

This short form base shelf prospectus has been filed under legislation in each of the provinces of Canada, other than Québec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Spectral Medical Inc., 135 The West Mall, Unit 2, Toronto, Ontario, M9C 1C2, Telephone 1 (888) 426-4264 and are also available electronically under the Spectral Medical Inc. profile at www.sedarplus.ca.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

September 26, 2025



SPECTRAL MEDICAL INC.

\$100,000,000

**COMMON SHARES
DEBT SECURITIES
SUBSCRIPTION RECEIPTS
WARRANTS
UNITS**

Spectral Medical Inc. (the “Company” or “Spectral”) may, from time to time, offer and issue the following securities: (i) common shares (“Common Shares”); (ii) senior and subordinated unsecured debt securities, including debt securities convertible or exchangeable into other securities of Spectral (collectively, “Debt Securities”); (iii) subscription receipts (“Subscription Receipts”); (iv) warrants (“Warrants”); and/or (v) units comprised of one or more of the other securities described in this prospectus (“Units”, and together with the Common Shares, Debt Securities, Subscription Receipts, and Warrants, the “Securities”), having an aggregate offering price of up to \$100,000,000 during the 25 month period that this short form base shelf prospectus (this “Prospectus”), including any amendments hereto, remains valid. Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying prospectus supplement (a “Prospectus Supplement”). This Prospectus may qualify an “at-the-market distribution” (as such term is defined in National Instrument 44-102 – *Shelf Distributions*) only for the distribution of Common Shares.

Investing in the Securities involves significant risks. Prospective investors should carefully read and consider the risk factors described or referenced under the heading “Risk Factors” in this Prospectus, contained in any of the documents incorporated by reference herein, and in any applicable Prospectus Supplement, before purchasing Securities.

The specific variable terms of any offering of Securities will be set out in the applicable Prospectus Supplement including, where applicable: (i) in the case of Common Shares, the persons(s) offering the Common Shares, the number of Common Shares offered and the offering price (or the manner of determination thereof if offered on a non-fixed price basis); (ii) in the case of the Debt Securities, the specific designation of the Debt Securities, whether such Debt Securities are senior or subordinated, the aggregate principal amount of the Debt Securities being

offered, the currency or currency unit in which the Debt Securities may be purchased, authorized denominations, any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, at a discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, any redemption provisions, any repayment provisions and any other specific terms; (iii) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the procedures for the exchange of Subscription Receipts for Common Shares or Debt Securities, as the case may be, the currency or currency unit in which the Subscription Receipts are issued and any other specific terms; (iv) in the case of Warrants, the designation, number and terms of the Common Shares or Debt Securities or other Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; and (v) in the case of Units, the designation and terms of the Units and of the Securities comprising the Units, the currency or currency unit in which the Units are issued and any other specific terms. A Prospectus Supplement may include other specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus. The Company does not intend to issue “novel” securities pursuant to this Prospectus, as such term is defined under National Instrument 44-102 – *Shelf Distributions*.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

We may sell the Securities to or through underwriters or dealers purchasing as principals, or through agents, and may also sell the Securities to one or more purchasers directly, subject to obtaining any required exemptive relief. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, if any, engaged by us in connection with the offering and sale of Securities and will set forth the terms of the offering of such Securities, the method of distribution of such Securities including, to the extent applicable, the proceeds to us, and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. Securities may be sold from time to time in one or more transactions at a fixed price or fixed prices, or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary between purchasers and during the period of distribution. If Securities are offered on a non-fixed price basis, the underwriters’, dealers’ or agents’ compensation will be increased or decreased by the amount by which the aggregate price paid for Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters, dealers or agents to us. See “Plan of Distribution”.

The outstanding Common Shares are listed on the Toronto Stock Exchange (the “TSX”) under the symbol “EDT” and in the United States on the OTC Pink Open Market operated by OTC Markets Group under the symbol “EDTXF”. **There is currently no market through which the Debt Securities, Subscription Receipts, Warrants or Units may be sold, and purchasers may not be able to resell any Debt Securities, Subscription Receipts, Warrants or Units purchased under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. See “Risk Factors” below and the “Risk Factors” section of the applicable Prospectus Supplement.**

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate, or to recognized market benchmark interest rates such as the Secured

Overnight Financing Rate (“SOFR”), the Sterling Over Night Indexed Average (“SONIA”) or the Euro Short Term Rate (“ESTR”).

Subject to applicable laws, in connection with any offering of Securities, the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities at levels other than those which may prevail on the open market. A purchaser who acquires any Securities forming part of the underwriters, dealers or agents’ over-allocation position acquires those securities under the applicable Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases. Such transactions, if commenced, may be interrupted or discontinued at any time. See “Plan of Distribution”.

Our head and registered office is located at 135 The West Mall, Unit 2, Toronto, Ontario, M9C 1C2.

Cristiano Franzi, Janelle D’Alvise, Jun Hayakawa and David Feigal, directors of the Company, reside outside of Canada. The persons named below have appointed the following agent for service of process:

<u>Name of Person or Company</u>	<u>Name and Address of Service Agent</u>
Cristiano Franzi	Spectral Medical Inc. 135 The West Mall, Unit 2 Toronto, Ontario, M9C 1C2 Canada
Janelle D’Alvise	Spectral Medical Inc. 135 The West Mall, Unit 2 Toronto, Ontario, M9C 1C2 Canada
Jun Hayakawa	Spectral Medical Inc. 135 The West Mall, Unit 2 Toronto, Ontario, M9C 1C2 Canada
David Feigal	Spectral Medical Inc. 135 The West Mall, Unit 2 Toronto, Ontario, M9C 1C2 Canada

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if such party has appointed an agent for service of process.

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NOTICE TO READERS

This Prospectus provides a general description of the Securities. Each time we sell Securities under this Prospectus, we will provide prospective purchasers with a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus. Before investing in any Securities, prospective purchasers should read both this Prospectus and any applicable Prospectus Supplement, together with the additional information described below and in the applicable Prospectus Supplement under “Documents Incorporated by Reference”.

Investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. We have not authorized anyone to provide investors with different or additional information. We are not making an offer of Securities in any jurisdiction where the offer is not permitted by law. Prospective investors should not assume that the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement is accurate as of any date other than the date on the front of the applicable Prospectus Supplement.

Unless indicated otherwise, or the context otherwise requires, references in this Prospectus to the “Company”, “Spectral”, “we”, “us” and “our” refer to Spectral Medical Inc. and/or, as applicable, one or more of its subsidiaries.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This Prospectus, and the documents incorporated herein by reference, include forward-looking statements and information (collectively, “Forward-Looking Statements”) within the meaning of securities laws. Forward-Looking Statements may relate to our future outlook and anticipated events or results and may include statements regarding our future financial position, business, strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes and plans and objectives. In some cases, Forward-Looking Statements can be identified by terms such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue” or other similar expressions concerning matters that are not historical facts. These statements are based on certain factors and assumptions regarding, among other things, expected growth, results of operations, receipt of regulatory approvals, performance and business prospects and opportunities. While we consider these assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

Forward-Looking Statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or developments in our industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such Forward-Looking Statements. Forward-Looking Statements in this Prospectus and the documents incorporated by reference herein include, but are not limited to: the future business strategies, competitive strengths, goals, expectations and growth of our business, operations and plans; the successful and timely completion of our pre-clinical studies and clinical trials; the estimated costs associated with our clinical trials, potential side effects and product failure that could delay or prevent regulatory approval or commercialization; the granting of necessary approvals by regulatory authorities; the expected pricing of our products upon achieving commercialization; the availability and sufficiency of funds and resources to pursue development projects; our need for additional financing; the volatile market price of the Common Shares; our ability to take advantage of business opportunities in the biomedical industry; our ability to retain and attract key management and other experienced personnel; market acceptance of current and new products; competition from new or existing diagnostics or medical devices; patent infringement by us and our protection of our intellectual property in foreign jurisdictions; uncertainties in health care reimbursement and reform; manufacturing and marketing capability; reliance on key distributors and various contractors; reliance on third party manufacturing; as well as general economic, market and business conditions.

Prospective purchasers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although we have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such Forward-Looking Statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, prospective purchasers should not place undue reliance on Forward-Looking Statements, including the documents incorporated herein by

reference, as statements containing Forward-Looking Statements involve significant risks and uncertainties and should not be read as guarantees of future results, performance, achievements, prospects and opportunities. The Forward-Looking Statements contained herein are presented for the purposes of assisting prospective purchasers in understanding our expected financial and operating performance and our plans and objectives and may not be appropriate for other purposes.

