

SPOTITEARLY, INC.

Early Detection is One Breath Away

PRIVATE OFFERING MEMORANDUM

April 25, 2025

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The Offering

By means of this Private Offering Memorandum, SpotitEarly Inc. is offering shares of its Series A-1 preferred stock and shares of its Series A-2 preferred stock for a total offering of \$20,000,000. The number of shares that an investor will receive in this Offering will be determined by dividing the amount invested by the applicable price per share.

The preferred shares are being offered at the following prices:

Series A-1 Preferred Stock

<u>Investment Range</u>	<u>Price per Share</u>
\$10,000 (minimum investment) to \$24,999	\$6.86
\$25,000 to \$49,999	\$6.79
\$50,000 to \$99,999	\$6.72
\$100,000 to \$249,999	\$6.57
\$250,000 to \$499,999	\$6.36
\$500,000 to \$999,999	\$6.07
\$1,000,000 and above	\$5.72

Series A-2 Preferred Stock

<u>Investment Range</u>	<u>Price per Share</u>
\$2,000,000 (minimum investment) to \$2,999,999	\$5.36
\$3,000,000 to \$4,999,999	\$5.18
\$5,000,000 to \$7,499,999	\$5.00
\$7,500,000 to \$9,999,999	\$4.82
\$10,000,000 and above	\$4.65

SpotitEarly Inc. is a biotech company at the forefront of early cancer detection. The Company is dedicated to transforming the approach to cancer screening through its innovative bio-AI hybrid platform that combines the high sensitivity of canine olfaction with the precision of artificial intelligence (AI). SpotitEarly's mission is to make early, non-invasive, and accurate cancer pre-screening accessible to everyone, everywhere — thereby significantly improving cancer screening, and in turn improving outcomes and reducing the global burden of cancer.

The SpotitEarly Group consists of SpotitEarly Inc., a U.S.-based company, and its wholly owned operating subsidiary, SpotitEarly Ltd., based in Israel. SpotitEarly Inc. was incorporated in Delaware in November 2024, and SpotitEarly Ltd. was incorporated in Israel in June 2020. SpotitEarly Inc. is responsible for commercialization efforts in the U.S., including clinical trials, strategic partnerships, marketing, and future operations in the U.S. and global markets. It also serves as the main corporate, financing, and headquarters entity of the Group, overseeing global strategy, investor relations, and corporate governance. SpotitEarly Ltd. leads the research, development, and execution of the Company's core technology. This structure allows the Group to align cutting-edge R&D with effective go-to-market execution and regulatory engagement across geographies.

The Company's core technology centers around the detection of volatile organic compounds (VOCs) present in human breath, which are known indicators of metabolic changes associated with cancer, including in the early stages of the disease. Our approach focuses on identifying the unique odor signature of these VOCs, enabling a non-invasive, accurate, and affordable self-administered screening test that can be performed at home or in a clinical setting.

SpotitEarly Inc., the U.S. parent entity, is the issuer of the securities offered under this Private Offering Memorandum. All references to the Company include the Company's wholly owned subsidiary, SpotitEarly Ltd.

There is no minimum amount required to be raised in this offering. All amounts received from investors will be delivered to the Company.

The securities to be sold in this offering will be restricted securities as that term is defined in Rule 144 of the Securities and Exchange Commission. This offering involves substantial risks concerning the Company and its business. Risk factors include the lack of operating history with respect to the Company's business and the need for capital. Any person who is not financially able to lose the entire amount of his or her investment should not participate in this offering. See "Risk Factors".

There is no commitment by any person to purchase any of the securities offered by the Company and there can be no assurance that any securities offered will be sold.

Even if all securities offered are sold, the Company's future operations will be dependent upon its ability to obtain additional capital. Accordingly, following the completion of this offering, the Company may sell additional shares of common stock and/or other securities to raise capital for its operations. As of the date of this Private Offering Memorandum, the Company did not have any commitment from any person to provide it with any additional capital and there can be no assurance that additional funds may be obtained in the future.

The Company will not pay any sales commissions or other form of compensation to any officer, director or employee in connection with this offering.

The shares are being offered and sold on a "best efforts" basis. There is no firm commitment by any person to purchase or sell any of the shares and there is no assurance that any shares offered will be sold. There is no minimum number of shares which are required to be sold in this offering. The Company may terminate this offering at any time.

Use of proceeds:

This Offering is for a maximum amount of \$20,000,000. If we sell the maximum amount, our net proceeds (after sales commissions and our estimated offering expenses) will be approximately \$18,000,000. See "Use of Proceeds" for our intended use of proceeds from this Offering.

Risk factors:

Investing in our preferred stock involves a high degree of risk, including:

- Immediate and substantial dilution and
- No market for our preferred stock.

As of the date of this Private Offering Memorandum, no shares of the Company's Series A-1 or Series A-2 preferred stock were outstanding.

THE SECURITIES OFFERED HAVE NOT BEEN REGISTERED WITH, NOR APPROVED OR DISAPPROVED BY, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, AND NO COMMISSION OR AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM, NOR IS IT INTENDED THAT THEY WILL. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THE "MEMORANDUM") AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THE DELIVERY OF THIS MEMORANDUM AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

THIS OFFERING IS BEING MADE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 FOR AN OFFER AND SALE OF SECURITIES THAT DOES NOT INVOLVE A PUBLIC OFFERING. BY ACCEPTANCE OF THIS MEMORANDUM, EACH OFFEREE AGREES THAT SUCH OFFEREE WILL NOT TRANSMIT, REPRODUCE, OR MAKE AVAILABLE TO ANY OTHER PERSON, EXCEPT SUCH OFFEREE'S AGENTS AND ADVISORS, THIS MEMORANDUM OR ANY APPENDICES OR DOCUMENTS SUPPLIED IN CONNECTION HEREWITH.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY OF THE SECURITIES OFFERED HEREBY, EXCEPT TO OR FROM THE PERSON TO WHOM THIS MEMORANDUM WAS DELIVERED BY, OR ON BEHALF OF, THE COMPANY. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL OR UNAUTHORIZED.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR, AND SHOULD BE USED ONLY IN CONNECTION WITH, A PROSPECTIVE INVESTOR'S CONSIDERATION OF AN INVESTMENT IN THE SECURITIES OF THE COMPANY DESCRIBED HEREIN.

THIS OFFER MAY BE WITHDRAWN AT ANY TIME AND IS SPECIFICALLY MADE SUBJECT TO THE TERMS DESCRIBED IN THIS MEMORANDUM. THE COMPANY RESERVES THE RIGHT TO REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE NUMBER OF SHARES SUBSCRIBED FOR BY SUCH PROSPECTIVE INVESTOR. ANY REPRESENTATION TO THE CONTRARY IS UNAUTHORIZED AND MUST NOT BE RELIED UPON.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM, ANY OTHER DOCUMENTS DELIVERED HEREWITH, IF ANY, OR ANY OTHER COMMUNICATION FROM THE COMPANY AS INVESTMENT OR LEGAL ADVICE. THIS MEMORANDUM, ANY OTHER DOCUMENTS DELIVERED HEREWITH, AND ANY SUCH OTHER MATERIALS, AS WELL AS THE NATURE OF AN INVESTMENT IN THE SECURITIES OFFERED HEREBY, SHOULD BE REVIEWED BY EACH PROSPECTIVE INVESTOR AND SUCH INVESTOR'S INVESTMENT, TAX, LEGAL, ACCOUNTING AND OTHER ADVISORS.

NO GENERAL SOLICITATION WILL BE CONDUCTED AND NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM WILL OR MAY BE EMPLOYED IN THE OFFERING OF THE SECURITIES OFFERED HEREBY, EXCEPT FOR THIS MEMORANDUM (INCLUDING AMENDMENTS AND SUPPLEMENTS HERETO) AND THE DOCUMENTS SUMMARIZED HEREIN OR ENCLOSED HERewith. NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS MEMORANDUM OR IN THE DOCUMENTS SUMMARIZED HEREIN OR ENCLOSED HERewith AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

FLORIDA RESIDENTS

ANY SALE TO A RESIDENT OF FLORIDA IS VOIDABLE BY THE PURCHASER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE COMPANY, ANY AGENT OF THE COMPANY, OR TO ANY ESCROW AGENT.

PENNSYLVANIA RESIDENTS

PENNSYLVANIA RESIDENTS' MAY NOT, UNDER ANY CIRCUMSTANCES, SELL THE SECURITIES PURCHASED IN THIS OFFERING FOR A PERIOD OF TWELVE MONTHS FOLLOWING THE DATE OF PURCHASE, EXCEPT IN ACCORDANCE WITH RULE 204.11 OF THE PENNSYLVANIA SECURITIES COMMISSION

FORWARD LOOKING STATEMENTS

This Private Offering Memorandum contains various forward-looking statements that are based on the Company's beliefs as well as assumptions made by and information currently available to the Company. When used in this Private Offering Memorandum, the words "believe", "expect", "anticipate", "estimate" and similar expressions are intended to identify forward-looking statements. Such statements may include statements regarding and are subject to certain risks, uncertainties and assumptions which could cause actual results to differ materially from projections or estimates. Factors which could cause actual results to differ materially are discussed at length under the heading "Risk Factors." Should one or more of the enumerated risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Investors should not place undue reliance on forward-looking statements, all of which speak only as of the date made.

USE OF PROCEEDS

We plan to use these net proceeds from this Offering for the following, depending upon the amount raised in this Offering:

	<u>Amount Raised</u>			
	<u>\$5,000,000</u>	<u>\$10,000,000</u>	<u>\$15,000,000</u>	<u>\$20,000,000</u>
Offering Expenses	500,000	1,000,000	1,500,000	2,000,000
Clinical Trials and expansion of technology platform	2,000,000	4,000,000	7,000,000	10,000,000
Commercial readiness	1,000,000	2,000,000	4,000,000	5,000,000
General corporate purpose and working capital	1,500,000	3,000,000	2,500,000	3,000,000

Clinical Trials and Expansion of Technology Platform

With a portion of the proceeds from this offering, the Company plans to conduct two subsequent studies in the U.S., focused on early detection of breast and lung cancer. These clinical trials are not ones which would be required for FDA clearance but which may validate the efficacy of the SpotitEarly test. As such, the data from these trials may be used as supportive data in FDA submissions.

Commercial Readiness

Proceeds allocated to commercial readiness will be used for activities needed to begin marketing and sales of the Company's test.

The precise amounts that we will devote to each of the foregoing items, and the timing of expenditures, will vary depending on numerous factors. Any line item amounts not expended completely shall be held in reserve as working capital and subject to reallocation to other line-item expenditures as required for ongoing operations.

The expected use of net proceeds from this offering represents our intentions based upon our current plans and business conditions, which could change in the future as our plans and business conditions evolve and change. The amounts and timing of our actual expenditures, specifically with respect to working capital, may vary significantly depending on numerous factors. As a result, our management will retain broad discretion over the allocation of the net proceeds from this offering.

In the event we do not sell all of the shares being offered, we may seek additional financing from other sources in order to support the intended use of proceeds indicated above. If we secure additional equity funding, investors in this offering would be diluted. In all events, there can be no assurance that additional financing would be available to us when wanted or needed and, if available, on terms acceptable to us.

BUSINESS

Company description

SpotitEarly Inc. is a biotech company at the forefront of early cancer detection. The Company is dedicated to transforming the approach to cancer screening through its innovative Bio-AI hybrid platform that combines the high sensitivity of canine olfaction with the precision of artificial intelligence (AI). SpotitEarly's mission is to make early, non-invasive, and accurate cancer screening accessible to everyone, everywhere, thereby significantly improving cancer screening, and in turn improving outcomes and reducing the global burden of cancer.

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Definitions

Bio-AI Hybrid Platform/ LUCID

A bio-AI hybrid platform, known as the LUCID platform, combines the analytical power of AI with the olfactory capabilities of trained canines to detect cancer through breath analysis. It is a proprietary platform developed by SpotitEarly, designed to provide a reliable, scalable, and accurate method for early cancer detection, incorporating advanced hardware and software components, as well as big data collection and analysis. Using different sensors and advanced AI and ML algorithms, LUCID collects and analyzes hundreds of live non-invasive behavioral and physiological signals from trained sniffer dogs as they screen samples in the laboratory facility and generates an accurate laboratory result indicating the presence or absence of cancer in each sample. This patent-pending proprietary platform is transforming the exceptional sensitivity of canines in detecting cancer's unique odor signature into a commercial-grade, highly accurate screening test for the early detection of cancer.

Horizontal and Vertical packs

A horizontal pack is designed to detect the presence of a cancer signal for multiple cancers. A vertical pack is used to detect the signal for a specific cancer.

