

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1            Name and Address of Company**

Spectral Medical Inc. ("**Spectral**" or the "**Company**")  
135-2 The West Mall  
Toronto, Ontario  
M9C 1C2

**Item 2            Date of Material Change**

July 27, 2021

**Item 3            News Release**

The Company issued a news release disclosing the material change through the facilities of GlobeNewswire on July 27, 2021 and filed it on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).

**Item 4            Summary of Material Change**

On July 27, 2021, Spectral closed its previously announced bought deal offering of 23,530,000 units of the Company for aggregate gross proceeds of approximately \$10 million.

**Item 5            Full Description of Material Change**

**5.1            Full Description of Material Change**

On July 27, 2021, Spectral closed its previously announced bought deal offering of units of the Company (the "**Units**") for aggregate gross proceeds of approximately \$10 million (the "**Offering**"). The Offering was conducted by Paradigm Capital Inc., as sole Canadian underwriter and bookrunner, and A.G.P./Alliance Global Partners, as the exclusive U.S. placement agent for the Offering (together, the "**Underwriters**"), and consisted of the sale of 23,530,000 Units, at a price of \$0.425 per Unit. Each Unit consisted of one common share of the Company (a "**Common Share**") and one-half of one Common Share purchase warrant of the Company (each whole Common Share purchase warrant a "**Warrant**"), with each Warrant entitling the holder thereof to acquire one Common Share at a price of \$0.50 for a period of 36 months from today's date.

The Underwriters received a cash commission equal to 6.5% of the gross proceeds of the Offering and the Company also issued the Underwriters such number of compensation options ("**Compensation Options**") as is equal to 6.5% of the Units issued under the Offering, with each Compensation Option entitling the holder to acquire one Common Share at a price of \$0.486 until July 27, 2023.

The Company intends to use the net proceeds from the Offering for its Phase III registration trial for its PMX treatment for endotoxemic septic shock, patient enrolment into the DIMI usability trial, product development and regulatory approval for the DIMI device, an observational study in support of Tigris, and for general corporate and working capital purposes.

This material change report and the news release dated July 27, 2021 does not constitute an offer to sell or a solicitation of an offer to buy the Units in any jurisdiction, nor will there be any offer or sale of the Units in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Units have not and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any U.S. state securities laws, and therefore will not be offered or sold within the

United States except pursuant to applicable exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The issuance of Units to insiders pursuant to the Offering is considered to be a related party transaction under Multilateral Instrument 61-101. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of Multilateral Instrument 61-101 on the basis that participation in the Offering by insiders does not exceed 25% of the fair market value of the Company's market capitalization.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

### **Item 7 Omitted Information**

Not applicable.

### **Item 8 Executive Officer**

The following senior officer of the Company is knowledgeable about the material change described in this report:

Chris Seto  
Chief Executive Officer  
Spectral Medical Inc.  
Tel: 416-626-3233 x 2004  
cseto@spectraldx.com

### **Item 9 Date of Report**

July 27, 2021.

## **CAUTION CONCERNING FORWARD-LOOKING STATEMENTS**

*This material change report contains forward-looking statements within the meaning of applicable Canadian securities laws that involve known and unknown risks and uncertainties, most of which are beyond the Company's control. Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements. Accordingly, undue reliance should not be placed on these forward-looking statements. The forward-looking statements contained herein are made as of the date of this report and, other than as required by applicable securities laws, the Company does not assume any obligation to update or revise it to reflect new events or circumstances. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.*