The Forward-Looking Statements contained in this Prospectus, including the documents incorporated herein by reference, represent our views and expectations as of the date of this Prospectus and Forward-Looking Statements contained herein represent our views as of the date of hereof. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update such Forward-Looking Statements at a future time, it has no current intention of doing so except to the extent required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed by us with securities commissions or similar authorities in Canada. Our disclosure documents listed below and filed with the appropriate securities commissions or similar regulatory authorities in each of the provinces of Canada, except Québec, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) our revised annual information form dated September 26, 2025 (the “AIF”);
- (b) our management’s discussion and analysis of results of operations and financial condition for the fiscal year ended December 31, 2024 (the “Annual MD&A”);
- (c) our management’s discussion and analysis of results of operations and financial condition for the fiscal year ended December 31, 2023;
- (d) our audited consolidated financial statements as at and for the years ended December 31, 2024 and 2023 and related notes together with the independent auditor’s report¹ thereon;
- (e) our audited consolidated financial statements as at and for the years ended December 31, 2023 and 2022 and related notes together with the predecessor auditor’s report thereon;
- (f) our management information circular dated April 17, 2025 for the annual meeting of shareholders held on June 5, 2025;
- (g) our management’s discussion and analysis for the six-month period ended June 30, 2025 (the “Interim MD&A” and together with the Annual MD&A, the “MD&A”);
- (h) our unaudited condensed interim consolidated financial statements as at June 30, 2025 (the “Interim Financial Statements”) and for the six months ended June 30, 2025 and 2024 and related notes; and
- (i) our material change report dated August 14, 2025 (the “Tigris MCR”) discussing the topline results from the Tigris clinical trial (the “Tigris Study”).

Any document of the type referred to above, including any material change report (other than any confidential material change report), any business acquisition report, any Prospectus Supplements disclosing additional or updated information, and any “template version” of “marketing materials” (each as defined in National Instrument 41-101 – *General Prospectus Requirements*) subsequently filed by us with such securities commissions or regulatory authorities in Canada after the date of this Prospectus, and prior to the termination of the distribution under this Prospectus, shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is

¹ **Note:** The financial statements for the year ended December 31, 2023 were audited by the Company’s previous auditor, PricewaterhouseCoopers LLP.

deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

When we file a new annual information form and audited consolidated financial statements and related management's discussion and analysis with and, where required, they are accepted by, the applicable securities regulatory authorities during the time that this Prospectus is valid, the previous annual information form, the previous audited consolidated financial statements and related management's discussion and analysis and all unaudited interim consolidated financial statements and related management's discussion and analysis for such periods, all material change reports and any information circular and business acquisition report filed prior to the commencement of our financial year in which the new annual information form is filed will be deemed no longer to be incorporated by reference in this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon new interim financial statements and the accompanying management's discussion and analysis being filed by us with the applicable securities regulatory authorities during the term of this Prospectus, all interim financial statements and accompanying management's discussion and analysis filed prior to the filing of the new interim financial statements shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

PRESENTATION OF FINANCIAL INFORMATION

Spectral presents its financial statements in Canadian dollars and its financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise indicated, financial information included or incorporated by reference in this Prospectus has been prepared in accordance with IFRS. Certain calculations included in tables and other figures in this Prospectus have been rounded for clarity of presentation.

RISK FACTORS

An investment in the Securities involves certain risks. A prospective purchaser of Securities should carefully consider the risks and uncertainties described in the documents incorporated by reference into this Prospectus (including subsequently filed documents incorporated by reference into this Prospectus) and, if applicable, those described in a Prospectus Supplement relating to a specific offering of Securities. Discussions of certain risks and uncertainties affecting our business are provided in our AIF and MD&A (or, as applicable, our annual information form and our management's discussion and analysis for subsequent periods), each of which is incorporated by reference into this Prospectus. These are not the only risks and uncertainties that we face. Additional risks not presently known to us or that we currently consider immaterial may also materially and adversely affect us. If any of the events identified in these risks and uncertainties were to actually occur, our business, financial condition or results of operations could be materially harmed.

In addition, prospective purchasers of Securities should carefully consider, in light of their own financial circumstances, the risk factors set out below, as well as the other information contained in this Prospectus (including the documents incorporated by reference herein) and in all subsequently filed documents incorporated by reference and those described in a Prospectus Supplement relating to a specific offering of Securities, before making an investment decision.

There is no existing public market for the Debt Securities, Subscription Receipts, Warrants or Units and a market may not develop

There is currently no market through which the Debt Securities, Subscription Receipts, Warrants or Units may be sold and purchasers of Debt Securities, Subscription Receipts, Warrants or Units may not be able to resell

such Debt Securities, Subscription Receipts, Warrants or Units purchased under this Prospectus. There can be no assurance that an active trading market will develop for the Debt Securities, Subscription Receipts, Warrants or Units after an offering or, if developed, that such market will be sustained. This may affect the pricing of the Debt Securities, Subscription Receipts, Warrants or Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Debt Securities, Subscription Receipts, Warrants or Units and the extent of issuer regulation.

The public offering prices of the Securities may be determined by negotiation between us and underwriters, dealers or agents based on several factors and may bear no relationship to the prices at which the Securities will trade in the public market subsequent to such offering, if any public market develops. See “Plan of Distribution”.

Potential Dilution

Our constating documents allow us to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by our board of directors (the “**Board**”), in many cases, without the approval of our shareholders. We may issue Common Shares in public or private offerings (including through the sale of Securities convertible into or exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for Common Shares. We may also issue Common Shares to finance or as consideration for future acquisitions and other projects or in connection with the establishment or development of strategic relationships. Any such future issuances of Common Shares could be significant and we cannot predict the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and we may experience dilution in earnings per Common Share.

Volatility of Market Price of Securities

The market price of the Securities may be volatile. The volatility may affect the ability of holders to sell the Securities at an advantageous price. Market price fluctuations in the Securities may be due to our operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts’ estimates, governmental regulatory action, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by us or our competitors, along with a variety of additional factors, including, without limitation, those set forth under the heading “Cautionary Statement on Forward-Looking Statements”. In addition, the market price for securities on stock markets, including the TSX, is subject to significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market price of the Securities.

Forward-Looking Statements May Prove to be Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this Prospectus under the heading “Cautionary Statement on Forward-Looking Statements”.

Regulatory Approval

We have not yet received Food and Drug Administration (“FDA”) clearance for our PMX device (as defined below). While we anticipate that a potential pre-market approval (“PMA”) from the FDA following the completed Tigris Study could be granted in the second half of 2026, the regulatory approval process of the FDA is lengthy, time consuming and inherently unpredictable. Ultimately, the results of clinical trials and studies may not satisfy the requirements of the FDA, and if we are ultimately unable to obtain FDA clearance for PMX, we will be unable to

commercialize the PMX device and generate revenue in the United States which would have material adverse consequences on our business.

Positive Return not Guaranteed

There is no guarantee that an investment in the Securities will earn any positive return in the short term or long term. An investment in the Securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the Securities is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Leverage Risk

Our degree of leverage could have material adverse consequences for us, including, but not limited to: limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; restricting our flexibility and discretion to operate our business; limiting our ability to declare dividends on our Common Shares; having to dedicate a portion of our cash flows from operations to the payment of interest on our existing indebtedness and not having such cash flows available for other purposes, including operations, capital expenditures and future business opportunities; exposing us to increased interest expense on borrowings at variable rates; limiting our ability to adjust to changing market conditions; placing us at a competitive disadvantage compared to our competitors that have less debt; making us vulnerable in a downturn in general economic conditions; and making us unable to make capital expenditures that are important to our growth and strategies.

Limited Cash and Liquidity Position

We closely monitor our liquidity position and expect, but cannot guarantee, that we will have adequate sources of funding to finance our operations in the future.

Prevailing Interest Rates Will Affect the Market Price or Value of Debt Securities

The market price or value of the Debt Securities will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Debt Securities Will Not Be Secured By Assets of Spectral

Holders of secured indebtedness of Spectral would have a claim on the assets securing such indebtedness that effectively ranks prior to the claim of holders of Debt Securities and would have a claim that ranks senior to the claim of holders of subordinated Debt Securities to the extent that such security did not satisfy the secured indebtedness. Furthermore, although covenants given by Spectral in various agreements may restrict incurring secured indebtedness, such indebtedness may, subject to certain conditions, be incurred by us in the future.

Subordination

The Debt Securities will be senior or subordinated indebtedness as described in the relevant Prospectus Supplement. In the event of the insolvency or winding-up of Spectral, any subordinated Debt Securities would be subordinated and postponed in right of payment to the prior payment in full of all other liabilities and indebtedness of Spectral, other than indebtedness that, by its terms, ranks equally with, or subordinate to, such subordinated Debt Securities.

Discretion in the Use of Proceeds

Our management will have discretion concerning the use of the proceeds of the an offering of Securities as well as the timing of their expenditure. As a result, a prospective purchaser will be relying on the judgment of

management for the application of the proceeds of such offering of Securities. Management may use the net proceeds of an offering of Securities other than as described under the heading “Use of Proceeds” if they believe it would be in our best interest to do so and in ways that a prospective purchaser may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, our results of operations may suffer.