CLIA

Under the Clinical Laboratory Improvement Amendments (CLIA), the Centers for Medicare & Medicaid Services (CMS) oversees the accreditation, inspection, and certification of clinical laboratories. CLIA certification may be granted regardless of the laboratory's geographic location. SpotitEarly conducts its screening operations in a high-capacity CLIA-registered laboratory located in Israel (Registration No. 99D2307137). Operating within a CLIA-compliant framework reflects the Company's commitment to the highest laboratory standards and clinical-grade protocols. To support future scalability and expansion, the Company plans to establish a CLIA-certified laboratory in the United States by 2027.

LDT (laboratory developed test)

The Company has developed a Laboratory Developed Test (LDT) for early cancer detection, which is performed in its CLIA-registered, high-complexity laboratory. LDTs are not subject to FDA premarket review under its current policy of enforcement discretion.

Pain and Solution

Current cancer screening methods face significant deficiencies, including limited scope, low adoption rates, and accessibility challenges. SpotitEarly addresses these shortcomings with its innovative bio-AI hybrid platform, combining canine olfaction and AI analysis of breath samples.

Deficiencies in Current Cancer Screening

Limited Scope: Current screening paradigms primarily focus on a limited number of cancers, such as breast, cervical, colorectal, lung, and prostate, which account for only about half of all cancer cases and 43% of cancer deaths. A significant proportion of all cancers, approximately 57%, lack effective screening methods.

Traditional screening methods are often specific to a single cancer type, such as mammograms for breast cancer or colonoscopies for colorectal cancer. This approach necessitates multiple tests for different cancers, increasing the complexity and cost of screening. As a result, a large number of cancers are detected only after symptoms appear, often at later stages when treatment options may be less effective. For example, lung cancer has the highest rate of late-stage detection at 66%, followed by colorectal at 59%.

Low Adoption Rates: Despite the availability of screening for certain cancers, screening rates remain low, with only about 14% of cancers in the U.S. diagnosed through recommended screenings. This indicates a significant gap between the potential benefits of screening and actual participation in the screening process. Factors contributing to low screening rates include fear, discomfort, inaccessibility and the invasive nature of some traditional screening procedures. For instance, mammograms can be uncomfortable, and colonoscopies are invasive and require preparation. Many people also experience anxiety related to screening tests, or have limited access to health professionals.

Accessibility Challenges: Access to healthcare, including cancer screening, remains a significant global challenge, with disparities affecting underserved communities. These populations therefore often experience higher rates of late-stage diagnoses and poorer survival outcomes. Geographical barriers, such as remote or rural areas with limited healthcare facilities, and lack of transportation, hinder access to traditional screening methods. Economic barriers, such as the high cost of traditional screening and diagnostic tests, also prevent access to screening for many.

Inconvenience: Current methods can be inconvenient and time-consuming, requiring clinic visits and potentially long waiting times. Traditional screening methods often require taking time off from work and other responsibilities, further limiting participation.

Diagnostic Accuracy Issues: Some traditional screening methods can have high false-positive rates leading to unnecessary anxiety and follow-up procedures. While some traditional methods can be effective, they are not always optimal. For example, mammograms struggle with high-density breasts that hinder their accuracy.

SpotitEarly's Approach

SpotitEarly is working to address these deficiencies through its innovative LUCID platform, which combines proprietary hardware and advanced AI models with canine olfaction (i.e. sense of smell) to detect the unique odor signature of cancer-emitted VOCs in breath samples. The system's AI-driven screening lab results substantially improve upon the baseline performance of the sniffer dogs, transforming their exceptional sensitivity into a commercial-grade, highly accurate screening test for the early detection of cancer. Key aspects of its disruptive approach include:

Multiple-Cancer Detection: SpotitEarly's test will be designed to detect multiple cancer types based on one sample, addressing a critical gap in current screening methods that target single cancer types. Initially, the test will focus on the four most common cancers- lung, breast, prostate, and colorectal - which account for half of all new cancer cases in the U.S.

Non-Invasive Testing: The breath-based test eliminates the need for invasive procedures, making screening more approachable, less intimidating, and more comfortable. This addresses the fear and discomfort associated with traditional screening methods, and encourages broader participation. The SpotitEarly test is self-administered and, once on the market, can be completed in just a few minutes, either at home or in a clinical setting, streamlining the screening process.

High Sensitivity and Specificity: In a double blind clinical trial involving 1400 participants, the sensitivity and specificity were over 93% for four common cancer types - lung, breast, prostate and colorectal.

Improved Accessibility and Equity: The LUCID platform is designed for scalability, portability, and turnkey deployment, enabling implementation in any facility that operates sniffer dogs for target odor detection. It can be deployed in labs operated directly by SpotitEarly or in the future - by third-party partners, supporting various operational models. The system's modular design allows a single facility to process over a million tests annually and enables easy replication across regions, including both urban and rural settings. The Company is committed to breaking down barriers in healthcare access, making early detection more equitable.

Data-Driven Continuous Improvement: The LUCID platform collects vast amounts of data, which is used to continually refine the AI algorithms, enhancing accuracy and diagnostic potential over time. The AI isn't static, it evolves and gets smarter with every test. This continuous improvement cycle ensures that the test's performance remains optimal.

Improved Patient Experience: The ease of use of SpotitEarly's test, especially for underserved populations, is critical. The Company's breath-based approach is non-intrusive and can be done at home, minimizing friction with the healthcare system. The test results can be provided in a timely manner, which helps to reduce anxiety for patients and healthcare providers.

In summary, SpotitEarly's technology has the potential to disrupt the cancer detection industry by providing a non-invasive, accurate, accessible, and cost-effective method for early cancer detection.

By addressing the limitations of current screening methods, SpotitEarly can improve patient outcomes and reduce the overall burden of cancer. The Company's focus on multiple-cancer detection, combined with its commitment to equity and inclusion, positions it as a potential leader in transforming cancer screening.

Core Technology and Scientific Foundation

LUCID Platform: SpotitEarly's proprietary LUCID platform is a new system that integrates advanced AI and machine learning (ML) algorithms with canine scent detection, to identify VOCs odor signature in breath samples. The platform is designed to provide a reliable, scalable, and accurate method for early cancer detection, incorporating advanced hardware and software components, as well as big data collection and analysis. Using different sensors and advanced AI and ML algorithms, LUCID collects and analyzes hundreds of live non-invasive behavioral and physiological signals from trained sniffer dogs as they screen samples in the laboratory facility and generates an accurate laboratory result indicating the presence or absence of cancer in each sample. This patent-pending proprietary platform is transforming the exceptional sensitivity of canines in detecting cancer's unique odor signature into a commercial-grade, highly accurate screening test for the early detection of cancer.

This platform is designed for global scalability, ensuring reliable and accurate results across various laboratory settings. The LUCID platform also includes a data and test management system that manages tests, stores data, and makes decisions throughout the testing process.

Breath-Based specimen: The technology uses a simple, non-invasive breath test to analyze VOCs that are released from cells into the microenvironment and circulation during the development of cancerous tumors. Breath samples are collected using a breath collection mask. Patients are instructed to breathe into the mask for 3 minutes, and send the sample back to the SpotitEarly lab using the storage component supplied within the breath collection kit.

Canines and their olfaction system

Dogs possess an exceptional sense of smell, far surpassing that of humans and even advanced analytical chemistry, which enables them to detect cancer from exhaled breath. Their olfactory system is uniquely equipped with anatomical, physiological, and genetic characteristics that give them an unparalleled ability to detect and differentiate a vast array of odor compounds, including the volatile organic compounds (VOCs) associated with cancer. Here's a breakdown of why dogs are so effective at this task:

Anatomical Advantages:

Extensive Olfactory Epithelium: Dogs have a highly developed olfactory epithelium, the tissue inside the nasal cavity that houses olfactory receptors, which is elongated and contains concha bones that greatly increase its surface area. This expanded surface area allows for a greater number of olfactory receptors, significantly enhancing their ability to detect odors. The olfactory cortex in dogs is also significantly larger and more complex than in humans, occupying about 30% of their cortex. This allows them to combine scent data with other sensory inputs for improved accuracy.

Specialized Nostrils: The shape of a dog's nostrils ensures the entry of a sufficient amount of odor molecules into the airflow of the nasal cavity. These nostrils are designed to efficiently channel air containing odor molecules towards the olfactory receptors.

Olfactory Receptors: Dogs have approximately 300 million olfactory receptors, compared to about 6 million in humans. These receptors are highly sensitive and capable of detecting a wide range of

odor molecules at extremely low concentrations, as low as one part per trillion. Dogs can detect approximately half a million odorous compounds.

Olfactory Bulb: The olfactory bulb, a part of the forebrain that processes smell information, is also much larger in dogs than in humans, enabling a more detailed analysis of scents. Their olfactory brain region is about 40 times larger than in humans.

Unique Airflow: When dogs sniff, they inhale and exhale rapidly, creating airflow that optimally delivers odor molecules to their olfactory receptors. They can sniff 5 to 10 times per second, allowing them to continuously analyze the scents in their environment.

Physiological Advantages:

Low Detection Threshold: Dogs can detect odors at extremely low concentrations, with a sensitivity threshold of 0.001ppt or less, compared to an electronic nose which *has a detection threshold of 0.1ppb. This remarkable sensitivity allows them to perceive subtle odor differences that are undetectable by most other means.

Filtering Background Odors: Dogs can filter out background odors and focus on specific target scents. This ability to identify relevant smells amidst a collage of environmental stimuli is a critical trait for detecting cancer-related VOCs. The olfactory system of dogs can filter out background odors while still remaining responsive to new odors.

Real-time Analysis: Dogs can analyze scents in real-time, allowing them to update their smell map of their environment continuously. This real time analysis, combined with their ability to analyze subtle differences in odor profiles, enables them to effectively detect cancer VOCs.

Genetic Advantages:

Olfactory Receptor Genes: Dogs possess a large number of olfactory receptor genes, with the correct ratio between active and inactive genes of odorant receptor proteins. The specific genetic makeup of dogs enhances their sensitivity to volatile organic compounds (VOCs).

Cognitive Ability: Unlike artificial machine learning, dogs have developed cognition that allows them to identify odor patterns and memorize them, and can arrange them by topic. This capability is essential in detecting diseases like cancer, since the VOCs are not single biomarkers, but rather patterns of many compounds. Dogs' natural cognition for identifying odor patterns, allows them to sort them in a dedicated training process to distinguish physiological conditions like cancer.

How Dogs Detect Cancer in Exhaled Breath:

Detection Process: When a trained dog is presented with a breath sample, it uses its exceptional olfactory system to identify the presence of cancer-specific VOCs. The dog can filter out any irrelevant odors and focus on the unique scent patterns emitted by the cancer VOCs. If the dog detects the target odor pattern, it signals this through a trained behavior, such as sitting. Multiple dogs may analyze the sample independently to enhance the reliability of the results. This ability to analyze subtle differences in odor profiles helps them to distinguish disease-related VOCs from background scents.

Pattern Recognition: Dogs are not identifying a single molecule but rather recognizing a complex pattern of VOCs associated with cancer. This pattern recognition ability allows them to be highly accurate in their detection.

Consistency and Reliability: Once trained, dogs demonstrate an impressive ability to remember scent patterns over time. Regular retraining and practice sessions help maintain their sharpness and ensure their responses remain accurate and dependable.

Double-Blind Testing: To ensure unbiased results, the samples tested in the clinical study described below, were presented in a random order unknown to both the dog handler and the research director. This was performed using a double blind test, so that neither the dog handler nor the test administrator know when or where the target odor will appear and thus cannot influence the dog's reaction. The study was a two arm clinical trial, the first arm represented the target population and was the source of most negative samples. All participants from this arm tested negative for cancer after a day of screening tests at a cancer screening center. The second arm was enriched and was the source of most positive samples. All positive samples in the trial were confirmed as cancer positive by biopsy. This process ensured that the dog's response was not influenced by any cues from the handler or the testing environment.

Why canines specifically?

While several mammals possess a keen sense of smell, dogs are particularly well-suited for cancer detection for a combination of reasons that go beyond just olfactory capability. These reasons encompass their unique anatomy, physiology, trainability, and behavioral characteristics, making them superior to other mammals for this specific task. Here's a detailed explanation:

1. Trainability and Behavioral Characteristics:

- **High Trainability:** Canines, particularly breeds like Labradors and Beagles, are highly trainable and motivated to work with humans. They possess a strong desire to please, making them excellent candidates for operant conditioning techniques. This desire to work alongside humans and their high ability to learn through operant conditioning, makes them well suited for detection tasks. They are trained using a reward based system where they are given positive reinforcement to associate the cancer VOCs with a reward.
- **Operant Conditioning:** Canines are trained using operant conditioning, which involves associating a specific behavior (like sitting down) with the detection of a target odor. Positive reinforcement (rewards) increases the likelihood of the dog repeating the desired behavior when the target odor is detected again. This makes them excellent biological detectors for many purposes.
- **Selective Focus:** Through training, dogs can learn to filter out irrelevant smells and focus solely on the specific VOCs associated with diseases like cancer. They can quickly learn to ignore other stimuli in the work environment. This ability to hone in on specific target scents amidst numerous environmental odors allows them to be very efficient at detection tasks.
- **Independent Decision Making:** Canines, particularly beagles, are more independent and are less likely to seek reassurance from their handler's behavior. This allows them to make detection decisions more independently. They are less likely to be influenced by their handler, which increases the reliability of their analysis.

