MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED FEBRUARY 28, 2014

The following comments are intended to provide a review and analysis of the results of operations, financial condition and cash flows of Opsens Inc. for the three-month and six-month periods ended February 28, 2014 in comparison with the corresponding periods ended February 28, 2013. In this Management's Discussion and Analysis ("MD&A"), "Opsens", "the Company", "we", "us" and "our" mean Opsens Inc. and its subsidiary. This discussion should be read and interpreted in conjunction with the information contained in our annual consolidated financial statements for the years ended August 31, 2013 and 2012, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. This document was prepared on April 25, 2014. All amounts are in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking statements with respect to the Company. These forward-looking statements, by their nature, require the Company to make certain assumptions and necessarily involve known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements. Forward-looking statements are not guarantees of performance. These forward-looking statements, including financial outlooks, may involve, but are not limited to, comments with respect to the Company's business or financial objectives, its strategies or future actions, its targets, expectations for financial condition or outlook for operations and future contingent payments. Words such as "may", "will", "would", "could", "expect", "believe", "plan", "anticipate", "intend", "estimate", "continue", or the negative or comparable terminology, as well as terms usually used in the future and conditional, are intended to identify forward-looking statements.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. The Company considers these assumptions to be reasonable based on information currently available to it, but cautions the reader that these assumptions regarding future events, many of which are beyond its control, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect the Company and its business. The forward-looking information set forth therein reflects the Company's expectations as at April 25, 2014 and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

CORPORATE OVERVIEW

Opsens is focusing on two main growth markets, Fractional Flow Reserve ("FFR") in medical instrumentation and oil and gas. The Company is also involved in industrial activities. Opsens develops, manufactures, supplies and installs systems for measuring parameters of pressure, temperature and others using fiber optic sensing technologies. These systems are designed around patented technologies that are effective and durable in extreme conditions.

Opsens holds six (8) patents and has two (2) patents pending covering its products and technology. With its patented technologies and highly recognized expertise, Opsens meets consumers' needs in the medical, oil and gas and industrial markets. Since December 11, 2007, activities in the oil and gas market have been performed by the wholly-owned subsidiary Opsens Solutions Inc. ("Opsens Solutions").

VISION, STRATEGY AND OUTLOOK

The worldwide market for fiber optic and conventional sensors is a multi-billion dollar opportunity. Opsens' sales and marketing strategy aims to provide solutions for FFR, Oil & Gas and selected niche markets, in particular, markets with challenging environments, where conventional solutions are either non-existent, operate marginally or quickly fail.

In its business plan, Opsens has identified markets where its products can bring better results to their users. Opsens' management is confident that the products it offers and those it develops for these markets will deliver value to its shareholders. In addition, Opsens remains open to business opportunities, including new projects and acquisitions, to enhance its core activities and consequently add to shareholders value.

The Company's expertise, know-how and patented technologies are key to new production techniques improving the reliability of measuring equipment. Also, Opsens' production technique called MEMS (Micro-Electro-Mechanical-System) encourages penetration into markets traditionally occupied by conventional sensors through higher production volumes and reduced manufacturing costs.

In 2014, Opsens expects its net loss will increase from year 2013 due to verification and validation expenses and to commercialization costs for the FFR products.

NON-IFRS FINANCIAL MEASURE - EBITDAO

The Company quarterly reviews net loss and Earnings Before Interest, Taxes, Depreciation, Amortization and Stock-based compensation costs ("EBITDAO"). EBITDAO has no normalized sense prescribed by IFRS. It is not very probable that this measure is comparable with measures of the same type presented by other issuers. EBITDAO is defined by the Company as the addition of net loss, depreciation and amortization, financial expenses and stock-based compensation costs. The Company uses EBITDAO for the purposes of evaluating its historical and prospective financial performance. This measure also helps the Company plan and forecast for future periods as well as make operational and strategic decisions. The Company believes that providing this information to investors, in addition to IFRS measures, allows them to see the Company's results through the eyes of management, and to better understand its historical and future financial performance.

Reconciliation of EBITDAO to net loss

(In thousands of Canadian dollars)	**Three-month period ended February 28, 2014**	**Three-month period ended February 28, 2013**	**Six-month period ended February 28, 2014**	**Six-month period ended February 28, 2013**
	$	**$**	**$**	**$**
Net loss	(843)	(623)	(1,528)	(601)
Financial expenses	108	5	220	27
Depreciation of property, plant and equipment	75	71	154	131
Amortization of intangible assets	11	7	21	14
EBITDA	(649)	(540)	(1,133)	(429)
Stock-based compensation costs	28	24	108	55
EBITDAO	(621)	(516)	(1,025)	(374)

For the three-month period ended February 28, 2014, the negative variance of EBITDAO when compared with last year is mainly explained by the increase in the net loss, partly offset by increased financial expenses.

For the six-month period ended February 28, 2014, the negative variance of EBITDAO when compared with last year is mainly explained by the increase in the net loss, partly offset by increased financial expenses, depreciation of property, plant and equipment and stock-based compensation costs.

PRODUCTS AND INNOVATION

The Company is constantly working to improve its position in terms of intellectual property and what it can offer to its customers. For the six-month period ended February 28, 2014, the Company focused on continuous improvements to its technology in markets with the highest perceived potential payoff, particularly FFR and oil and gas.