Negative Cash Flow from Operations

During the fiscal year ended December 31, 2024, and the six months ended June 30, 2025, we had negative cash flows from operating activities. Although we may have positive cash flow from operating activities in future periods, to the extent that we have negative cash flow in any future period, all or a portion of the net proceeds from an offering of Securities may be used to fund such negative cash flow from operating activities.

Need for Additional Capital

We will require substantial additional funds to complete the commercialization of our products. While we currently expect to fund such commercialization activities from our ongoing operations, it is possible that such funds from operations will be insufficient, in which case we will need to seek additional external funding through public or private equity or debt financing, joint venture arrangements, and/or from other sources. There can be no assurance that additional funding will be available on acceptable terms or at all to enable us to continue and complete the successful commercialization of our products.

The continued development of our business will require additional financing. There is no guarantee that we will be able to achieve our business objectives. We expect to fund our business objectives by way of additional offerings of equity and/or debt financing or milestone payments from certain strategic partners. The failure to raise or procure such additional funds could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to us. If additional funds are raised by offering equity securities or convertible debt, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against our assets and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We will require additional financing to fund our operations until positive cash flow is achieved. See “Risk Factors – Negative Cash Flow from Operations”.

No Dividend Payments

We do not currently intend to pay any cash dividends on the Common Shares in the foreseeable future. We have never paid any cash dividends on the Common Shares. We do not anticipate paying any cash dividends on the Common Shares in the foreseeable future because, among other reasons, we currently intend to retain any future earnings to finance our business. The future payment of cash dividends will be dependent on factors such as cash on hand and achieving profitability, the financial requirements to fund growth, our general financial condition and other factors the Board may consider appropriate in the circumstances.

Foreign Currency Risks

Securities denominated or payable in foreign currencies may entail significant risks, and the extent and nature of such risks change continuously. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency market, the imposition or modification of foreign exchange controls and potential illiquidity in the secondary market. These risks will vary depending on the currency or currencies involved. Prospective purchasers should consult their own financial and legal advisors as to the risks entailed in an investment in Securities denominated in currencies other than the currency primarily used by such purchaser. Such Securities are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions.

Macroeconomic Risks

The value of the Securities may also be affected by macroeconomic factors including investors' inflation expectations, global equity prices and volatility, exchange rate volatility, interest rate volatility and global or regional political or economic uncertainties and outlook, including uncertainties related to global trade and the impact of changing tariffs in and on the countries in which we operate. The macroeconomic environment is uncertain and remains challenging and our results of operations and the value of the Securities could be materially affected by such macroeconomic conditions.

Canadian Bankruptcy and Insolvency Laws May Impair the Ability of the Trustees Appointed Under the Indentures to Enforce Certain Remedies

We are organized under the laws of the Province of Ontario, Canada, and our assets are located largely in Canada. The rights of the trustees appointed under the indenture to be entered into in connection with an offering of Debt Securities to enforce certain remedies could be delayed by the restructuring provisions of applicable Canadian federal bankruptcy, insolvency and other restructuring legislation if the benefit of such legislation is sought with respect to Spectral. For example, both the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada) contain provisions enabling an insolvent person to obtain a stay of proceedings against its creditors and to file a proposal or plan of compromise or arrangement to be voted on by the various classes of its affected creditors. A restructuring proposal, compromise or arrangement if accepted by the requisite majorities of each affected class of creditors, and if approved by the relevant Canadian court, would be binding on all creditors within each affected class, including those creditors that did not vote to accept the proposal, compromise or arrangement. Moreover, this legislation, in certain instances, permits the insolvent debtor to retain possession and administration of its property, subject to court oversight, even though it may be in default under the applicable debt instrument, during the period that the stay against proceedings remains in place.

Market and Industry Data

This Prospectus relies on and refers to information regarding certain market and industry data. The Company has obtained this information and industry data from publicly available reports. Although the Company believes such publicly available information is reliable, the Company has not independently verified and cannot guarantee the accuracy or completeness of that information and investors should use caution in placing reliance on such information.

Strategic Investors Exercise Control over the Company

As at the date of this Prospectus, Toray Industries Inc. ("Toray") holds approximately 16% of the issued and outstanding Common Shares and each of Birch Hill Equity Partners IV, LP, Birch Hill Equity Partners (US) IV, LP, and Birch Hill Equity Partners (Entrepreneurs) IV, LP (collectively, the "Birch Hill LPs", and together with Toray, the "Strategic Investors") collectively hold approximately 13% of the issued and outstanding Common Shares. By virtue of their shareholdings, the Strategic Investors will be able to exert a significant degree of influence over our management and affairs. Due to their aggregate shareholdings, to the extent that each of them similarly votes for or against matters that are submitted to shareholders for approval, such as significant corporate transactions or those involving a change of control, such votes may be determinative of the outcome, which may not be beneficial to our other shareholders. The concentration of ownership may facilitate, delay or prevent a change in control of the Company and may affect the market price of the Common Shares. In some cases, the interests of the Strategic Investors may not be the same as those of our other shareholders or each other, and conflicts of interest may arise from time to time that may be resolved in a manner detrimental to us or our other shareholders.

SUMMARY DESCRIPTION OF THE BUSINESS

We were incorporated as Spectral Diagnostics Inc. pursuant to the *Business Corporations Act* (Ontario) (the "OBCA") on July 29, 1991. Pursuant to Articles of Amendment, effective March 16, 1992, we re-designated, reclassified and changed our authorized capital to provide that the authorized capital consists of an unlimited number of one class of shares designated as "Common Shares" and deleted the private company provisions from our articles.

On April 1, 2005, we amalgamated with our wholly owned subsidiary, Sepsis Inc., under the OBCA and continued as Spectral Diagnostics Inc. Our year-end was changed to December 31, effective as at the end of the 2006 calendar year. Effective December 31, 2014, we changed our name to “Spectral Medical Inc.”.

We have one material subsidiary, Spectral Diagnostics (US) Inc., which was incorporated on September 14, 2009 under Section 102 of the General Law of the State of Delaware and is wholly owned by us.

Our head and registered office is located at 135 The West Mall, Unit 2, Toronto, Ontario M9C 1C2.

Business of the Company

Our strategic focus is on the development and commercialization in North America of the first theranostic treatment for endotoxemic septic shock utilizing our Endotoxin Activity Assay™ diagnostic (“EAA”) and the Toraymyxin™ (“PMX”) therapeutic device. This unique approach first identifies patients with high endotoxin levels that could benefit from a targeted therapy and then applies a treatment that removes endotoxin from their blood stream. PMX has been approved for therapeutic use in Japan and Europe and has been used safely and effectively over 360,000 times to date.

In March 2009, we obtained the exclusive development and commercial rights in the U.S. for PMX, and in November 2010, we signed an exclusive distribution agreement for this product in Canada. In July 2022, the U.S. FDA granted us Breakthrough Device Designation for the Company’s PMX device.

We entered into an exclusive distribution agreement, dated February 3, 2020 with Baxter International Inc. for PMX and EAA in the U.S. and Canada. Baxter was the Company’s exclusive distributor of the PMX filter in the U.S. and Canada. Baxter also had non-exclusive rights to distribute the EAA globally. This agreement was superseded by an Amended and Restated Supply and Distribution Agreement dated May 6, 2025 which we entered into with Vantive US Healthcare LLC (“Vantive”).

The EAA is a rapid in-vitro diagnostic test for the detection of components of the gram- negative bacterial cell wall (Lipopolysaccharides or Endotoxins) activity in a whole blood sample. Increased blood levels of endotoxin are indicative of invasive infection or severe leakage of endotoxin from the gut. Circulating endotoxin is capable of initiating a systemic inflammatory response which can rapidly lead to organ dysfunction, septic shock and ultimately death. According to the Centers for Disease Control and Prevention, the incidence of sepsis is approximately 1,700,000 cases annually in the United States, of which 425,000 patients are expected to develop septic shock. Of those patients with septic shock, the Company’s management estimates, based on EUPHRATES trial data, that at least 140,000 patients develop endotoxic septic shock. Furthermore, North American ICU patients with septic shock have mortality rates which generally range between 30% to 50%² and sepsis is considered a leading cause of death in U.S. intensive care units.

We received Health Canada approval for the EAA in December 2002 and clearance from the FDA in June 2003. Currently, the EAA is the first FDA cleared test for risk stratification of patients for developing severe sepsis. The EAA is the only assay available to determine the endotoxin burden in patients with sepsis.