2. Practical Considerations:

- **Mobility and Efficiency:** Dogs are mobile and can move along the odor concentration gradient until they reach the source of the smell. They can quickly cover ground and detect targets from a distance, making them very efficient in scent detection. They can analyze

hundreds of breath samples in a single day, a speed and efficiency that is unmatched by other methods or animals.

- **Cost-effectiveness:** Training dogs is highly cost-efficient compared to developing and deploying complex medical devices. This makes them a more practical option for widespread screening.
- **Suitability for a Clinical Environment:** Dogs are capable of performing in a controlled laboratory environment, and can easily be adapted to work with breath samples, as they have a strong desire to work with their handlers and are capable of working for long periods of time while maintaining concentration. They can be easily moved between testing locations and are able to work in a methodical manner that maintains consistency and efficiency.

Why not use an electronic nose?

While electronic noses (e-noses) hold promise, they haven't yet achieved the level of sensitivity, specificity, and reliability required for widespread commercial use, particularly in complex applications like cancer detection. Several factors contribute to this, including technological limitations, challenges in replicating biological olfactory processes, and the complex nature of VOC patterns in human breath. Here's a detailed explanation:

1. Limited Sensor Capabilities Compared to Biological Olfaction:

- **Number of Sensors:** E-noses typically incorporate a limited number of sensors, often in the range of units or dozens. This contrasts sharply with the canine olfactory system, which boasts around 300 million olfactory receptors, and a large olfactory cortex. This vast difference in the number of sensory units inherently limits the amount of olfactory information an e-nose can gather, making it difficult to match the nuanced sensing capability of a dog. The sheer number of biological sensors allows dogs to detect a much wider range of volatile organic compounds (VOCs) and subtle variations within them.
- **Sensor Sensitivity & Selectivity:** The detection threshold of an electronic nose is around 0.1 ppb (parts per billion), whereas dogs can detect concentrations as low as 0.001 ppt (parts per trillion). Current e-nose sensors often lack the sensitivity and chemical selectivity needed to detect VOCs at the extremely low concentrations found in human breath, especially in early-stage cancer. They frequently suffer from unwanted chemical interactions between VOCs and the sensors. E-noses struggle to match the specialized receptors in biological noses that are fine-tuned to detect very specific molecules. Dogs have a far wider range of sensors that are able to extract nuanced olfactory information, facilitating specialization in detection and interpretation of odor signals.
- **Sensor Drift and Reproducibility:** Electronic sensors are prone to "sensor drift," meaning their response changes over time, requiring frequent recalibration. Achieving precise recalibration is a challenge. It is difficult to produce identical sensors consistently to yield reliable results. This lack of reproducibility makes it hard to obtain consistent and reliable data over time, which is essential for any clinical diagnostic tool. Dogs, on the other hand, maintain consistency in their detection capabilities with proper training.
- **Limited Temporal Stability:** E-noses have limited temporal stability, meaning their ability to maintain consistent readings over time is limited. The sensors can be influenced by external factors that affect the consistency of readings. Dogs, due to the nature of their biological sensing and ability to adapt, don't exhibit this limitation.
- **Lack of Robustness and Adaptability:** E-noses often lack robustness and adaptability, showing a sensitivity to changes in temperature, humidity, and other environmental factors

that can affect sensor readings. Additionally, e-noses are susceptible to environmental variables such as temperature and humidity variations during transportation, storage, and testing. The biological olfactory system is robust, with dogs able to detect specific VOCs even in complex environments without significant impact from ambient conditions. Dogs are capable of rapidly modulating their sensing to adapt to changes in their environment.

2. Challenges in Mimicking Biological Olfactory Processes:

- **Complex VOC Patterns:** Cancer and other diseases produce complex mixtures of VOCs, not single biomarkers, and these patterns can vary significantly between individuals, making the task of identifying a “master biomarker template” extremely challenging. Biological systems, like dogs, seem to be able to focus on these complex patterns and can identify them even with variability in the samples. E-noses struggle to recognize these complex, subtle odor patterns that are not based on single biomarkers or a clear range of concentrations.
- **Background Odors and Interference:** Unlike dogs, e-noses cannot easily separate background odors and interferences from the specific VOCs that they are trying to detect. Dogs have an innate ability to focus on a specific odor pattern even in complex odor environments, an ability that e-noses have not yet been able to replicate.
- **Data Analysis and Pattern Recognition:** The data generated by e-noses requires sophisticated machine learning algorithms to interpret, which is not always as effective as the cognitive abilities of a biological olfactory system. While machine learning is effective in identifying patterns, one of the biggest problems has been the lack of uniformity and standardization in sampling and analysis. The data analysis from electronic nose sensor arrays requires careful computational modelling and analysis, which can be complicated and time-consuming. Dogs have a highly evolved cognition in the context of identifying odor patterns.
- **Lack of Cognition and Memory:** Dogs have developed cognition that enables them to memorize complex patterns and sort them by topic, such as cancer. They have cognitive abilities to sort out these patterns. Unlike artificial machine learning, dogs' unique cognitive abilities make them excellent at recognizing patterns that relate to a specific physiological condition such as cancer.
- **Sample Preparation:** Electronic noses require strict breath sampling methods, as well as substantial pre-processing procedures including sample pre-concentration and dehumidification. Dogs can accomplish this separation even in complex odor environments without the need for sample pre-processing.

3. Practical and Logistical Limitations:

- **Cost and Complexity:** Analytical instruments like GC-MS (gas chromatography-mass spectrometry) are expensive, require significant expertise to operate correctly, and have limited throughput. Though it is important to note that GC-MS is currently the gold standard for VOC analysis, it is time-consuming, requires sample pre-concentration, and expensive consumables. As of the date of this Private Offering Memorandum, to the knowledge of the Company, GC-MS instruments are not currently being commercially used to detect cancer in breath samples.
- **Time-Consuming Process:** E-nose testing is also more time consuming compared to the rapid scent detection abilities of dogs. Dogs analyze samples in as little as 5 seconds per patient. Electronic analysis requires more time, particularly when searching for complex odor patterns that aren't focused on single biomarkers.
- **Standardization and Reproducibility:** The lack of uniformity and standardization in sampling and analysis methods has been a long-standing problem in the field that has not

allowed for reproducibility, creation of broad databases, and the development of accurate algorithms. This limitation significantly impedes the development of reliable algorithms to identify cancer from VOCs.

4. Current State of Research and Development of Electronic Noses:

- **Limited Clinical Validation:** While there has been substantial research on e-noses for VOC detection, there is a lack of large-scale, blinded, clinical validation studies, and a lack of reproducibility between studies looking for disease biomarkers. This is a critical gap that hinders the implementation of e-noses in clinical practice.
- **Focus on Target VOCs:** Some current e-nose systems are now focusing on targeting specific VOCs, using technologies such as FAIMS, which is showing promise, but is still not as effective as dogs. These emerging technologies improve stability, sensitivity, and selectivity over previous e-nose systems, but still have their limitations, especially when compared to biological detection.
- **Need for Advanced Technology:** Despite technological advancements, a mobile device capable of reaching a dog's level of sensitivity and discrimination in identifying low concentrations of VOCs is still not available. There is still a long way to go before electronic nose technology is able to overcome the limitations of current sensor technology.

Product and Service Offerings:

- **Multi-Cancer Detection Test:** SpotitEarly's initial clinical study focused on multiple-cancer detection including colorectal, lung, breast, and prostate cancers. These cancers account for approximately half of all new cancer cases in the US. By targeting these prevalent cancers, SpotitEarly aims to address a significant portion of the market. The Company plans to expand the platform to detect other diseases using breath analysis in the future. The initial go to market strategy will focus on Breast cancer. More cancers will be added to the test with the progress of the relevant clinical studies.
- **At-Home Sample Collection:** SpotitEarly's test is designed for at-home sample collection. The breath samples can be used by patients anywhere, including at-home, according to the instructions for use, without the supervision of a healthcare professional, and then sent to the company's laboratory for analysis. This approach will minimize the inconvenience and anxiety associated with traditional screening methods.
- **Data Analysis and Reporting:** SpotitEarly uses advanced data analysis techniques to identify discriminating features, and develops classifiers using machine learning algorithms. The Company's analytical workflow involves stringent quality control checks, ensuring high reproducibility and reliability of breath sample analysis. The platform incorporates measures to maximize the signal-to-noise ratio, such as using a standardized breath collection method and analytical pipeline. The Company's laboratory, located in Israel, is CLIA registered (Registration No. 99D2307137).
- **Results Reporting:** If a signal for cancer will be detected, a specially trained healthcare professional will contact the patient or the medical practitioner to explain the findings and discuss next steps. If no signal for cancer is detected, the customer service team will discuss the results and answer any questions doctors might have, and will also provide reminders for future pre-screenings recommendations.

SpotitEarly's Market Opportunity:

- **Large and Growing Market:** SpotitEarly's market growth plan strategically positions the company to scale rapidly in the cancer screening and diagnostics sector through incremental market entry and expansion. The global diagnostics market is substantial, with a total addressable market (TAM) of \$143B. The North American diagnostics market is also significant, with a serviceable addressable market (SAM) of \$60B. We will also explore applications of our LUCID technology beyond oncology.
- **Unmet Needs:** Current cancer screening methods, such as mammograms for Breast Cancer, and PSA blood test for Prostate Cancer, have limitations including high false-positive rates, discomfort, and limited effectiveness at early stages, or for dense breast tissue. Lung cancer, one of the leading causes for cancer death in the USA, has a screening test (LDCT – Low Dose CT) that is only intended for high-risk populations of heavy smokers between the ages of 55-74. A large percentage of survey participants have complained about the high out-of-pocket costs of traditional screening methods, and some decide to forgo the tests to control costs. There is a clear need for a new, non-invasive screening system that can improve patient compliance, reduce costs, and provide greater accessibility.
- **Competitive Advantage:** SpotitEarly's technology offers a non-invasive, accurate, and cost-effective method for early cancer detection, with superior sensitivity and specificity compared to existing methods. The test is designed to be more accessible than traditional screening methods, overcoming barriers of cost, complexity, and access to care. The Company's approach addresses the need for more frequent testing to manage anxiety and save on costs.
- **Target Audience:** The first test we will offer is a Breast Cancer screening test. The initial target audience for the launch is women aged 40-65, with a focus on the higher-income, well-educated segment. However, the technology is designed to serve large populations, in both urban and rural settings, with the modular design of the labs enabling replication worldwide. As we expand to other cancers, our target audience will grow accordingly.

Competition

SpotitEarly's competitive landscape includes traditional screening methods and other companies developing multi-cancer early detection (MCED) technologies. The Company's competitive advantages, or "moats", stem from its unique combination of canine scent detection, AI-powered data analysis, and a focus on accessibility and scalability.

- **Traditional Screening Methods:** SpotitEarly's test competes with established cancer screening methods such as mammograms, ultrasounds and blood tests. These methods are often invasive, expensive, and may not be readily accessible to all populations. Additionally, some of these traditional methods, such as mammograms, are optimized for specific types of cancer.
- **Liquid Biopsy Competitors:** SpotitEarly faces competition from companies developing blood-based MCED tests. Companies in this space include GRAIL, Exact Sciences, Freenome, Guardant Health, AnchorDx, ArcherDx, Burning Rock Biotech Limited, GENECAST, Laboratory for Advanced Medicine, and Singlera Genomics. These companies utilize technologies like next-generation gene sequencing, artificial intelligence, and big data to detect cancer signals in blood samples.
- **Breath Analysis Competitors:** Other companies are also working on breath analysis for disease detection. Owlstone Medical, for example, has developed a breathalyzer for early

disease detection that uses volatile organic compound (VOC) biomarkers. Nanose Medical is also developing products for disease diagnosis.

