\$258)	(\$250)	(\$251)	(\$250)	(\$1,009)	(\$1,100)	(\$1,100)
Other income, net	(\$8,476)	\$1,929	(\$1,193)	\$0	\$0	\$0	(\$1,193)	\$0	\$0
Pre-Tax Income	(\$15,044)	(\$7,560)	(\$3,422)	(\$5,123)	(\$5,025)	(\$5,128)	(\$18,697)	(\$10,585)	(\$10,996)
Provision for Income Tax	(\$271)	(\$11)	\$10	\$0	\$0	\$0	\$10	\$0	\$0
Net Income	(\$15,315)	(\$7,571)	(\$3,412)	(\$5,123)	(\$5,025)	(\$5,128)	(\$18,687)	(\$10,585)	(\$10,996)
Net Margin									
Reported EPS	(\$0.85)	(\$0.29)	(\$0.11)	(\$0.16)	(\$0.15)	(\$0.14)	(\$0.56)	(\$0.28)	(\$0.26)
YOY Growth									
Fully Diluted Shares	17,934	26,518	31,757	32,550	33,150	36,000	33,364	37,500	42,000

Source: Company Filing // Zacks Investment Research, Inc. Estimates

HISTORICAL STOCK PRICE

Spectral AI, Inc. – Share Price Chart¹



¹ Source: Zacks Research System

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