PMX is a therapeutic hemoperfusion device that removes endotoxin from the bloodstream. PMX is manufactured in Japan by Toray. PMX is approved for therapeutic use in Japan and Europe and has been used safely over 360,000 times in patients globally. PMX and has been demonstrated to effectively remove endotoxin and analysis from real world evidence demonstrates reduced mortality in patients. We have certain exclusive rights to develop, commercialize and exploit PMX. These include an exclusive license in the United States and Puerto Rico to Toray’s intellectual property rights in and to PMX and exclusive distribution rights in Canada.

² Source: National Centre for Emerging and Zoonotic Infectious Disease (NCEZID); Centers for Disease Control and Prevention, Division of Health Care Quality Promotion (DHCQP) data reports, 2016.

Full enrollment for the Tigris Study in the U.S. was completed in April, 2025 with 157 total patients enrolled, 151 evaluable patients and 100 treated with PMX. Data lock was completed by the end of July 2025 and on August 12, 2025, Spectral together with Vantive announced topline results from the Tigris Study.

The Tigris Study was a follow-on study that built upon knowledge gained from EUPHRATES clinical trial that was previously undertaken by us. The EUPHRATES clinical trial was a large prospective randomized blinded trial performed in North America and completed in 2016. Data from EUPHRATES was submitted as part of a modular PMA with the FDA having reviewed the first three modules which are based mainly on manufacturing. A post hoc analysis of EUPHRATES demonstrated a 28-day mortality benefit for a subset of randomized subjects included in the trial as well as benefits across secondary endpoints. The results also showed that patients with an EAA greater than 0.9 showed no benefit from PMX intervention. When those patients were removed, a 10% improvement in mortality was observed for those treated with PMX. This formed the basis for the FDA submission and subsequently for the design of the Tigris Study. The importance of removing endotoxin was further studied by examining the change in EAA compared with the outcome of mortality. The amount of endotoxin removed was measured by different methods but for all of them, patients with a greater reduction in endotoxin have improved organ function as well as an overall better survival. The findings of a study done on the results from EUPHRATES suggest that reducing EAA levels with PMX as measured by comparison to a median reduction or when a treatment target is established, may result in improvements in mortality and organ function. The main results from EUPHRATES have been published in the Journal of American Medical Association and two other publications appear in Intensive Care Medicine and Critical Care Explorations. Published evidence on the use of PMX in other studies occurring outside North America are numerous. There have been over 400 published papers and approximately 11,000 patients included in PMX studies worldwide.

The Tigris Study was a U.S.-based, multicenter, randomized, controlled Phase 3 study evaluating PMX in adults with endotoxic septic shock, defined by an EAA level between 0.60 and 0.90. Eligible patients also had to meet criteria for multiple organ dysfunction, including a Multiple Organ Dysfunction Score (MODS) >9 or a Sequential Organ Failure Assessment (SOFA) score of >11. A total of 157 patients were randomized in a 2:1 ratio to receive either PMX plus standard care (n=106) or standard care alone (n=51). The primary endpoint – 28-day all-cause mortality – was evaluated using a prespecified Bayesian statistical model, which evaluates results in the context of prior probability. The model incorporated data from 179 patients in the previously conducted EUPHRATES trial alongside the data from the Tigris Study. The goal of the Tigris Study was to confirm the benefit of PMX hemoadsorption in patients with endotoxic septic shock. At the 28-day stage, the intention to treat the cohort showed a posterior probability of benefit of 95.3% which exceeded the target of >95%. Furthermore, the 28-day mortality for the Tigris Study was 38.7% with PMX versus 45.1% with standard of care. Mortality at 90 days showed a >99% posterior probability of benefit for PMX and a 17.4% reduction in mortality with PMX. The 90-day results provide important confirmation that the benefits associated with PMX are persistent over time. Overall, the results of the Tigris Study met or exceeded the prespecified targets as further detailed in the Tigris MCR.

We anticipate that a potential PMA from the FDA following the Tigris Study could be granted in the second half of 2026. An approved PMA provides 7-10 years of market exclusivity in the United States for PMX due to the fact that any competitor would have to repeat a similar trial and show efficacy.

We believe that PMX will be a premium priced product in the United States with gross margins anticipated at over 70%. We believe that pricing of a PMX column could be approximately US\$7,500 in the United States, based on current European pricing of approximately €6,000 per PMX column and information provided by an independent consultant. Based the experience of our management team with respect to medical device distribution agreements, we anticipate a range from 40-60% revenue sharing on PMX with potential for excess of 40% U.S. market penetration through strategic distribution partnerships.

We also manufacture and sell certain proprietary reagents. Specifically, we develop, produce and market recombinant cardiac proteins, antibodies and calibrators. These are sold for use in research and development as well as in products manufactured by other diagnostic companies.

Additional information with respect to our business is provided in the AIF, which is incorporated by reference in this Prospectus.

Recent Developments

In early April 2025, the Tigris Study was fully enrolled with a total of 157 patients randomized, of which 100 patients were treated with PMX. We conducted private placements in May 2024 and July 2024, and used the proceeds from such private placements to provide funds to reach full enrollment in the Tigris Study.

Significant Milestones

We anticipate the following significant milestones and estimated cash burn to achieve each milestone, within the next twelve (12) months:

- (a) **FDA Submission at the end of October 2025.**
To prepare the FDA submission, we will finalize the full statistical analysis and clinical submission which is projected to require approximately \$1,630,000.
- (b) **Tigris manuscript publication around the end of December 2025.**
A writing committee comprised of Tigris Study investigators will prepare the peer-reviewed manuscript and facilitate publication in a major medical journal, with an estimated cash burn of approximately \$2,070,000.
- (c) **Potential PMX regulatory clearance and commercialization in the second half of 2026.**
To support FDA review and interactions with the Company, as well as to conduct marketing and salesforce training in preparation for its commercial launch, we project an estimated cash burn of approximately \$4,650,000.

The key material risk to achieving the milestones discussed above is the risk that the FDA may ultimately deny approval of PMX. Additionally, if we are unable to secure or raise necessary funding, this could lead to delays or indefinite postponement of such milestones.

Current Financial Position

Based on unaudited figures as of June 30, 2025, our cash balance is \$3,100,000 and our working capital balance is (\$33,718,000). The working capital balance includes certain items that have no impact on day-to-day operating liquidity, including Notes payable (\$14,901,000), Derivative Liability (\$19,540,000), and Current portion of contract liabilities (\$510,000).

The Notes payable are non-callable by the holders and have maturity dates ranging from November 2026 to May 2028 with conversion prices ranging from \$0.40 to \$0.52. The Notes may not be redeemed by the holders thereof prior to their scheduled maturity dates. The Notes Payable are categorized as current liabilities because they are convertible at any time at the option of the holder into Common Shares. Based on the current market price of the Common Shares and other market conditions, Management currently expects the Notes payable to be converted into equity upon maturity.

The Derivative Liability relates to the conversion feature embedded in the outstanding Notes payable. As such, the Derivative Liability is a non-cash, non-operational item.

The Current portion of contract liabilities are payments received from Vantive for exclusive distribution rights and the PrisMax substudy in advance of Spectral providing goods or services for these collaboration agreements. These amounts are non-cash items, and are recognized as revenue once Spectral fulfills its performance obligations.

Adjusting for these three items provides day-to-day operating liquidity of \$1,233,000. Our average monthly cash burn rate is approximately \$775,000 per month which is expected to continue until FDA clearance for PMX is received. We expect that the existing cash balance and working capital, combined with committed funding from the Vantive Promissory Note (as defined below), will be sufficient to support ongoing operations and advance the business for at least the next 12 months.

Additional information with respect to our business is provided in the AIF, which is incorporated by reference in this Prospectus.

CONSOLIDATED CAPITALIZATION

There have been no material changes in our share or loan capital, on a consolidated basis, since the date of the Interim Financial Statements. The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Company that will result from the issuance of Securities pursuant to such Prospectus Supplement.

EARNINGS COVERAGE RATIOS

The applicable Prospectus Supplement will provide, as required, the earnings coverage ratios with respect to the issuance of Securities pursuant to such Prospectus Supplement.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, we intend to use the net proceeds from the sale of Securities for the following purposes which are contingent upon the achievement of specified clinical and regulatory milestones including FDA clearance for PMX:

- (a) **Debt Reduction.** A portion of proceeds may be used to repay all or a portion of the total \$27.5 million outstanding debt which includes the 9.00% Convertible Senior Notes due in 2026 and 2028 and other short-term indebtedness, including amounts drawn under the Vantive Promissory Note (as defined below).
- (b) **Working Capital and Commercial Readiness.** If we receive FDA clearance, we expect to incur increased working capital requirements associated with commercialization activities – primarily associated with securing inventory which we expect will require approximately \$1.5 million.
- (c) **Research & Development.** A portion of proceeds may be directed toward the continued refinement and validation of an updated EAA to support regulatory expansion and clinical utility.
- (d) **Manufacturing Scale-Up.** In anticipation of potential FDA clearance of PMX, we may allocate a portion of proceeds to expand our manufacturing footprint and make capacity enhancements.