SpotitEarly's Competitive Advantages:

- **Bio-AI Hybrid Approach:** SpotitEarly's core competitive advantage lies in its "Bio-AI hybrid" approach, which combines the olfactory capabilities of trained canines with advanced AI. This combination aims to provide a highly sensitive and specific method for detecting cancer through the analysis of VOCs in breath samples. The use of dogs leverages the most sophisticated odor sensors available, while AI is used to analyze complex data and improve the accuracy of the test. The Company's technology pairs advanced AI with canine olfaction.
- **Canine Olfaction:** The use of dogs to detect VOCs associated with cancer gives SpotitEarly a unique advantage. Dogs have an extremely sensitive sense of smell that can detect subtle changes in VOCs that are indicative of cancer. This method is believed to be more reliable than traditional electronic noses.
- **AI-Powered Technology:** SpotitEarly's data from canine scent detection is then combined with AI analysis. The LUCID platform processes and interprets vast amounts of data, including VOC measurements and canine behavioral signals. This AI component is critical for increasing accuracy, providing scalability, and ensuring continuous improvement through machine learning.
- **Scalability and Accessibility:** SpotitEarly's test is designed for global scalability and accessibility. The breath test is non-invasive, cost-effective, and can be easily administered in various settings, including at home or in clinical settings. The LUCID platform enables a single lab to process over a million tests annually and is designed to be easily replicated worldwide. This focus on accessibility means the Company can reach underserved populations with limited access to traditional screening methods.
- **First Mover Advantage:** SpotitEarly's approach is unique, combining canine scent detection with AI, giving the Company a first mover advantage that other companies in the space are unlikely to be able to replicate. The extensive knowledge, experience, and multidisciplinary collaboration required ensure that SpotitEarly can remain at the cutting edge of innovation.
- **Cost Effectiveness:** SpotitEarly's technology offers a high degree of specificity and sensitivity for early cancer detection at a relatively low cost. Its use of AI further streamlines the process. The Company is also focused on keeping its facilities and processes low cost and easy to send anywhere.
- **Data Security:** SpotitEarly is committed to safeguarding patient data and complies with global data protection regulations, including HIPAA. This is important because the use of AI in diagnostics depends on large datasets and patients need to trust that their data is safe.
- **Intellectual Property:** The Company has a patent pending for its technology, which offers some legal protection for its innovation.
- **Strong Team:** The SpotitEarly group has a diverse team of approximately 35 people, including strong entrepreneurial and commercialization backgrounds along with expertise in AI and data science, bio-chemistry, hardware engineering, medicine, zoology, cancer research and expertise in canine training. The team includes 8 PhDs and 2 MDs, reinforcing its depth of scientific and clinical expertise. This cross-disciplinary collaboration fosters innovation, high grade execution and helps to maintain the Company's competitive edge.

- **Focus on Equity:** SpotitEarly is focused on breaking down barriers in access to healthcare. By offering an affordable, non-invasive alternative to traditional screening methods, the Company seeks to make early detection more equitable.
- **Commitment to Clinical Validation:** SpotitEarly is committed to rigorous clinical research to validate the accuracy and reliability of its technology. The Company plans to expand clinical trials to ensure its tests are applicable to diverse populations.
- **Public Trust:** SpotitEarly must build public trust in its novel technology, which combines AI with canine scent detection, and must address concerns about data security and transparency.
- **Experienced Leadership:** SpotitEarly's team brings together a blend of skills across business, clinical research, technology, and laboratory operations. The leadership team includes experienced professionals with expertise in commercialization, diagnostics, technology, and healthcare. The Company is committed to building a world where early cancer detection isn't just a possibility but a reality.

Clinical Validation

SpotitEarly completed a prospective double blind study, known as the Rainbow Study, that demonstrated the effectiveness of a bio-AI hybrid platform combining artificial intelligence and trained detection canines for non-invasive detection of different types of cancer, and was conducted from December 2021 to December 2023 at three clinical sites. The results were published in *Scientific Reports* by the *Nature* Publishing Group. Key findings include:

- **Participants:** The study analyzed breath samples from 1,386 participants, males and females, age 18-94, 75.6% of whom tested negative for cancer, while 24.4% tested positive. Four primary cancers were studied: breast, lung, colorectal, and prostate.
- **Performance:** The test achieved an overall sensitivity of 93.9% and specificity of 94.3% for the four trained cancer types. Sensitivity values for each type were:
 - Breast and lung cancer: 95.0%
 - Colorectal cancer: 90.0%
 - Prostate cancer: 93.0%
- **Early-stage cancer detection (stages 0–2) sensitivity was 94.8%.**
- **Exploratory Findings:** The system showed an 81.8% sensitivity in identifying other cancer types not included in the training, suggesting shared volatile organic compound (VOC) patterns across cancers.
- **Methodology:** Breath samples were collected via a simple surgical mask method and analyzed using the bio-AI hybrid platform, which integrates canine detection behavior with AI analysis. The AI enhanced the accuracy and consistency of results by analyzing canine behavioral and physiological responses. All samples were tested under a double blind setting, in which the Company had no indication of the samples whatsoever.
- **Repeatability:** Test consistency was high, with 95.1% identical results in repeated testing.
- **Comparison with Alternatives:** The study highlighted superior sensitivity and specificity compared to liquid biopsy-based multi-cancer early detection methods like Galleri, which showed lower sensitivity, especially for early-stage cancers.

- Scalability: The system demonstrated potential for high-throughput testing due to its rapid canine responses, compact testing environment, and AI-driven efficiency.

The study concluded that SpotitEarly's bio-AI hybrid platform is a scalable, cost-effective, and accurate method for early cancer detection, with potential to improve population screening compliance and expand to additional cancer types. Since the completion of the Rainbow study, the LUCID AI component has been further developed and enhanced. The Company plans to conduct several follow up clinical studies in the U.S. and Israel. Data from these trials may be used as supportive data used in future FDA submissions.

Regulation

SpotitEarly conducts its screening operations in a high-complexity, CLIA-registered laboratory (CLIA Registration No. 99D2307137). While breath-based tests are not currently classified as a distinct category under the CLIA framework, the Company's test is operated in accordance with CLIA quality standards applicable to high-complexity testing. Operating within a CLIA-compliant environment reflects the Company's commitment to rigorous laboratory practices and clinical-grade protocols.

The Company plans to initially offer its test as a Laboratory Developed Test (LDT), processed in its CLIA-registered lab. Under current regulatory policy, LDTs are not subject to FDA premarket review, allowing the Company to offer its testing services without prior FDA approval.

U.S. commercialization is targeted for Q2/Q3 2026, following the completion of the ongoing breast cancer clinical trial and collection of additional data from U.S. participants. This current trial builds on a prospective, double-blind clinical study involving 1,360 participants, completed in December 2023, which demonstrated the effectiveness of the test in detecting breast, lung, colorectal, and prostate cancers.

The company is also aware that the regulatory status of LDTs is evolving: On May 6, 2024, FDA issued a detailed phased-in final rule extending its regulatory oversight to tests performed in CLIA certified laboratories. Accordingly, the Company developed a regulatory plan of compliance with the regulation. However, on March 31, 2025, a federal district court struck down the regulation as exceeding FDA's authority, ruling that FDA does not have authority to regulate testing services performed in a CLIA certified laboratory. As a result, the current status of LDTs remains unchanged and they do not require FDA approval. FDA's time to appeal has not run, and it is not known how FDA will respond to this court ruling, given the recent change in administration and what seems to be a softer regulatory posture toward laboratory-developed tests. Despite the information provided above, the Company generally believes that FDA approval of its tests will be an important step providing validation and credibility to potential users. Therefore, at present, the Company still plans to acquiesce to FDA regulation and, specifically, to seek FDA regulatory approvals for each new indication for use. Notwithstanding the above, SpotitEarly tests have not yet been approved by the FDA. The Company plans to submit regulatory approvals for each new indication for use.

While the FDA has created expedited programs for breakthrough therapies, SpotitEarly's technology will still need to navigate the regulatory approval process, which can be time-consuming and costly. Additionally, the Company will need to meet regulatory standards for software as a medical device and must establish transparency with respect to how its AI-powered platform makes decisions. SpotitEarly is currently preparing for the Pre-Submission process. The company will first seek FDA regulatory approval for its Lung Cancer test. Additional cancers will be considered for future FDA submissions.

In order to sell its test in countries other than the U.S., we will be required to seek regulatory approval from the proper regulation authority in the targeted countries. Such an approval process is expected to launch soon with the Israeli ministry of health.

Go-to-Market Strategy

The Company aims to commercialize its early cancer detection test through a combination of online sales, partnerships with healthcare providers, and strategic alliances.

Initial Launch Strategy: Physician Network

SpotitEarly plans to initially launch its test in the U.S. through a Physician Network model. This approach will involve:

- **Online Sales via Physician-Ordered Test Platform:** The test will be sold online through a platform that requires a physician's order. This ensures medical oversight while still providing easy access for consumers.
- **Emphasis on User Experience:** SpotitEarly will focus on a seamless and user-friendly experience for customers. The breath collection process is designed to be simple and non-invasive, allowing patients to perform the test at home.
- **Expanding Reach through Multiple Channels:**
 - **Referrals:** Encouraging word-of-mouth referrals from satisfied customers.
 - **Advocacy Groups:** Collaborating with patient advocacy groups to promote awareness and adoption.
 - **Online Campaigns and Ads:** Using digital marketing to reach potential customers.
 - **Key Opinion Leaders (KOLs):** Partnering with influential figures in the medical community to build credibility and trust.
 - **Educational Programs/Webinars:** Hosting online events to educate the public about the importance of early cancer detection and the benefits of SpotitEarly's test.
 - **Funded Programs:** Exploring opportunities for sponsored testing, to further expand access to underserved communities through collaborations with Non-Governmental Organizations (“NGOs”) supporting these communities. An NGO is a nonprofit organization that operates independently of any government and whose purpose is typically to address social or political issues.
 - **Community Activities:** Engaging with local communities through various activities to raise awareness.

Longer-Term Strategy: Business-to-Business (B2B) Models

In the longer term, SpotitEarly plans to leverage several B2B models to broaden its market reach:

- **Insurers:** SpotitEarly will target the Medicare and Medicaid programs, leveraging the potential cost savings associated with early detection. SpotitEarly is already in advanced discussions with employers for Letters of Intent to purchase tests once approved.
- **Strategic Partnerships:** Forming alliances with diagnostic industry leaders to leverage their extensive distribution networks and established market presence. This would also enable

SpotitEarly's tests to be marketed under the umbrella of trusted industry names. SpotitEarly also plans to negotiate distribution and white-label agreements.

- **Health Systems/Clinics:** SpotitEarly is currently collaborating with multiple health systems that expressed interest in distributing our tests. We plan to partner with additional major health systems in the US, university health systems, private clinics, screening centers, community health centers, and mobile clinics. Integrating the test into the workflows of healthcare professionals helps to ensure the tests will be used by relevant populations who might not otherwise seek out screening, while simultaneously ensuring that those results will be acted upon appropriately.

Phased Approach to Test Rollout

SpotitEarly's growth strategy involves a phased rollout of its potential multi-cancer detection test, starting with specific cancer types and expanding over time.

- **Initial Focus on Breast and Lung Cancers:** The Company will first focus on breast and lung cancers, which are two of the most common cancers. Industry experts and market research informed this initial focus. The Company will later focus on colorectal and prostate cancers.
- **Multiple-Cancer Detection Packs:** The Company is planning to use a "horizontal" pack approach for the multiple cancers while creating "vertical" packs for specific cancer types.
- **Expansion Beyond Cancer:** SpotitEarly's LUCID platform is not limited to cancer and can be expanded to other diseases that release VOCs in exhaled breath as well as other non-health related target odors (such as the detection of explosives, narcotics, different chemical substances, environmental conditions, etc).

Path to Commercialization

SpotitEarly's path to commercialization involves several key steps:

- **Regulatory Approvals:** Based on the recent ruling discussed above, SpotitEarly test, which is an LDT, does not require FDA's approval. However, the Company will be pursuing FDA approval in order to enhance adoption in the US and globally. SpotitEarly plans to submit regulatory approvals for each new indication of use, as relevant clinical data becomes available.
- **Manufacturing and Scalability:** SpotitEarly has designed its LUCID platform for scalability with the aim to process over a million breath samples per year in a single lab. The compact size of the testing environment allows for easy replication, facilitating laboratory scale-up. The Company is also focused on operational growth, building additional labs, and training more detection dogs. The breath collection process is designed for simplicity and allows for at-home testing, which increases convenience and scalability.
- **Pricing Strategy:** SpotitEarly will adopt a tiered pricing model to ensure accessibility across various socioeconomic groups, with prices ranging from \$250 to \$500. The pricing structure considers market demand, comparable test costs, and a sustainable business approach. To support affordability, the company will offer discounts for lower-income households. Additionally, future plans include developing a single test covering the major cancers, maximizing efficiency and profitability per test.