Further specific information about the use of net proceeds of any offering of Securities under this Prospectus will be set forth in the applicable Prospectus Supplement. We may invest funds which we do not immediately use. Such investments may include short-term marketable investment grade securities denominated in Canadian dollars, United States dollars or other currencies. We may, from time to time, issue securities other than pursuant to this Prospectus.

During the fiscal year ended December 31, 2024 and for the six months ended June 30, 2025, the Company had negative cash flow from operating activities. The Company has a limited history of revenues from its operating activities and anticipates it will continue to have negative cash flow from operating activities in future periods until FDA clearance for the PMX device is received. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the sale of the Offered Units may be used to fund such negative cash flow from operating activities. See “Risk Factors – Negative Cash Flow from Operations”.

SHARE STRUCTURE

Our authorized share capital consists of an unlimited number of Common Shares. As at September 25, 2025, we had 289,138,820 Common Shares issued and outstanding.

DIVIDENDS AND DISTRIBUTIONS

We have not, since the date of our incorporation, declared or paid any dividends on the Common Shares, and do not currently have a policy with respect to the payment of dividends. For the foreseeable future, we anticipate that we will retain future earnings and other cash resources for the operation and development of our business. The payment of dividends in the future, if any, will be determined by the Board in their sole discretion based upon, among other factors, our cash flow, results of operations and financial condition, the need for funds to finance ongoing operations, and such other business considerations as the Board considers relevant.

DESCRIPTION OF SECURITIES OFFERED

Common Shares

The summary below of the rights, privileges, restrictions and conditions attaching to the Common Shares is subject to, and qualified in its entirety by reference to, our articles and by-laws, which may be accessed electronically under our profile on SEDAR+ at www.sedarplus.ca. Common Shares may be sold separately or together with Debt Securities, Subscription Receipts and/or Warrants under this Prospectus. Common Shares may also be issuable on conversion, exchange, exercise or maturity of certain Debt Securities, Subscription Receipts and/or Warrants qualified for issuance under this Prospectus.

Holders of Common Shares are entitled to receive notice of, attend and vote at, all meetings of our shareholders (except with respect to matters requiring the vote of a specified class or series voting separately as a class or series) and are entitled to one vote for each Common Share on all matters to be voted on by shareholders at meetings of our shareholders. Holders of Common Shares are entitled to receive such dividends, if, as and when declared by the Board, in their sole discretion. All dividends which the Board may declare shall be declared and paid in equal amounts per share on all Common Shares at the time outstanding. On our liquidation, dissolution or winding up, the holders of Common Shares will be entitled to receive our property remaining after payment of all outstanding debts on a pro rata basis, but subject to the rights, privileges, restrictions and conditions of any other class of shares issued by us and ranking senior to the Common Shares. There are no pre-emptive, redemption or conversion rights attaching to the Common Shares. All Common Shares, when issued, are and will be issued as fully paid and non-assessable shares without liability for further calls or to assessment.

Debt Securities

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of a series of Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in the applicable Prospectus Supplement. One or more series of Debt Securities may be sold separately or together with Common Shares, Subscription Receipts and/or Warrants under this Prospectus, or on conversion or exchange of any such Securities.

Priority

The Debt Securities will be senior or subordinated indebtedness of Spectral as described in the relevant Prospectus Supplement. If the Debt Securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of Spectral, from time to time issued and outstanding, which is not subordinated.

If the Debt Securities are subordinated indebtedness, they will rank equally and rateably with all other subordinated Debt Securities from time to time issued and outstanding. In the event of the insolvency or winding-up of Spectral, the subordinated Debt Securities will be subordinated and postponed in right of payment to the prior payment in full of all other liabilities and indebtedness of Spectral, other than indebtedness that, by its terms, ranks equally with, or subordinate to, such subordinated Debt Securities.

The Debt Securities are Unsecured Obligations

The Debt Securities will be direct unsecured obligations of Spectral.

Terms of the Debt Securities

In conformity with the applicable laws of Canada, the Debt Securities will be governed by a document called an “indenture”. There will be a separate indenture for the senior Debt Securities and the subordinated Debt Securities. An indenture is a contract between a financial institution, acting on behalf of the purchasers as trustee of the Debt Securities offered, and us. The trustee has two main roles. First, subject to some limitations on the extent to which the trustee can act on behalf of a holder of Debt Securities, the trustee can enforce the rights of a holder of Debt Securities against us if we default on our obligations under the indenture. Second, the trustee performs certain administrative duties for us. The aggregate principal amount of Debt Securities that may be issued under each indenture is unlimited. A copy of the form of each indenture to be entered into in connection with offerings of Debt Securities will be filed with the securities regulatory authorities in Canada when it is entered into. A copy of any indenture or supplement thereto entered into by us will be filed with securities regulatory authorities and will be available on our profile on SEDAR+ at www.sedarplus.ca.

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate, or to recognized market benchmark interest rates such as SOFR, SONIA or €STR.

Selected provisions of the Debt Securities and the indenture(s) under which such Debt Securities will be issued are summarized below. This summary is not complete. The statements made in this Prospectus relating to any indenture and Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable indenture.

The indentures will not limit the amount of Debt Securities that we may issue thereunder. We may issue Debt Securities from time to time under an indenture in one or more series by entering into supplemental indentures or by the Board or a duly authorized committee authorizing the issuance. The Debt Securities of a series need not be issued at the same time, bear interest at the same rate or mature on the same date.

The Prospectus Supplement for a particular series of Debt Securities will disclose the specific terms of such Debt Securities, including the price or prices at which the Debt Securities to be offered will be issued. The terms and provisions of any Debt Securities offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. Those terms may include some or all of the following:

- (a) the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- (b) the indenture under which such Debt Securities will be issued and the trustee(s) thereunder;
- (c) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars);
- (d) whether such Debt Securities are senior or subordinated and, if subordinated, the applicable subordination provisions of the Debt Securities;
- (e) the percentage of the principal amount at which such Debt Securities will be issued;

- (f) the date or dates on which such Debt Securities will mature;
- (g) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- (h) the dates on which any such interest will be payable and the record dates for such payments;
- (i) any redemption term or terms under which such Debt Securities may be defeased;
- (j) whether such Debt Securities are to be issued in registered form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- (k) the place or places where principal, premium and interest will be payable;
- (l) the designation and terms of any other Securities with which the Debt Securities will be offered, if any, and the principal amount of Debt Securities that will be offered with each Security;
- (m) the securities exchange(s) on which such series of Debt Securities will be listed, if any;
- (n) any terms relating to the modification, amendment or waiver of any terms of such Debt Securities or the applicable indenture;
- (o) any change in the right of the trustee or the holders to declare the principal, premium and interest with respect to such series of debt securities to be due and payable;
- (p) governing law;
- (q) any limit upon the aggregate principal amount of the Debt Securities of such series that may be authenticated and delivered under the indenture;
- (r) if other than Spectral or the trustee, the identity of each registrar and/or paying agent;
- (s) if the Debt Securities are issued as a Unit with another Security, the date on and after which the Debt Securities and other Security will be separately transferable;
- (t) if the Debt Securities are to be issued upon the exercise of Warrants, the time, manner and place for such Securities to be authenticated and delivered;
- (u) if the Debt Securities are to be convertible or exchangeable into other securities of Spectral, the terms and procedures for the conversion or exchange of the Debt Securities into other securities; and
- (v) any other specific terms of the Debt Securities of such series, including any events of default or covenants.

Any convertible or exchangeable Debt Securities will be convertible or exchangeable only for other securities of Spectral. In an offering of convertible, exchangeable or exercisable Securities, original purchasers will have a contractual right of rescission against Spectral following the conversion, exchange or exercise of such Securities in the event that this Prospectus, the applicable Prospectus Supplement or any amendment thereto contains a misrepresentation. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the securities issued upon conversion, exchange or exercise of such Securities, the amount paid for such Securities under the applicable Prospectus Supplement and any additional amounts paid upon the conversion, exchange or exercise of such Securities, provided that (i) the conversion, exchange or exercise takes place within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement and (ii) the right of rescission

is exercised within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario) and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise by law. This right of rescission will not extend to any holders of convertible or exchangeable Debt Securities who acquire such convertible or exchangeable Debt Securities from an initial purchaser on the open market or otherwise.

Debt Securities, if issued in registered form, will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for a like aggregate principal amount in authorized denominations and will be transferable at any time or from time to time at the corporate trust office of the relevant trustee. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

Modifications

We may amend any indenture and the Debt Securities without the consent of the holders of the Debt Securities in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Debt Securities. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

Subscription Receipts

Subscription Receipts may be offered separately or together with Debt Securities, Common Shares and/or Warrants, as the case may be. Subscription Receipts will be issued under a subscription receipt agreement (a “Subscription Receipt Agreement”) that will be entered into between us and the escrow agent (the “Escrow Agent”) at the time of issuance of the Subscription Receipts. Each Escrow Agent will be a financial institution authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any Subscription Receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the Subscription Receipts sold to or through such underwriter or agent.

Terms of the Subscription Receipts

The Subscription Receipt Agreement will provide each initial purchaser of Subscription Receipts with a non-assignable contractual right of rescission following the issuance of any Securities, as applicable, to such purchaser upon the exchange of the Subscription Receipts if this Prospectus, the Prospectus Supplement under which the Subscription Receipts are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the *Securities Act* (Ontario). This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Subscription Receipts under the applicable Prospectus Supplement and any additional amounts paid upon the exchange of such Securities upon surrender of the Securities issued in exchange therefor, provided that such remedy for rescission is exercised in the time stipulated in the Subscription Receipt Agreement. This right of rescission will not extend to any holders of Subscription Receipts who acquire such Subscription Receipts from an initial purchaser on the open market or otherwise.

The applicable Prospectus Supplement will include details of the Subscription Receipt Agreement covering the Subscription Receipts being offered. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. A copy of the Subscription Receipt Agreement will be filed by us with securities regulatory authorities after it has been entered into by us and will be available on our profile on SEDAR+ at www.sedarplus.ca.

Subscription Receipts will entitle the holder thereto to receive other Securities (typically Common Shares or Debt Securities), for no additional consideration, upon the completion of a particular transaction or event, typically an acquisition of the assets or securities of another entity by us. The subscription proceeds from an offering of Subscription Receipts (the “Escrowed Funds”) will be held in escrow by an escrow or other agent pending the completion of the transaction or the termination time (the time at which the escrow terminates regardless of whether the transaction or event has occurred). Holders of Subscription Receipts will receive other Securities upon the completion of the particular transaction or event or, if the transaction or event does not occur by the termination time,

a return of the subscription funds for their Subscription Receipts together with any interest or other income earned thereon.

This section describes the general terms that will apply to any Subscription Receipts being offered. The terms and provisions of any Subscription Receipts offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Subscription Receipts that will be described in the related Prospectus Supplement will include, where applicable:

- (a) the number of Subscription Receipts;
- (b) the price at which the Subscription Receipts will be offered;
- (c) conditions (the “Release Conditions”) for the exchange of Subscription Receipts into Securities, as the case may be, and the consequences of such conditions not being satisfied;
- (d) the procedures for the exchange of the Subscription Receipts into Common Shares or Debt Securities;
- (e) the number of Common Shares or Debt Securities to be exchanged for each Subscription Receipt;
- (f) the currency or currency unit for which Subscription Receipts may be purchased and the aggregate principal amount, currency or currencies, denominations and terms of the series of Common Shares or Debt Securities that may be exchanged upon exercise of each Subscription Receipt;
- (g) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- (h) the dates or periods during which the Subscription Receipts may be exchanged into Common Shares or Debt Securities;
- (i) the identity of the Escrow Agent;
- (j) the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of such Subscription Receipts, together with interest and income earned thereon, or collectively, the Escrowed Funds, pending satisfaction of the Release Conditions;
- (k) the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to us upon satisfaction of the Release Conditions and if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- (l) procedures for the payment by the Escrow Agent to holders of such Subscription Receipts of an amount equal to all or a portion of the subscription price of their Subscription Receipts, plus any additional amounts provided for in the Subscription Receipt Agreement, if the Release Conditions are not satisfied;
- (m) the material income tax consequences of owning, holding and disposing of the Subscription Receipts;
- (n) the securities exchange(s) on which the Subscription Receipts will be listed, if any; and
- (o) any other material terms and conditions of the Subscription Receipts.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities to be received on the exchange of the Subscription Receipts.

Subscription Receipts, if issued in registered form, will be exchangeable for other Subscription Receipts of the same tenor, at the head office indicated in the Prospectus Supplement. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

Escrow

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to us (and, if the Subscription Receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive payment of an amount equal to all or a portion of the subscription price for their Subscription Receipts, plus any additional amounts provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement.

Modifications

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the Subscription Receipts issued thereunder may be made by way of a resolution of holders of Subscription Receipts at a meeting of such holders or by way of consent in writing from such holders. The number of holders of Subscription Receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement. The Subscription Receipt Agreement will also specify that we may amend the Subscription Receipt Agreement and the Subscription Receipts, without the consent of the holders of the Subscription Receipts, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of the holder of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

Warrants

The following sets forth certain general terms and provisions of the Warrants. We may issue Warrants for the purchase of Common Shares, Debt Securities or other securities of Spectral. Warrants may be issued independently or together with Common Shares, Debt Securities, Subscription Receipts or other Securities offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Each series of Warrants will be issued under a warrant indenture or agreement between us and a warrant agent that will be named in the applicable Prospectus Supplement.

Terms of the Warrants

Each initial purchaser of Warrants that are exercisable within 180 days of the date of purchase will have a non-assignable contractual right of rescission following the issuance of any securities to such purchaser upon the exercise of the Warrants if this Prospectus, the Prospectus Supplement under which the Warrants are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the *Securities Act* (Ontario). This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Warrants, including any additional amounts paid upon the exercise of such Warrants, upon surrender of the securities issued on the exercise thereof, provided that such remedy for rescission is exercised within 180 days from the date of the purchase of such Warrants under the applicable Prospectus Supplement. This right of rescission will not extend to any holders of Warrants who acquire such Warrants from an initial purchaser on the open market or otherwise.

The applicable Prospectus Supplement will include details of the warrant agreement(s) covering the Warrants being offered. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement. A copy of the agreement governing the Warrants will be filed by us with securities regulatory authorities after it has been entered into by us and will be available on our profile on SEDAR+ at www.sedarplus.ca.

Warrants will entitle the holder thereof to receive other Securities (typically Common Shares or Debt Securities) upon the exercise thereof and payment of the applicable exercise price. A Warrant is exercisable for a specific period of time at the end of which time it will expire and cease to be exercisable.

This section describes the general terms that will apply to any Warrants being offered. The terms and provisions of any Warrants offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Warrants that will be described in the related Prospectus Supplement will include, where applicable:

- (a) the designation of the Warrants;
- (b) the aggregate number of Warrants offered and the offering price;
- (c) the designation, number and terms of the Common Shares, Debt Securities or other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- (d) the exercise price of the Warrants;
- (e) the dates or periods during which the Warrants are exercisable;
- (f) the designation and terms of any securities with which the Warrants are issued;
- (g) if the Warrants are issued as a Unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- (h) the currency or currency unit in which the exercise price is denominated;
- (i) whether such Warrants will be subject to redemption or call, and if so, the terms of such redemption or call provisions;
- (j) any minimum or maximum amount of Warrants that may be exercised at any one time;
- (k) whether such Warrants will be listed on any securities exchange;
- (l) whether the Warrants will be issued in fully registered or global form;
- (m) any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- (n) any rights, privileges, restrictions and conditions attaching to the Warrants;
- (o) the material income tax consequences of owning, holding and disposing of the Warrant; and
- (p) any other specific terms.

Warrant certificates, if issued in registered form, will be exchangeable for new warrant certificates of different denominations at the office indicated in the Prospectus Supplement. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

Modifications

We may amend any agreement governing the Warrants and the Warrants themselves, without the consent of the holders of the Warrants in certain circumstances including to cure any ambiguity, to cure, correct or supplement

any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Warrants. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

Enforceability

The warrant agent will act solely as our agent. The warrant agent will not have any duty or responsibility if we default under any agreement governing the Warrants or the warrant certificates. A Warrant holder may, without the consent of the warrant agent, enforce, by appropriate legal action on its own behalf, the holder's right to exercise the holder's Warrants.

Units

The following sets forth certain general terms and provisions of the Units. We may issue Units comprised of only one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

Terms of the Units

Any Prospectus Supplement for Units supplementing this Prospectus will contain the terms and other information with respect to the Units being offered thereby, including:

- (a) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- (b) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;
- (c) how, for income tax purposes, the purchase price paid for the Units is to be allocated among the component Securities;
- (d) the currency or currency units in which the Units may be purchased and the underlying Securities denominated;
- (e) the securities exchange(s) on which such Units will be listed, if any;
- (f) whether the Units and the underlying Securities will be issued in fully registered or global form; and
- (g) any other specific terms of the Units and the underlying Securities.

The preceding description and any description of Units in the applicable Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to any agreement(s) governing the Units and, if applicable, collateral arrangements and depositary arrangements relating to such Units.

Modifications

We may amend any agreement governing the Units and the Units themselves, without the consent of the holders of the Units in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Units. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

PRIOR SALES

Except as set out in the next two paragraphs, we have not sold or issued any Debt Securities, Subscription Receipts, Warrants, or securities convertible into Debt Securities, Subscription Receipts or Warrants during the 12 months prior to the date hereof.