- **Building Trust:** SpotitEarly needs to build trust in its technology and address concerns around data privacy. The Company is committed to safeguarding patient data and complying with global data protection regulations. The Company also recognizes that it will need to get its message across in a crowded market.
- **Sales in foreign countries:** SpotitEarly does not plan to sell its test in a foreign country until it has obtained approval from the foreign country.
- **Key Elements of SpotitEarly's Approach:**
- **Accessibility:** The non-invasive nature of the breath test, coupled with its at-home administration, makes it easily accessible to a wide range of populations.
- **Affordability:** The Company is committed to providing a cost-effective alternative to traditional screening methods. Its approach to pricing includes tiered options, and its emphasis on a low cost per test is intended to make screening more widely available.
- **Accuracy:** The combination of canine olfaction and AI provides high levels of sensitivity and specificity for detecting cancer at early stages. SpotitEarly's technology has achieved sensitivity rates exceeding 90% for several common cancers.
- **Multiple-Cancer Detection:** SpotitEarly aims to detect multiple cancers using a single sample. This will address the limitation of current single-cancer tests and is a potential breakthrough for proactive care.

Social Impact and Mission

- **Accessibility and Equity:** SpotitEarly aims to make early cancer detection accessible to underserved populations globally, reducing disparities in healthcare outcomes. The Company's focus on cost-effective, non-invasive screening is intended to reduce disparities in cancer outcomes. The technology can be easily replicated worldwide, ensuring the solution can reach underserved populations.
- **Proactive Care:** The Company's vision is a world where regular screening becomes as routine as an annual physical exam. The test is designed to encourage more people to participate in early detection and screening programs.
- **Reduced Anxiety:** The Company is working to reduce anxiety stemming from the screening physical situation and interactions with healthcare professionals. By offering flexibility in timing and location, the test minimizes friction with healthcare bureaucracy and allows for more frequent testing.
- **Improved Outcomes:** Early detection of cancer can increase survival rates from 10% to as high as 90%. SpotitEarly's technology aims to provide early screening insights to help reduce the global cancer burden.

Intellectual Property and Technology Development

- **Patent Protection:** SpotitEarly has a patent pending with USPTO: WO2023239834A1.
- **Continued Innovation:** The Company is committed to continued research and development, and is expanding its VOC database to broaden its detection capabilities. The Company seeks to identify VOCs for new diseases and to support clinical trials to validate findings. The

Company will build additional labs, train more detection dogs, and expand the LUCID platform capabilities.

Seasonality

We do not expect any seasonality in our business.

Other Information

The Company's address is 61 W. Palisade Ave., Englewood, NJ 07631 and its telephone number is (929) 241-9035.

As of the date of this Private Offering Memorandum, the Company, and its wholly owned subsidiary SpotitEarly, Ltd., had 23 employees.

The Company's website is <https://www.spotitearly.com>. Information on the Company's website is not part of this Private Offering Memorandum.

RISK FACTORS

Investors should be aware that this offering involves certain risks, including those described below, which could adversely affect the value of the Company's Preferred stock. The Company does not make, nor has it authorized any other person to make, any representation about the future market value of the Company's preferred stock. In addition to the other information contained in this Private Offering Memorandum, the following factors should be considered carefully in evaluating an investment in the Company's preferred stock.

We are an early-stage company and have not yet achieved profitability.

As of the date of this Private Offering Memorandum and since our inception, we have not yet generated revenue and have incurred net losses, as expected for a company in the product development stage. Any forecasts we make concerning our operations may prove to be inaccurate. Our prospects must be considered in light of the risks, expenses, and difficulties frequently encountered by companies in the early stage of development. As a result of these risks, challenges, and uncertainties, the value of your investment could be significantly reduced or completely lost.

Our test is currently under development and has not yet been approved by the FDA.

We plan to initially offer our test as a Laboratory Developed Test (LDT) through a CLIA-registered laboratory. Under current regulatory frameworks, this allows us to provide testing services without prior FDA approval, enabling earlier market entry. However, the regulatory status of LDTs is evolving, and future changes may require us to seek FDA clearance or approval sooner than currently expected.

While the FDA has created expedited programs for breakthrough therapies, our technology will still need to navigate the regulatory approval process, which can be time-consuming and costly. Additionally, we will need to meet regulatory standards for software as a medical device and must establish transparency about how our AI-powered platform makes decisions. Obtaining regulatory approval can be a lengthy and complex process with no guarantee of success. Failure to obtain necessary approvals would significantly hinder market entry and commercialization. There is also the possibility of changes in regulations that might affect us. We have not yet determined what the FDA will require before the FDA allows us to sell our tests on a commercial basis in the U.S. As a result, it is not possible at this time to estimate the time it will take, or the cost to obtain approval from the

FDA, which will allow us to sell our test on a commercial basis in the U.S. Nevertheless, obtaining approval from the FDA and comparable agencies in foreign countries is a time consuming and expensive process.

The time required to obtain approvals from foreign countries may be shorter or longer than that required for FDA approval, and requirements may differ from FDA requirements. We may be unable to obtain requisite approvals from the FDA and foreign regulatory authorities, and even if obtained, such approvals may not be on a timely basis. If we fail to obtain timely clearance or approval for our test, we will not be able to market and sell our test, which will limit our ability to generate revenue.

While our clinical trial shows promising results, the test's performance needs to be further validated in larger, more diverse populations.

The test's ability to detect cancers in real-world settings, outside of controlled clinical trials, needs confirmation. In addition, the test's sensitivity and specificity may vary in different populations or settings. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. The results of our clinical trials may not be predictive of the results of later-stage clinical trials. A number of companies in our industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Our current and future clinical trials may not be successful.

The cost of developing, validating, and commercializing a new diagnostic test can be substantial.

There may be difficulties in raising funds for ongoing operations, research and expansion and making early detection accessible to all populations.

The need to collect, transport, and analyze breath samples can pose logistical hurdles.

Maintaining the quality and consistency of samples during transit is crucial. Even though, as of the date of this Private Offering Memorandum, we had the ability to process thousands of test, there may be difficulties in scaling operations and establishing labs to process breath samples to meet global demand.

Our technology relies on a combination of canine olfaction, AI, and integrating VOC measurements and canine behavioral signals.

If there are problems in either the canine detection method or the AI platform, the test may not be reliable. Furthermore, maintaining accuracy across multiple labs worldwide could prove difficult.

The collection and storage of patient data, including medical history, breath samples, and test results, raise concerns about security and privacy.

While our system has been designed to comply with applicable privacy and security regulations — including the implementation of industry-standard safeguards and data protection measures — the collection and storage of sensitive patient data, such as medical history, breath samples, and test results, still present inherent risks of data breaches, unauthorized access or misuse of sensitive information.

We will face competition from established companies.

While our breath-based test demonstrated superior results in detecting early-stage disease across four major types of cancer, in a prospective double-blind study involving 1360 participants, established companies like GRAIL and Exact Sciences, have significant resources and experience in the diagnostics market and are developing liquid biopsy tests for multi-cancer early detection. The public may not adopt or accept our test due to lack of awareness or skepticism. We also face competition from other multi-cancer early detection tests (MCEDs) some of which are based on liquid biopsies. Competition from these companies and others may pose a threat to our future market position.

The potential for overdiagnosis and false positives with MCED tests is a concern.

Overdiagnosis can lead to unnecessary medical interventions, while false positives can cause anxiety and stress.

Future technological advancements may affect market position.

While canine scent detection, when combined with AI and machine learning (ML) models, currently offers advantages such as accuracy, affordability, and scalability, it is important to recognize that technologies like electronic noses — which have so far failed to commercialize at scale — may become more sensitive and accurate in the future.

Much of our intellectual property is protected as trade secrets or confidential know-how, and our pending patent applications may not result in issued patents.

We consider proprietary trade secrets and/or confidential and unpatented know-how to be important to our business, certain aspects of which may not be suitable for patent filings and must be protected as trade secrets and/or confidential know-how. This type of information must be protected diligently by us to protect our disclosure to competitors, since legal protections after disclosure may be minimal or non-existent. Accordingly, much of the value of this intellectual property is dependent upon our ability to keep our trade secrets and know-how confidential. In addition to our trade secret strategy, we have filed two international (PCT) patent applications, which are currently pending. However, there is no guarantee that these applications will result in granted patents, or that any granted claims will provide meaningful protection.

Failure to obtain or maintain trade secrets and/or confidential know-how could adversely affect our competitive position. Moreover, competitors may independently develop substantially equivalent proprietary information and may even apply for patent protection in respect of the same. If successful in obtaining such patent protection, competitors could limit the use of our trade secrets and/or confidential know-how.

Our commercial success depends, in part, upon attaining significant market acceptance of our test among physicians and patients.

Even if we obtain regulatory approval for our test, our test may not gain market acceptance among physicians and patients, which are critical to commercial success. Market acceptance of our test depends on a number of factors, including:

- the accuracy of our test as demonstrated in clinical trials;
- the timing of market introduction of our test as well as competitive products;
- the potential and perceived advantages of our test over alternative tests.

If our test is approved but fails to achieve an adequate level of acceptance by physicians and patients, we will not be able to generate significant revenues, and we may not become or remain profitable.

Even if we obtain regulatory approval for our test, we will be subject to stringent, ongoing government regulation.

If our test receives regulatory approval, either in the United States or internationally, our test will be subject to limitations on the approved indicated uses for which the test may be marketed or to the conditions of approval and may contain requirements for potentially costly post-marketing testing, and surveillance of the safety and efficacy of the test. We will continue to be subject to extensive regulatory requirements. These regulations are wide-ranging and govern, among other things:

- product design, development and manufacture;
- product application and use;
- adverse experience monitoring and reporting;
- product advertising and promotion;
- manufacturing, including compliance with good manufacturing practices;
- record keeping requirements;
- registration and listing of products with the FDA and other state and national agencies; and
- storage and shipping

We must continually adhere to federal regulations known as current Good Manufacturing Practices, or cGMPs, and their foreign equivalents, which are enforced by the FDA and other national regulatory bodies through their facilities inspection programs. If our facilities cannot pass a pre-approval inspection by regulators or fail such inspections in the future, the FDA or other national regulators will not approve the marketing applications for our test, or may withdraw any prior approval. In complying with cGMP and foreign regulatory requirements, we will be obligated to expend time, money and effort in production, record-keeping and quality control to ensure that our test meet applicable specifications and other requirements.

If we do not comply with regulatory requirements at any stage, whether before or after marketing approval is obtained, we may be subject to, among other things, license suspension or revocation, criminal prosecution, seizure, injunction, fines, be forced to remove our test from the market or experience other adverse consequences. This could materially harm our financial results and reputation. If we identify adverse effects after our test are on the market, or if manufacturing problems occur, regulatory approval may be suspended or withdrawn. We may be required to conduct additional clinical trials. If we encounter any of the foregoing problems, our business and results of operations will be harmed.

The FDA and other governmental authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our test. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, which would adversely affect our business, prospects and ability to achieve or sustain profitability. We cannot predict the extent of adverse government regulations which might arise from future legislative or administrative action. Without government approval, we will be unable to sell any of our tests.

The current and future relationships with healthcare professionals and potential customers in the United States and elsewhere may be subject, directly or indirectly, to applicable healthcare laws and regulations.

If we begin selling our test, we will be subject to additional healthcare statutory and regulatory requirements and oversight by federal and state governments as well as foreign governments in the jurisdictions in which we conduct our business. Healthcare providers and physicians in the United States and elsewhere will play a primary role in the recommendation and prescription of our test if we obtain marketing approval. The current and future arrangements with healthcare professionals and potential customers may expose us to broadly applicable healthcare laws, including, without limitation:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under federal and state healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation. In addition, the Affordable Care Act provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- federal civil and criminal false claims laws, including the federal False Claims Act, which impose criminal and civil penalties, including civil whistleblower actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented, to the federal government, including the Medicare and Medicaid programs, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private), knowingly and willfully embezzling or stealing from a health care benefit program, willfully obstructing a criminal investigation of a healthcare offense and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters;
- HIPAA, which also imposes obligations on covered entities, including healthcare providers, health plans, and healthcare clearinghouses, as well as their respective business associates that create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the U.S. federal physicians payment transparency requirements, sometimes called the “Sunshine Act” and its implementing regulations, which requires certain manufacturers of drugs, devices, biologicals and medical supplies that are reimbursable under Medicare, Medicaid, or the Children’s Health Insurance Program to report to the Centers for Medicare & Medicaid Services, or CMS, information related to physician payments and “other transfers of value” to physicians and teaching hospitals and, for transfers of value to other healthcare providers, as well as the ownership and investment interests held by physicians and their immediate family members;
- analogous state and foreign laws, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state

laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government which otherwise restrict payments that may be made to healthcare providers; state and foreign laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts;

- the U.S. federal laws that require pharmaceutical manufacturers to report certain calculated product prices to the government or provide certain discounts or rebates to government authorities or private entities, often as a condition of reimbursement under federal healthcare programs; and
- state and foreign laws that govern the privacy and security of health information in certain circumstances, including state security breach notification laws, state health information privacy laws and federal and state consumer protection laws, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Efforts to ensure that our future business arrangements with third parties will comply with applicable healthcare laws and regulations may involve substantial costs. It is possible that governmental authorities will conclude that the business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws. If our operations are found to be in violation of any of these laws or any other governmental regulations, we may be subject to significant civil, criminal and administrative penalties, including, without limitation, damages, fines, imprisonment, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of the operations, all of which could significantly harm our business. If any of the physicians or other healthcare providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from participation in government healthcare programs, which could also adversely affect our business.