On July 22, 2024, we issued an aggregate principal amount of US\$1,000,000 of our 9% convertible notes due on May 1, 2028 at a price of US\$1,000 per convertible note. Such notes were sold to one of our largest shareholders pursuant to the exercise of their anti-dilution pre-emptive rights relating to the closing of our offering of approximately CDN\$8.5 million aggregate principal amount of notes of the same series on May 30, 2024.

On May 6, 2025, we issued a senior secured promissory note (the “Vantive Promissory Note”) to Vantive in the aggregate principal amount of up to US\$10,000,000. Under the terms of the Vantive Promissory Note, Vantive may advance funds to us in up to four separate tranches to support our continued evidence generation strategy and path to commercialization of PMX. The first tranche of US\$4,000,000 payable to us was triggered and paid on May 6, 2025 on the execution of the Vantive Promissory Note. The second tranche of US\$3,000,000 was paid on August 22, 2025. The Vantive Promissory Note has a four year maturity, provides for payment-in-kind (“PIK”) interest at an annual rate of 9%, provides that the principal amount and PIK interest is to be repaid at maturity, and is not convertible into any of our securities. A copy of the Vantive Promissory Note is filed under our profile on SEDAR+ at www.sedarplus.ca.

The following table summarizes the issuances of Common Shares and securities convertible into Common Shares during the 12 months prior to the date of this Prospectus:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Grant Price / Conversion Price/ Exercise Price ⁽¹⁾
October 1, 2024	DSUs	66,649	\$0.61
October 24, 2024	Common Shares ⁽²⁾	9,736	\$0.44
October 24, 2024	Common Shares ⁽²⁾	12,750	\$0.38
October 24, 2024	Common Shares ⁽²⁾	4,666	\$0.38
November 19, 2024	Common Shares ⁽⁴⁾	64,490	\$0.325
November 19, 2024	Common Shares ⁽⁴⁾	48,326	\$0.470
November 19, 2024	Common Shares ⁽⁴⁾	46,688	\$0.345
November 19, 2024	Common Shares ⁽⁴⁾	16,420	\$0.470
November 19, 2024	Common Shares ⁽⁴⁾	62,728	\$0.330
November 19, 2024	Common Shares ⁽⁴⁾	63,363	\$0.350
November 19, 2024	Common Shares ⁽⁴⁾	43,359	\$0.470
November 19, 2024	Common Shares ⁽⁴⁾	274,510	\$0.255
November 19, 2024	Common Shares ⁽⁴⁾	63,512	\$0.325
November 19, 2024	Common Shares ⁽⁴⁾	63,207	\$0.360
November 19, 2024	Common Shares ⁽⁴⁾	109,375	\$0.320
November 22, 2024	Common Shares ⁽⁵⁾	605,022	\$0.294
November 26, 2024	Common Shares ⁽²⁾	3,000	\$0.38
December 9, 2024	Common Shares ⁽²⁾	6,666	\$0.37
December 18, 2024	Common Shares ⁽²⁾	1,666	\$0.37
December 18, 2024	Common Shares ⁽²⁾	1,500	\$0.37
January 6, 2025	DSUs	93,886	\$0.55
January 13, 2025	Common Shares ⁽²⁾	431,882	\$0.34
February 3, 2025	Options	1,695,592	\$0.53
February 3, 2025	RSUs	1,762,680	\$0.53
February 3, 2025	DSUs	660,377	\$0.53

Date of Issuance	Type of Security Issued	Number of Securities Issued	Grant Price / Conversion Price/ Exercise Price⁽¹⁾
March 10, 2025	Common Shares ⁽³⁾	18,750	\$0.48
March 13, 2025	Common Shares ⁽⁴⁾	208,337	\$0.255
March 13, 2025	Common Shares ⁽⁴⁾	142,049	\$0.330
April 1, 2025	DSUs	67,195	\$0.77
May 7, 2025	Common Shares ⁽³⁾	62,500	\$0.48
May 15, 2025	Common Shares ⁽²⁾	100,000	\$0.63
May 23, 2025	Common Shares ⁽³⁾	16,091	\$0.48
May 26, 2025	Common Shares ⁽⁴⁾	223,883	\$0.32
June 24, 2025	Common Shares ⁽²⁾	150,000	\$0.32
June 24, 2025	Common Shares ⁽²⁾	150,000	\$0.255
August 8, 2025	Common Shares ⁽³⁾	50,000	\$0.48
August 11, 2025	Common Shares ⁽³⁾	17,500	\$0.48
August 18, 2025	Common Shares ⁽²⁾	13,333	\$0.37
August 18, 2025	Common Shares ⁽²⁾	1,500	\$0.38
August 18, 2025	Common Shares ⁽³⁾	500,000	\$0.48
August 19, 2025	Common Shares ⁽⁴⁾	228,002	\$0.37
August 19, 2025	Common Shares ⁽⁴⁾	235,410	\$0.38
August 19, 2025	Common Shares ⁽³⁾	25,000	\$0.48
August 20, 2025	Common Shares ⁽²⁾	10,000	\$0.26
August 20, 2025	Common Shares ⁽³⁾	100,000	\$0.48
August 22, 2025	Common Shares ⁽²⁾	1,625	\$0.44
August 22, 2025	Common Shares ⁽²⁾	3,333	\$0.26
August 22, 2025	Common Shares ⁽²⁾	2,333	\$0.37
August 22, 2025	Common Shares ⁽²⁾	3,333	\$0.67
August 25, 2025	Common Shares ⁽²⁾	500,000	\$0.63
August 25, 2025	RSUs	116,500	\$1.40
August 26, 2025	Common Shares ⁽²⁾	25,000	\$0.58
August 26, 2025	Common Shares ⁽²⁾	100,000	\$0.63
August 27, 2025	Common Shares ⁽²⁾	1,167	\$0.67
August 27, 2025	Common Shares ⁽³⁾	75,000	\$0.48
August 28, 2025	Common Shares ⁽²⁾	62,888	\$0.63
August 28, 2025	Common Shares ⁽²⁾	137,112	\$0.63
August 28, 2025	Common Shares ⁽²⁾	1,500	\$0.38
August 29, 2025	Common Shares ⁽²⁾	9,762	\$0.44
August 29, 2025	Common Shares ⁽²⁾	12,605	\$0.58
August 29, 2025	Common Shares ⁽²⁾	2,333	\$0.37
August 29, 2025	Common Shares ⁽²⁾	6,500	\$0.38
September 2, 2025	Common Shares ⁽²⁾	94	\$0.58
September 2, 2025	Common Shares ⁽³⁾	187,500	\$0.48
September 3, 2025	Common Shares ⁽³⁾	9,375	\$0.48
September 5, 2025	Common Shares ⁽³⁾	125,000	\$0.48
September 8, 2025	Common Shares ⁽³⁾	100,000	\$0.48
September 9, 2025	Common Shares ⁽²⁾	25,000	\$0.58
September 9, 2025	Common Shares ⁽³⁾	62,500	\$0.48
September 10, 2025	Common Shares ⁽²⁾	4,892	\$0.58
September 10, 2025	Common Shares ⁽²⁾	3,523	\$0.58

Date of Issuance	Type of Security Issued	Number of Securities Issued	Grant Price / Conversion Price/ Exercise Price⁽¹⁾
September 11, 2025	Common Shares ⁽³⁾	125,000	\$0.48
September 12, 2025	Common Shares ⁽³⁾	62,500	\$0.48
September 15, 2025	Common Shares ⁽²⁾	5,218	\$0.58
September 15, 2025	Common Shares ⁽²⁾	3,783	\$0.58
September 15, 2025	Common Shares ⁽³⁾	112,500	\$0.48
September 16, 2025	Common Shares ⁽²⁾	4,500	\$0.44
September 17, 2025	Common Shares ⁽³⁾	125,000	\$0.48
September 18, 2025	Common Shares ⁽³⁾	25,000	\$0.48
September 22, 2025	Common Shares ⁽³⁾	150,000	\$0.48
September 23, 2025	Common Shares ⁽³⁾	62,500	\$0.48

Notes:

⁽¹⁾ Grant price of RSUs and DSUs, conversion price of convertible notes and exercise price of Options and Warrants.

⁽²⁾ Common Shares issued pursuant to the exercise of Options.

⁽³⁾ Common Shares issued pursuant to the exercise of Warrants.

⁽⁴⁾ Common Shares issued pursuant to the exercise of RSUs.

⁽⁵⁾ Common Shares issued pursuant to the exercise of convertible notes.

TRADING PRICES AND VOLUMES

The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the Common Shares on the TSX.