The Company's offering is being conducted on a "best efforts" basis.

There is no minimum amount which is required to be raised in this offering and all proceeds from the sale of the securities offered will be delivered to the Company as they are received. If only a small number of securities offered are sold, the amount received from this offering may provide little benefit to the Company. Even if all securities offered are sold, the Company will need additional capital.

The Company does not know what the terms of any future capital raising may be, but any future sale of the Company's equity securities will dilute the ownership of existing stockholders and could be at prices substantially below the offering price of the Company's preferred common stock. The failure of the Company to obtain the capital which it requires may result in the slower implementation of the Company's business plan.

The Company may not be able to effectively manage its growth, which would impair results of operations.

The Company intends to expand the scope of its operating activities significantly. If the Company is successful in executing its business plan, it will experience business growth that could place a significant strain on operations, finances, management, and other resources.

The ability to effectively manage growth may require the Company to substantially expand the capabilities of administrative and operational resources and to attract, train, manage, and retain qualified management and other personnel. There can be no assurance that the Company will be successful in recruiting and retaining new employees or retaining existing employees.

The Company cannot provide assurances that management will be able to manage this growth effectively. The failure to successfully manage growth could materially adversely affect its business, financial condition or results of operations.

The Company is dependent on its management and the loss of any of its officers could harm the Company's business.

The Company's future success depends largely upon the experience, skill, and contacts of the Company's officers. The loss of the services of these officers may have a material adverse effect upon the Company's business.

Arbitrary establishment of offering price:

The offering price of the preferred stock has been arbitrarily established by the Company, considering such matters as past offerings, the state of the Company's product and business development and the general condition of the industry in which it operates. The offering price bears little relationship to the assets, net worth, or any other objective criteria of value applicable to the Company.

As of the date of this Private Offering Memorandum, there was no public market for our common or preferred stock. In addition, the Company does not expect a market to develop for its common or preferred stock for several years.

As a result, you may be unable to sell your shares of our preferred stock.

We may not be able to continue as a going concern.

We have identified conditions and events — primarily our expected continued future losses as we are continuing to develop our product — that raise substantial doubt about our ability to continue as a going concern. Our ability to remain operational is contingent on obtaining additional financing and successfully executing our business plan.

We may become subject to litigation, which could materially and adversely affect us.

In the future, we may become subject to litigation or enforcement actions, including claims relating to our operations, securities offerings and otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. We cannot be certain of the ultimate outcomes of any claims that may arise in the future. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments and settlements exceed insured levels, could adversely impact our earnings and cash flows. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, expose us to increased risks that would be uninsured, and materially and adversely impact our ability to attract directors and officers.

The securities sold in this Offering will be "restricted securities" as that term is defined in Rule 144 of the Securities Act of 1933 (the "Act").

As such, the securities sold in this Offering may be sold only in compliance with Rule 144 or some other exemption from registration under the Act, unless the securities are covered by an effective registration statement under the Act.

MANAGEMENT

<u>Name</u>	<u>Age</u>	<u>Position</u>
Shlomi Madar	46	Chief Executive Officer and a Director
Shai Lankry	48	Chief Financial Officer and a Director
J. Leonard Lichtenfeld	79	Chief Medical Officer
Asaf Ruf	37	Vice President of Research and Development
Roi Ophir	53	Director
Ariel Ben Dayan	50	Director
Alon Lifschitz	50	Director

Our directors are appointed for a one-year term holding office until the next annual general meeting of our shareholders or until their successors are elected or appointed. Our officers are appointed by our board of directors and serve at the discretion of the board.

Dr. Shlomi Madar has been the Chief Executive Officer and a director of the Company since March 2025. Between May 2023 and January 2025 Dr. Madar was the Vice President of Business Development for North America for the Company.

Between October 2023 and January 2025 Mr. Madar was a consultant (East Coast representative) for Weizmann Institute of Science, a research and development institution known for innovations in biotechnology and life sciences.

Between January 2023 and January 2025 Mr. Madar was the Vice President, Strategic Alliances, for OncoHost, a company specializing in precision oncology and personalized cancer treatment solutions.

Between January 2022 and December 2022 Mr. Madar was the Vice President of Healthcare Solutions for DayTwo, a company providing treatment for chronic metabolic disorders.

From November 2020 to January 2022 Mr. Madar was the Head of Customer Success and Partnership Alliances for Immunai, a company leveraging single-cell genomics and AI for immunotherapy development.

We believe Mr. Madar's experience with biotechnology, life sciences and cancer treatment qualifies him to be a director.

Shai Lankry has been the Company's Chief Financial Officer since January 2025. Since 2023, Mr. Lankry has been the Chief Executive Officer of LCS LLC, a business providing part time chief financial services to a number of corporations. From 2018 to 2023 Mr. Lankry was the Chief Financial Officer of Gamida Cell Ltd. From July 2024 to December 2024 Mr. Lankry was the Chief Financial Officer for Pharma Two B Ltd. Mr. Lankry is a licensed CPA in Israel and holds an M.B.A. in Finance from Tel-Aviv University.

We believe Mr. Lankry is qualified to be a director due to his experience in accounting and finance.

Shai Lankry is our financial expert as that term is defined by the Securities and Exchange Commission.

J. Leonard Lichtenfeld has been the Company's Chief Medical Officer since March 2024. Between November 2018 and September 2020 Mr. Lichtenfeld held various positions with the American Cancer Society, including interim Chief Medical Officer and Deputy Chief Medical Officer. Between September 2020 and April 2021, Mr. Lichtenfeld was a part time advisor to several companies. Between April 2021 and July 2023, Mr. Lichtenfeld was the Chief Medical Officer for Jasper Health. Between July 2023 and July 2024 Mr. Lichtenfeld was an advisory board member for the Company's wholly owned subsidiary SpotitEarly Ltd. Since March 2024 Mr. Lichtenfeld has been the Chief Medical officer for the Company's wholly owned subsidiary SpotitEarly, Ltd.

Asaf Ruf is an experienced R&D leader with 14 years in management, including 8+ years in product and program leadership and 6 years directing complex R&D projects. He leads the Hardware & System team at Blue River Technology (John Deere), overseeing mechatronics and system engineering for autonomous earth-moving vehicles. Previously, Asaf managed cross-functional teams of 35+ engineers and delivered over 30 products in large-scale defense and aerospace projects. He holds an M.Sc. in Mechanical Engineering (cum laude) and a B.Sc. in Mathematics & Computer Science. His strengths include R&D, system architecture, mechanical design, and data-driven problem solving.

Roi Ophir has served as one of the Company's directors since March 2025. Since June 2020, Mr. Ophir has also served as Chairman of the Board of Directors of SpotitEarly, Ltd., the Company's wholly owned subsidiary. Mr. Ophir is a serial tech entrepreneur, business executive and investor, with over 25 years of experience building tech startups from the ground up and bringing them to global markets. Since 2007, he has focused specifically on developing AI-powered products designed to disrupt markets and positively influence consumer behavior. We believe Mr. Ophir is well qualified to serve as a director due to his deep familiarity with the Company's technology, as well as his extensive entrepreneurial and commercial expertise.

Ariel Ben Dayan has served as a director of the Company since March 2025. Since June 2020, Mr. Ben Dayan has also been a director of the Company's wholly owned subsidiary, SpotitEarly, Ltd., and served as its CEO until March 2025. Mr. Ben Dayan previously served as the commander of the K9 unit in the Israel Defense Forces (IDF) and brings extensive business experience. In addition to his role at SpotitEarly, Mr. Ben Dayan serves as a director of two public Israeli companies and one private U.S. company. We believe Mr. Ben Dayan is well qualified to serve as a director due to his leadership experience as CEO and director of SpotitEarly, Ltd., as well as his broad operational and governance expertise.

Alon Lifshitz has been a director of the Company since March 2025. Since July 2017, Mr. Lifshitz has been a founding partner of Hanaco II, LP, a venture capital fund. We believe Mr. Lifshitz is qualified to be a director due to his experience in the venture capital industry.

Messrs. Ophir, Ben Dayan and Lifshitz are independent directors, as that term is defined in Section 803 of the NYSE American Company Guide.

Our directors are appointed for a one-year term holding office until the next annual general meeting of our shareholders or until their successors are elected or appointed. Our officers are appointed by our board of directors and serve at the discretion of the board.

Our Board of Directors does not have standing audit, nominating or compensation committees, committees performing similar functions, or charters for such committees. Instead, the functions that might be delegated to such committees are carried out by our directors, to the extent required. Our directors believe that the cost associated with such committees has not been justified under our current circumstances.

Our Board of Directors has the ultimate responsibility to evaluate and respond to risks facing us. Our Board of Directors fulfills its obligations in this regard by meeting on a regular basis and communicating, when necessary, with our officers.

We have not adopted a Code of Ethics which is applicable to our principal executive, financial, and accounting officers and persons performing similar functions since we only have three executive officers.

Holders of our common stock can send written communications to our entire Board of Directors, or to one or more Board members, by addressing the communication to “the Board of Directors” or to one or more directors, specifying the director or directors by name, and sending the communication to our corporate office. Communications addressed to the Board of Directors as whole will be delivered to each Board member. Communications addressed to a specific director (or directors) will be delivered to the director (or directors) specified.

A security holder communication not sent to the Board of Directors as a whole is not relayed to Board members which did not receive the communication.

Executive Compensation

Executive Compensation

Our executive officers will be compensated through the following four components:

- Base Salary
- Short-Term Incentives (cash bonuses)
- Long-Term Incentives (equity-based awards)
- Benefits

These components provide a balanced mix of base compensation and compensation that is contingent upon our executive officer’s individual performance. A goal of the compensation program is to provide executive officers with a reasonable level of security through base salary and benefits. We want to ensure that the compensation programs are appropriately designed to encourage executive officer retention and motivation to create shareholder value. We believe that our shareholders are best served when we can attract and retain talented executives by providing compensation packages that are competitive but fair.

Base Salaries

Base salaries generally have been targeted to be competitive when compared to the salary levels of persons holding similar positions in other publicly traded companies of comparable size. The executive officer’s respective responsibilities, experience, expertise, and individual performance are considered.

Short-Term Incentives

Cash bonuses may be awarded at the sole discretion of the Board of Directors based upon a variety of factors that encompass both individual and company performance.

Long-Term Incentives

Equity incentive awards help to align the interests of our employees with those of our shareholders. Equity based awards are made under our Equity Incentive Plan. Options are granted with exercise prices equal to the closing price of our common stock on the date of grant and may be subject to a vesting schedule as determined by the Board of Directors which administers the plan.

We believe that grants of equity-based compensation:

- enhance the link between the creation of shareholder value and long-term executive incentive compensation;
- provide focus, motivation, and retention incentive; and
- provide competitive levels of total compensation

In addition to cash and equity compensation programs, executive officers participate in the health and welfare benefit programs available to other employees.

Employment Agreements

Our executive officers currently serve under consultancy agreements. We have not entered into any employment agreements with our executive officers or other employees to date. We may enter into employment agreements with such persons in the future.

Share Option Plan

The Company has a Share Option Plan (the “Plan”) which provides for the grant of up to 4,586,876 stock options to the Company’s officers, directors, employees and consultants. As of the date of this Private Offering Memorandum, there were options to purchase 2,538,084 shares of the Company’s common stock granted pursuant to the Plan. The following officers and directors have been granted options pursuant to the Plan:

<u>Name</u>	<u>Shares Issuable Upon Exercise of Options</u>	<u>Option Exercise Price</u>	<u>Option Expiration Date</u>
Shlomi Madar	29,766	\$1.34	2/25/2034
Shlomi Madar	168,849	\$3.25	4/22/2035
Len Lichtenfeld	99,219	\$1.34	4/22/2035
Shai Lankry	49,610	\$3.25	4/22/2035
Asaf Ruf	33,073	\$3.25	4/22/2035

Shlomi Madar plans to devote his full time to our business.

Shai Lankry, J. Leonard Lichtenfeld and Asaf Ruf are expected to devote a considerable amount of their time to our business.

There are no compensatory plans or arrangements, including payments to be received from the Company with respect to any executive Officer, that would result in payments to such person because of his or her resignation, retirement or other termination of employment with the Company, or its subsidiaries, any change in control, or a change in the person’s responsibilities following a change in control of the Company.

PRINCIPAL SHAREHOLDERS

The following table shows the ownership, as of the date of this Private Offering Memorandum, of those persons owning beneficially 5% or more of our common and preferred stock and the number and percentage of outstanding shares owned by each of our directors and officers and by all officers and directors as a group. Each owner has sole voting and investment power over their shares of common stock.

<u>Name and Address</u>	<u>Common Shares Owned⁽¹⁾</u>	<u>Seed Preferred Shares Owned⁽²⁾</u>	<u>Total Shares Owned⁽¹⁾</u>	<u>Percent of Outstanding Shares</u>
Shlomi Madar 61 W Palisade Ave. Englewood, NJ 07631	198,615	–	198,615	1.17%
Shai Lankry 61 W Palisade Ave. Englewood, NJ 07631	49,610	–	49,610	0.29%
J. Leonard Lichtenfeld 977 Clifton Rd., N.E. Atlanta, GA 30307	99,219	–	99,219	0.58%
Assaf Ruf Sunnyvale, CA 94087	33,073	–	33,073	0.20%
Roi Ophir Veidat Katowitz 31 Tel Aviv, Israel	2,752,775	257,122	3,009,897	17.8%
Ariel Ben Dayan Igal Alon 9 Kiryat Ono, Israel	2,752,775	135,327	2,888,102	17.0%
Alon Lifshitz Derech Hasadot 10B Kfar Shmaryahu, Israel 691000	–	–	–	–
Hanaco II, L.P. (Represented by Alon Lifshitz) 15 West 26th Street, 9th Floor New York, NY 10010	–	2,976,570	2,976,570	17.5%
Ohad Sharon Hamaapil Israel 3885700	2,539,241	135,327	2,674,568	15.7%
Sidney W. Swartz ⁽³⁾ Two International Place Boston, MA 02110	–	1,182,790	1,182,790	7.0%
All Officers and Directors	5,886,067	3,369,019	9,255,086	54.47%

as a group (7 Persons)

- (1) Includes shares issuable upon the exercise of options granted to the following persons:

<u>Name</u>	<u>Shares Issuable Upon Exercise of Options</u>
Shlomi Madar	198,615
J. Leonard Lichtenfeld	99,219
Shai Lankry	49,610
Asaf Ruf	33,073

- (2) Each Series Seed Preferred Share is entitled to one vote. See “Description of Securities” for more information concerning the Company’s Series Seed Preferred Shares.
- (3) Represents shares owned by the Sidney W. Swartz Investment Nominee Trust and the Sidney W. Swartz Family Trust.

PLAN OF DISTRIBUTION

This Offering is intended as a non-public offering, exempt from registration under Section 4(a)(2) of the Securities Act of 1933 ("the Act"), as amended, and/or Regulation D promulgated pursuant to the Act and the securities laws and regulations of certain states. The shares which are subject to the Offering have not been registered under the securities Act of 1933, nor pursuant to the provisions of any state securities laws. Availability of the exemptions from the securities laws for the sale of the shares is dependent upon the investment intent of the investors. Accordingly, each investor will be required to acknowledge, among other things, that the purchase of the shares is for investment, for his own sole account, and without any view to resale or other distribution thereof. Since the sale of the shares is not registered, the shares will be restricted and may not be resold without registration, except under specific exemptions from the securities registration requirements.

There is no firm commitment by any person to purchase or sell any of the shares and there is no assurance that any shares offered will be sold. There is no minimum number of shares which are required to be sold in this offering. We may terminate this offering at any time.

The Company has agreed to pay Manhattan Street Securities (“MSC”), a service fee equal to \$250 per investor that invests through its platform. The Company will also pay \$250 in warrants per investment to MSC. The Company will pay \$1000 in cash and warrants for each corporate or IRA investment and \$5000 in cash and warrants for each professional investment entity investment.

The Company also pays a monthly fee of \$14,000 of cash and warrants to MSC for services provided for this offering.

INVESTOR SUITABILITY STANDARDS

The Company will offer and sell its shares of preferred stock only to Accredited Investors.

An accredited investor is:

- A natural person (as opposed to a corporation, partnership, trust or other legal entity) whose net worth, or joint net worth together with his/her spouse, exceeds \$1,000,000 exclusive of such person's primary residence;
- Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 506(b)(2)(ii) of Regulation D;
- A natural person (as opposed to a corporation, partnership, trust or other legal entity) whose individual income was in excess of \$200,000 in each of the two most recent years (or whose joint income with such person's spouse was at least \$300,000 during such years) and who reasonably expects an income in excess of such amount in the current year; or
- A corporation, partnership, trust or other legal entity (as opposed to a natural person) and all of such entity's equity owners fall into one or more of the categories enumerated above.

Prior to the purchase of the Securities, each prospective investor will be required to represent in the Subscription Agreement that:

1. Such investor's overall commitment to investments which are not readily marketable is not disproportionate to his or her net worth and such investor's investment in the Securities will not cause his or her overall commitment to become excessive;
2. Such investor has adequate means of providing for current needs and personal contingencies, has no need for liquidity in his or her investment in the Securities and has no reason to anticipate any change in personal circumstances, financial or otherwise, which might cause or require any sale or distribution of the Securities;
3. Such investor has evaluated the risks of investing in the Securities;
4. Such investor can bear the economic risks of the investment and has the capacity to protect his or her own interests in connection with the transaction;
5. Such investor has substantial experience in making investment decisions of this type or is relying on his or her own advisor or qualified purchaser representative in making this investment decision;
6. Such investor is aware that the Securities have not been registered under the Securities Act of 1933, as amended, but rather are being offered in reliance upon an exemption from the registration requirements of that Act, and that the subsequent sale or other disposition of such Securities will require, in the absence of such registration, the satisfaction of such conditions as the Company may require;
7. Such investor is aware that there is no market for the Company's preferred stock at this time, and there is no assurance that a market will ever develop. The Securities being offered will not be transferable unless such Securities are registered or except with the prior written consent of the Company, which consent may be withheld under certain circumstances;
8. Such investor is aware that any person to whom the investor may subsequently wish to sell the Securities (if the Securities are not registered) may have to satisfy standards of suitability at least as stringent as those set forth herein and that, in addition, the prior written approval of any such sale by certain state securities regulatory authorities may be required; and

9. Such investor is purchasing the Securities for his or her own account, for investment, and not with a view to resale or distribution.

The Securities will be offered only to individuals who are able to represent that they meet the foregoing standards and who are residents of states in which the Securities have been qualified for sale or in which there is an available exemption from registration. Prospective investors which are not natural persons (e.g., corporations, trusts, or partnerships) will be required to meet the foregoing standards or such other more stringent standards, and to make such representations in connection therewith, as the Company may deem appropriate. If a purchaser representative is required, he must also execute a disclosure and acknowledgment form.

RESALE RESTRICTIONS

The Securities issued in this Offering will be "restricted securities" as that term is defined in Rule 144 of the Securities and Exchange Commission, and may, in the future, be sold only in compliance with Rule 144 or some other exemption from registration under the Securities Act of 1933, the availability of which must be established by the holder to the satisfaction of the Company, unless the securities are covered by an effective registration statement under the Securities Act of 1933. Rule 144 provides, in essence, that a person who is not affiliated with the Company may, after six months from the date of acquisition, sell restricted securities without restriction, provided the Company files 10-K and 10-Q reports with the Securities and Exchange Commission and is current in its filings with the SEC. There can be no assurance that Rule 144 or any other exemption will be available for the resale of the Securities purchased by investors in this Offering.

In order to facilitate compliance with the limitations on the resale of the securities purchased by investors in this Offering: (i) a legend will be placed on the certificates stating that the securities have not been registered under the Act and setting forth the restrictions on transferability and sale; (ii) a stop transfer notation will be made with respect to the securities in the appropriate records of the Company; and, (iii) stop transfer instructions will be issued to the Company's transfer agent.

DESCRIPTION OF SECURITIES

Common Stock

The Company is authorized to issue 13,409,984 shares of common stock, (the "Common Stock"). Holders of common stock are each entitled to cast one vote for each share held of record on all matters presented to shareholders. Cumulative voting is not allowed; hence, the holders of a majority of the outstanding common stock can elect all directors.

Holders of common stock are entitled to receive such dividends as may be declared by the Board of Directors out of funds legally available therefore and, in the event of liquidation, to share pro rata in any distribution of the Company's assets after payment of liabilities. The board is not obligated to declare a dividend. It is not anticipated that dividends will be paid in the foreseeable future.

Holders of common stock do not have preemptive rights to subscribe to additional shares if issued by the Company. There is no conversion, redemption, sinking fund or similar provisions regarding the common stock. All outstanding shares of common stock are fully paid and non-assessable.

As of the date of this Private Offering Memorandum, the Company had 8,684,618 outstanding shares of common stock.

Preferred Stock

The Company is authorized to issue 15,531,505 shares of preferred stock.

By means of this Private Offering Memorandum the Company is offering shares of its Series A-1 and Series A-2 preferred stock.

Voting

Each Series A-1 Preferred share will not have any voting rights, except as provided by law.

Each Series A-2 Preferred share will be entitled to one vote on any matter to be presented to the Company's shareholders.

Dividends

The holders of the Series A-1 and Series A-2 Preferred Shares, in preference to the holders of common shares, shall be entitled to receive, when, as and if declared by the Company's Board of Directors out of funds legally available for the purpose, dividends which will be determined by the Company's Board of Directors.

Certain Restrictions

Whenever dividends declared or other distributions payable on the Series A-1 or Series A-2 Preferred Shares are in arrears, thereafter and until all unpaid dividends and distributions on Series A-1 and Series A-2 Preferred Shares shall have been paid in full, the Company shall not:

(a) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A-1 or Series A-2 Preferred Shares;

(b) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A-1 or Series A-2 Preferred Shares, except dividends paid ratably on the Series A-1 and Series A-2 Preferred Shares and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled; or

(c) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A-1 or Series A-2 Preferred Shares.

Liquidation, Dissolution or Winding Up

Upon any liquidation, dissolution or winding up of the Company, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A-1 Preferred Shares or Series A-2 Preferred Shares unless, prior thereto:

Each holder of a Series A-1 Preferred Share shall have received the higher of:

- the amount paid for each Series A-1 preferred share, plus an amount equal to declared and unpaid dividends; or
- the amount that would be received if each Series A-1 preferred share was converted into the Company's common stock.

Each holder of a Series A-2 Preferred Share shall have received the higher of:

- 125% of the amount paid for each Series A-2 preferred share, plus an amount equal to declared and unpaid dividends; or
- the amount that would be received if each Series A-2 preferred share was converted into the Company's common stock.

Conversion

(i) At any time and at the option of the holder of the Series A-1 or Series A-2 Preferred Stock, each share of the Series A-1 and Series A-2 Preferred Stock will be convertible at any time into one share of the Company's common stock.

(ii) All Series A-1 and Series A-2 preferred shares will automatically convert to common shares in the event the Company:

- is listed on the NASDAQ, the NYSE, the NYSE American or the London Stock Exchange; or
- sells shares of its common stock which are registered by means of an S-1 or S-3 registration statement or a notification on Form 1-A (i.e. a Regulation A Offering).

In the event the Company shall at any time declare or pay any dividend on common shares payable in common shares, or effect a subdivision or combination or consolidation of the outstanding common shares (by reclassification or otherwise) into a greater or lesser number of common shares, then in each such case the number of common shares issuable upon the conversion of the Series A-1 and Series A-2 Preferred Shares immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of common shares outstanding immediately after such event and the denominator of which is the number of common shares that were outstanding immediately prior to such event.

(iii) In the event the Company sells shares of common or preferred stock at a price less than \$7.15 per share, the number of shares to be issued upon the conversion of one share of Series A-1 and Series A-2 preferred stock will be adjusted as follows:

$$(7.15 \times OS) + (NP \times NS) = Y$$

$$OS + NS$$

$$NCR = CCR \times \frac{7.15}{Y}$$

Where:

- OS = Outstanding shares of the Company's common or preferred stock at time of issuance of shares below \$7.15.
- NP = Price of shares sold below \$7.15 per share.
- NS = Shares issued at price below \$7.15

CCR = Number of common shares to be issued upon conversion of one share of Series A-1 or Series A-2 preferred stock (initially 1-for-1).
NCR = New Conversion Ratio

In the event the Company shall at any time declare or pay any dividend on common shares payable in common shares, or effect a subdivision or combination or consolidation of the outstanding common shares (by reclassification or otherwise) into a greater or lesser number of common shares, then in each such case the “7.15” referred to above shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of common shares outstanding immediately before such event and the denominator of which is the number of common shares that were outstanding immediately after such event. The “7.15” will be adjusted each time the Company affects a transaction referred to above.