Date	Price Range⁽¹⁾		Monthly Trading Volume⁽²⁾
	High (\$)	Low (\$)	
September 1 – 25, 2025	1.76	1.43	2,613,466
August 2025	1.84	0.81	6,962,807
July 2025	0.88	0.77	1,226,497
June 2025	0.82	0.80	968,423
May 2025	0.88	0.80	1,426,859
April 2025	0.85	0.66	1,245,294
March 2025	0.77	0.66	1,432,075
February 2025	0.79	0.52	1,710,124
January 2025	0.59	0.485	855,995
December 2024	0.57	0.455	1,433,645
November 2024	0.62	0.5	1,658,847
October 2024	0.62	0.55	1,411,322
September 2024	0.7	0.57	1,698,857

Notes:

⁽¹⁾ Includes intra-day lows and highs.

⁽²⁾ Total volume traded in the month.

PLAN OF DISTRIBUTION

We may sell the Securities to or through one or more underwriters or dealers, purchasing as principals for public offering and sale by them, and may also sell Securities to one or more other purchasers directly or through agents. Securities sold to the public pursuant to this Prospectus may be offered and sold exclusively in Canada. The

Prospectus Supplement relating to an offering of Securities will indicate the jurisdiction or jurisdictions in which such offering is being made to the public and will identify the person(s) offering the Securities. Each Prospectus Supplement will set out the terms of the offering, including the name or names of any underwriters, dealers or agents, the purchase price or prices of the Securities (or the manner of determination thereof if offered on a non-fixed price basis), and the proceeds to us from the sale of the Securities. Only underwriters, dealers or agents so named in the Prospectus Supplement are deemed to be underwriters, dealers or agents, as the case may be, in connection with the Securities offered thereby.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters, dealers or agents will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters, dealers or agents to us.

Underwriters, dealers or agents may make sales of Securities in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an “at-the-market” offering as defined in and subject to limitations imposed by and the terms of any regulatory approvals required and obtained under, applicable Canadian securities laws, which includes sales made directly on an existing trading market for the Common Shares, or sales made to or through a market maker other than on an exchange. In connection with any offering of Securities, except with respect to “at-the-market” (ATM) offerings, underwriters may over-allot or effect transactions which stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail in the open market. A purchaser who acquires any Securities forming part of the underwriters’ over-allocation position acquires those securities under the applicable Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter of the at-the-market distribution, and no person or company acting jointly or in concert with an underwriter, may, in connection with the distribution, enter into any transaction that is intended to stabilize or maintain the market price of the securities or securities of the same class as the securities distributed under the ATM prospectus, including selling an aggregate number or principal amount of securities that would result in the underwriter creating an over-allocation position in the securities. In the event that we determine to pursue an “at-the-market” offering in Canada, we will apply for the applicable exemptive relief from the Canadian securities commissions.

If underwriters or dealers purchase Securities as principals, the Securities will be acquired by the underwriters or dealers for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters or dealers to purchase those Securities will be subject to certain conditions precedent, and the underwriters or dealers will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid may be changed from time to time.

The Securities may also be sold directly by us in accordance with applicable securities laws at prices and upon terms agreed to by the purchaser and us, or through agents designated by us, from time to time. Any agent involved in the offering and sale of Securities pursuant to a particular Prospectus Supplement will be named, and any commissions payable by us to that agent will be set forth in such Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent would be acting on a best efforts basis for the period of its appointment.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from us in the form of commissions, concessions and discounts. Any such commissions may be paid out of our general funds or the proceeds of the sale of Securities. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with us to indemnification by us against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments which

such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may engage in transactions with, or perform services for, us in the ordinary course of business.

Each issue by us of Debt Securities, Subscription Receipts, Warrants and Units will be a new issue of securities with no established trading market. Unless otherwise specified in a Prospectus Supplement relating to an offering of Debt Securities, Subscription Receipts, Warrants and Units, such Securities will not be listed on any securities or stock exchange. Any underwriters, dealers or agents to or through whom such Securities are sold may make a market in such Securities, but they will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in any such Securities will develop or as to the liquidity of any trading market for such Securities.

In connection with any offering of Securities, the applicable Prospectus Supplement will set forth any intention by the underwriters, dealers or agents to offer, allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time.

PARTICIPATION RIGHTS

We entered into an agreement with Toray (the “Toray Private Placement Agreement”) dated March 7, 2013, and an agreement with the Birch Hill LPs, dated June 10, 2014 (the “Birch Hill Private Placement Agreement”), in each case, pursuant to which, among other things, we granted Toray and the Birch Hill LPs a contractual right to participate in certain issuances by us of Common Shares to maintain their *pro rata* ownership percentage of us (the “Participation Rights”).

Pursuant to such Participation Rights, we have undertaken to provide written notice of the proposed issuance by us of any additional Common Shares from time to time (each a “Common Share Issue Notice”). Upon receipt of a Common Share Issue Notice, each of Toray and the Birch Hill LPs has the right, exercisable within 30 days (in the case of Toray) and 10 business days (in the case of the Birch Hill LPs) of receiving such notice, to subscribe for and purchase from us, such number of Common Shares that will allow the respective Strategic Investor to maintain an aggregate percentage ownership interest in us equal to the aggregate percentage ownership interest in us that the respective Strategic Investor held prior to any such new issuance of Common Shares (the “New Issuance”), at a price per Common Share equal to the issue price per Common Share under the New Issuance.

Issuances under the Prospectus may trigger the Participation Rights of the Strategic Investors, entitling them to purchase from us up to the number of Common Shares necessary to maintain their respective percentage equity ownership interests in us at the applicable offering price. As of the date of this Prospectus, Toray currently owns 45,630,105 Common Shares, or approximately 16% of the issued and outstanding Common Shares, and the Birch Hill LPs currently own or control 36,210,017 Common Shares, or approximately 13% of the issued and outstanding Common Shares, in each case, calculated on a non-diluted basis.

The Participation Rights granted to Toray in the Toray Private Placement Agreement terminate on the date that Toray sells, assigns or transfers any of the Common Shares purchased under the Toray Private Placement Agreement to any person other than to an affiliate of Toray. The Participation Rights granted to the Birch Hill LPs in the Birch Hill Private Placement Agreement terminate on the date that the Birch Hill LPs no longer own in the aggregate 5% or more of the Common Shares outstanding from time to time (calculated on a non-diluted basis).

CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement will describe certain material Canadian federal income tax consequences to a prospective purchaser of the acquisition, ownership and disposition of any Securities offered thereunder.

LEGAL MATTERS

Unless otherwise specified in a Prospectus Supplement relating to a specific offering of Securities, certain legal matters relating to the offering of Securities will be passed upon on our behalf by Stikeman Elliott LLP. As of the date hereof, partners and associates of Stikeman Elliott LLP own beneficially, directly or indirectly, less than 1% of any of our securities or any of our associates or affiliates. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters or agents, as applicable, by counsel to be designated at the time of the offering.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our independent auditor is MNP LLP, Suite 900, 50 Burnhamthorpe Road W., Mississauga, Ontario, L5B 3C2. The auditor is independent of us within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

The auditors of the Company were previously PricewaterhouseCoopers LLP, Chartered Professional Accountants. PricewaterhouseCoopers LLP has confirmed that they were independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, including the CPA Code of Professional Conduct and any applicable legislation or regulations.

The transfer agent and registrar for the Common Shares in Canada is Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. Irrespective of the determination at a later date of the purchase price of the securities distributed, this right may only be exercised within 2 business days after the later of (a) the date that the issuer (i) filed the prospectus or any amendment on SEDAR+ and a receipt is issued and posted for the document, and (ii) issued and filed a news release on SEDAR+ announcing that the document is accessible through SEDAR+, and (b) the date that the purchaser or subscriber has entered into an agreement to purchase the securities or a contract to purchase or a subscription for the securities. However, purchasers of Common Shares distributed under an at-the-market distribution by the Company do not have the right to withdraw from an agreement to purchase Common Shares and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to Common Shares purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the Common Shares purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of National Instrument 44-102 Shelf Distributions.

In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. Any remedies under securities legislation that a purchaser of Common Shares distributed under an at-the-market distribution by the Company may have against the Company or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

In addition, original purchasers of Securities which are convertible, exchangeable or exercisable into other securities of the Company will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will be further described in any Prospectus Supplement, but will, in general, entitle such original purchasers to receive the amount paid for the applicable convertible, exchangeable or exercisable Securities (and any additional amount paid upon conversion, exchange or

exercise thereof) upon surrender of the underlying securities of the Company acquired thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under the applicable Prospectus Supplement.

In an offering of Securities which are convertible, exchangeable or exercisable into other securities of the Company, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which such Securities were offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the Security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

CERTIFICATE OF THE COMPANY

Dated: September 26, 2025.

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada, except Québec.

SPECTRAL MEDICAL INC.

(Signed) Chris Seto

Chief Executive Officer and
Chief Financial Officer

(Signed) John Kellum

Chief Medical Officer

On behalf of the Board of Directors

(Signed) Paul Walker

Director

(Signed) William Stevens

Director