As the date of this Private Offering Memorandum no shares of Series A-1 or A-2 preferred stock were outstanding.

The Company currently has 8,305,151 outstanding shares of Series Seed and Series Seed 1 preferred stock (the “Seed Preferred Shares”).

Each Seed Preferred Share is entitled to one vote per share and is convertible, at the option of the holder, into one share of the Company’s common stock. The holders of the Seed Preferred Shares are entitled to elect one of the Company’s directors. The holders of the Seed Preferred Shares are entitled to cash dividends when as, and if declared by the Company’s directors. If cash dividends are declared, each holder of a Seed Preferred Share is entitled to receive a dividend in an amount equal to the dividend declared, paid or set aside on such common stock multiplied by the number of shares of common stock issuable upon the conversion of a Seed Preferred Share.

Dividend Policy

We have never declared or paid cash dividends on our capital stock. We currently intend to retain any future earnings for use in the operation of our business and do not intend to declare or pay any cash dividends in the foreseeable future. Any further determination to pay dividends on our capital stock will be at the discretion of our Board of Directors, subject to applicable laws, and will depend on our financial condition, results of operations, capital requirements, general business conditions, and other factors that our Board of Directors considers relevant.

Transfer Agent and Registrar 01-355-5740

Our transfer agent is Colonial Stock Transfer, whose address is 7840 S 700 E., Sandy, UT 84070. The Transfer Agent’s telephone number is (801) 355- 5740 and its website is www.colonialstock.com.

INDEMNIFICATION

The Company's Bylaws authorize indemnification of a director, officer, employee or agent of the Company against expenses incurred by him in connection with any action, suit, or proceeding to which he is named a party by reason of his having acted or served in such capacity, except for liabilities arising from his own misconduct or negligence in performance of his duty. In addition, even a director, officer, employee, or agent of the Company' who was found liable for misconduct or negligence in the performance of his duty may obtain such indemnification if, in view of all the circumstances in the case, a court of competent jurisdiction determines such person is fairly and reasonably entitled to indemnification.

Those interested in subscribing to the securities offered by the Company should complete the Subscription Agreement that follows.

SPOTITEARLY, INC.

SUBSCRIPTION AGREEMENT

Complete this form and return per the instructions at the end:

Subscription.

I hereby agree to purchase _____ Series A-1 Preferred shares offered by the Company at a price of \$ _____ per share in accordance with the terms and conditions of this Subscription Agreement.

I hereby agree to purchase _____ Series A-2 Preferred shares offered by the Company at a price of \$ _____ per share in accordance with the terms and conditions of this Subscription Agreement.

This subscription may be rejected by the Company in whole or in part.

Representations and Warranties. I warrant and represent to the Company that:

1. The Securities are being purchased by me for investment only, for my own account and not with a view to the offer or sale in connection therewith, or the distribution thereof, and I am not participating, directly or indirectly, in an underwriting of any such undertaking.
2. I will not take, or cause to be taken, any action that would cause me to be deemed an underwriter of the Securities, as defined in Section 2(11) of the Securities Act of 1933, as amended (the "Act").
3. I have had the opportunity to review the Company's Private Offering Memorandum (the "Disclosure Document").
4. I, and my purchaser representative (if any), have had an opportunity to ask questions of, and receive answers from the officers of the Company to verify the accuracy and completeness of the information set forth in the Disclosure Document.
5. In determining whether to make an investment in the Securities, I am not relying on any information other than the Disclosure Document referred to above.
6. By virtue of my net worth and by reason of my knowledge and experience in financial and business matters in general, and investments in particular, I am capable of evaluating the merits and risks of an investment in the Securities on the basis of the information contained in the Disclosure Document.
7. I can bear the economic risks of an investment in the Securities.
8. My present financial condition is such that I am under no present or contemplated future need to dispose of any portion of the Securities to satisfy any existing or contemplated undertaking, need or indebtedness.
9. If required to do so, I have retained to advise me, as to the merits and risks of the prospective investment in the Securities, a purchaser representative as defined in Rule 501 of Regulation D promulgated under the Act, and I have previously forwarded, or am simultaneously with the execution of this Subscription Agreement forwarding, a completed Purchaser Representative Disclosure and Acknowledgment form which, if needed, I will request the Company to provide.

10. I am aware that the Securities have not been registered under the Securities Act of 1933, as amended, but rather are being offered in reliance upon an exemption from the registration requirements of that Act.

11. I am aware that no market exists for the Company's preferred stock at this time and a public market for the preferred stock may not develop in the future.

12. I am aware that:

- a. The Securities being offered will not be transferable unless such Securities are registered or except with the prior written consent of the Company, which consent may be withheld under certain circumstances.
- b. Any person to whom the investor may subsequently wish to sell the Securities (if the Securities are not registered) may have to satisfy standards of suitability at least as stringent as those set forth herein.
- c. The subsequent sale or other disposition of such Securities will require, in the absence of such registration, the satisfaction of such conditions as the Company may require.

13. I hereby represent and warrant that all the representations, warranties and acknowledgments contained in this Subscription Agreement are true, accurate and complete as of the date hereof.

14. I understand that I will be contacted by an independent third party to verify my status as an accredited investor.

Offshore Transaction

If I (the "Buyer") am not a resident of the United States, then I warrant and represent to the Company the following:

- (i) The Buyer is not a U.S. Person (as defined in Regulation S) or if the Buyer is not a natural person, is not organized under the laws of any jurisdiction within the United States, was not formed by a U.S. Person for the purpose of investing in Regulation S securities and is not otherwise a U.S. Person. The Buyer is not, and on the date of acceptance of this Agreement by the Seller, will not be, an affiliate of the Company;
- (ii) At the time the buy order was originated, the Buyer was outside the United States and is outside of the United States as of the date of the execution and delivery of this Agreement;
- (iii) No offer to purchase the Securities was made by the Buyer in the United States;
- (iv) The buyer is purchasing the Securities under the laws of his or its jurisdiction of residence and domicile, and the offer and sale of the Securities will not violate the securities or other laws of such jurisdiction;
- (v) All offers and sale of any of the Securities by the Buyer prior to the end of the restricted period (Restricted Period) as defined by Regulation S, will be made in accordance with the securities laws of any applicable jurisdiction and in accordance with Regulation S or pursuant to registration of Securities under the 1933 Act or pursuant to an exemption from registration.
- (vi) The transaction contemplated by this Agreement (a) has not been and will not be pre-arranged by the Buyer with a purchaser located in the United States or a purchaser which

is a U.S. Person, and (b) are not and will not be part of a plan or scheme by the Buyer, to evade the registration provisions of the 1933 Act;

- (vii) The Buyer understands that the Securities are not registered under the 1933 Act and are being offered and sold to it in reliance on specific exclusions from the registration requirements of Federal and State securities laws, and that the Company is relying upon the truth and accuracy of the representation, warranties, agreements, acknowledgements and understandings of the Buyer set forth herein in order to determine the applicability of such exclusions and the suitability of the Buyer to acquire the Securities;
- (viii) The Buyer shall take all reasonable steps to ensure its compliance with Regulation S and shall promptly send to each purchaser who acts as a distributor, dealer or person receiving a selling concession, fee or other remuneration with respect to any of the Securities, and who purchases prior to the expiration of one year from the date of this Agreement, a confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales as the Buyer pursuant to Regulation S;
- (ix) The Buyer has not conducted or permitted and shall not conduct or permit on its behalf any "directed selling efforts" as that term is defined in Rule 902(b) of Regulation S; nor has the Buyer conducted any general solicitation relating to the offer and sale of any of the Securities in the United States or elsewhere;
- (x) All invitations, offers and sales of or with respect to any of the Securities, by the Buyer and any distribution by the Buyer of any documents relating to any offer by it of any of the Securities will be in compliance with applicable laws and regulations and will be made in such a manner that no prospectus need be filed and no other filing need be made by the Company with any regulatory authority or stock exchange in any country or any political sub-division of any country; and
- (xi) The Buyer will not make any offer of sale of the Securities by any means which would not comply with the law and regulations of the territory in which such offer or sale takes place or to which such offer or sale impose upon the Company any obligation to satisfy any public filing or registration requirement or provide or publish any information of any kind whatsoever or to otherwise undertake or become obligated to do any act.
- (xii) The Buyer certifies that it is not acquiring the Securities for the account of any U.S. Person and agrees to resell such Securities only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act of 1933 (the "Act") or pursuant to an available exemption from registration; and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the Act.

Restrictions on Transferability. I hereby agree that the Securities being purchased by me may be stamped or otherwise imprinted with a conspicuous legend in substantially the following form:

The securities represented by this certificate may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Securities Act of 1933 (the "Act"), or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the issuer.

I further agree that the Securities may also be stamped with any other legend(s) required by applicable state securities laws (the "State Acts").

The Securities shall be sold, pledged, assigned, hypothecated or otherwise transferred, with or without consideration ("Transfer") only pursuant to an effective registration statement under the Act, or pursuant to an exemption from registration under the Act, the availability of which is established to the satisfaction of the Company, which may include an opinion of my counsel, which cost shall be borne by me, as to the availability of such an exemption. I realize that by becoming a holder of the Securities pursuant to the terms of the legend set forth above, I agree, prior to any Transfer, to give written notice to the Company expressing my desire to affect the Transfer and describing the proposed Transfer.

Upon receiving any such notice, the Company shall present copies thereof to counsel for the Company and the following provisions shall apply:

1. If, in the opinion of such counsel, the proposed Transfer may be effected without registration thereof under the Act and the State Acts, the Company shall promptly thereafter notify the holder of such Securities whereupon such holder shall be entitled to effect the Transfer, all in accordance with the terms of this notice delivered by such holder to the Company, and upon such further terms and conditions as shall be required by the Company in order to assure compliance with the Act and the State Acts.
2. If, in the opinion of such counsel, the Transfer may not be affected without registration under the Act and/or the State Acts, a copy of such opinion shall promptly be delivered to the holder who had proposed the Transfer and the Transfer shall not be made unless registration of the Transfer is then in effect.

Payment of Subscription. My payment is being sent by wire (or check) payable to the order of the Company for the Securities purchased. I recognize that if my subscription is rejected, in whole or in part, the funds delivered herewith, to the extent that my subscription has been rejected, will be returned to me without deduction therefrom or interest thereon, as soon as practicable.

Notices. Any notices or other communications required or permitted hereby shall be sufficiently given if sent by registered or certified mail, postage prepaid, return receipt requested, and, if to the Company, at the address to which this letter Subscription Agreement is addressed, and, if to me, at the address set forth below my signature hereto, or to such other addresses as either the Company or I shall designate to the other by notice in writing.

Successors and Assigns. This Subscription Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to the successors and assigns of the Company and to my personal and legal representatives, heirs, guardians, successors and permitted assignees.

Reliance Upon Representations. I understand that the Company is relying upon the accuracy of the representations and warranties which I have made in this agreement. I agree to indemnify the Company (and any control persons of such entities) for any loss they may suffer as the result of any false or misleading warranty, representation or statement of facts which I have made in connection with the purchase of the Securities.

Applicable Law/Arbitration. This Subscription Agreement shall be governed by and construed in accordance with the laws of Colorado and, to the extent it involves any United States statute, in accordance with the laws of the United States. Any dispute, claim or controversy involving this Subscription Agreement, or the circumstances surrounding the sale of the securities described in this Subscription Agreement shall be settled through binding arbitration in accordance with the Commercial Rules of the American Arbitration Association in Newark, New Jersey.

Typed or Printed Name

Signature of Subscriber

Social Security or Tax Id. #

Residential Address

Date

City, State & Zip Code

Email

ACCEPTED:

By: _____

Date: _____

RETURN THIS SUBSCRIPTION AGREEMENT ELECTRONICALLY TO:

_____ | **Phone:** _____

OR BY OVERNIGHT DELIVERY TO:

A wire transfer for payment of the subscription to the bank account below is easiest for processing.

Please make your check payable to:
Enterprise Bank & Trust, Escrow Agent for SpotitEarly, Inc.

Checks should be sent to:
ENTERPRISE BANK
150 N. Meramec Avenue
Clayton, MO 63105

If a check is preferred, please include the check (personal or corporate account is acceptable - cashier's check is not required) with the signed subscription agreement to the address above by overnight delivery.

WIRE INSTRUCTIONS:

ABA # 081006162
ENTERPRISE BANK
150 N MERAMEC AVENUE
CLAYTON, MO 63105

CREDIT CLIENT'S NAME & ACCOUNT NUMBER

Account Name: Enterprise Bank & Trust, Escrow Agent for SpotitEarly, Inc.
Account Number: 54163358

Your shares of preferred stock will be issued in book entry at Colonial Stock Transfer.