OptoWire for the Measurement of FFR

In 2011, Opsens unveiled its offering for cardiologists to use in the measurement of FFR. FFR is an index of the functional severity of a coronary stenosis that is calculated from pressure measurements taken before and after a narrowing of the arteries during coronary arteriography. This increasingly used approach enables a real-time diagnosis for a better assessment as to whether a stent is an appropriate intervention to improve blood circulation in the cardiovascular system.

A study published in 2009 in the New England Journal of Medicine, “Fractional Flow Reserve vs. Angiography for Multivessel Evaluation”, found that a stent was not always an appropriate intervention, and that its overuse was actually doing patients more harm than good in some cases. Patients of doctors using FFR had fewer stents used and better outcomes overall, the study found.

The FFR market represents a significant opportunity for Opsens. Opsens intends to fully exploit this opportunity by an aggressive development of the OptoWire through the stages of preclinical, regulatory and commercialization. In January 2014, Opsens announced the filing of the FFR application for Shonin approval for Japan. Filing for regulatory approvals in the US, Europe and Canada are expected to be completed in Opsens’ 2014 fiscal year, enabling access to market. Opsens aims for the commercialization of its FFR product in the first half of calendar year 2015.

Unlike traditional guidewires, the OptoWire is a guidewire instrumented with a fiber optic pressure sensor, which is low-drift and will provide a high-fidelity measurement of blood pressure in coronary arteries. In addition to reliable measurement, the OptoWire aims to offer better mechanical performances in terms of trackability, torquability and support over existing pressure guidewires.

Scientific Advisory Board

To support the development and refinement of the OptoWire, Opsens has put together a scientific advisory board of experts in the field of FFR and clinical research, composed of Drs. Morton Kern, Olivier F. Bertrand and Michael J. Lim. These leading cardiologists are advising the Company on the development, clinical studies and commercialization of the OptoWire.

Oil and Gas and Other Products

As for the oil and gas field over the current fiscal year, Opsens will continue to develop its existing product line while improving its ability to respond to customer needs for multiple specifications in the measurement of pressure and temperature and also by working on new products and applications to help the Company reach new markets and increase its revenues consequently.

Opsens is also developing new products and applications to measure pressure and temperature that will help broaden its offering and consequently, help the Company reach new markets.

SELECTED CONSOLIDATED FINANCIAL DATA

(In thousands of Canadian dollars, except for information per share)	**Three-month period ended February 28, 2014**	**Three-month period ended February 28, 2013**	**Six-month period ended February 28, 2014**	**Six-month period ended February 28, 2013**
	$	$	$	$
Sales	1,118	1,836	3,320	4,370
Cost of sales	744	1,193	2,146	2,508
Gross margin	374	643	1,174	1,862
Gross margin rate	33%	35%	35%	43%
Administrative expenses	541	611	1,114	1,149
Marketing expenses	211	226	505	476
R&D expenses	357	424	863	811
Financial expenses	108	5	220	27
	1,217	1,266	2,702	2,463
Net loss and comprehensive loss	(843)	(623)	(1,528)	(601)
Net loss per share – Basic	(0.02)	(0.01)	(0.03)	(0.01)
Net loss per share – Diluted	(0.02)	(0.01)	(0.03)	(0.01)

QUARTERS ENDED FEBRUARY 28, 2014 AND 2013

Revenues

The Company reported revenues of $1,118,000 for the three-month period ended February 28, 2014, compared with revenues of $1,836,000 for the same period in 2013, a decrease of $718,000 or 39%.

Revenues in the oil and gas sector totaled $507,000 for the three-month period ended February 28, 2014 compared with $1,493,000 in 2013. The decrease in revenues is explained by installations of OPP-W sensor systems from the 48-well contract placed by an oil and gas producer for an Alberta SAGD oil sands projects that were carried over to the next quarters due to operational issues from the producer. In addition, one of the largest customers in 2013 placed fewer orders in the second quarter of fiscal 2014, when compared with last year.

Revenues in the industrial field totaled $494,000 for the three-month period ended February 28, 2014, compared with revenues of $246,000 for the same period in 2013. The increase in revenues in the industrial field is explained by a strong second quarter in fiscal 2014 where significant orders were placed by two existing customers.

As at February 28, 2014, the backlog amounted to $3,071,000 ($4,380,000 as at August 31, 2013).

Given that a proportion of the Company's revenues is generated in U.S. dollars, fluctuations in the exchange rate affect revenues and net loss. For the three-month period ended February 28, 2014, the average exchange rate was higher than the comparative period, which affected positively the revenues by $50,600 (negative impact of $10,000 for the three-month period ended February 28, 2013).

Market acceptance of fiber optic sensors is increasing in the Company’s markets. That being said, some sectors, such as oil and gas, are seeing additional competition. Opsens is addressing the added competition by highlighting the performance characteristics of its products compared with those of its competitors. Some of Opsens’ customers reduced their capital expenditures budget for 2014. For the three-month periods ended February 28, 2014 and 2013, pricing fluctuations and new product launches did not have a significant impact on revenues.

Gross margin

The gross margin on product sales decreased for the three-month period ended February 28, 2014 from a year earlier, going from $643,000 to $374,000. In addition, the gross margin rate decreased from 35% for the three-month period ended February 28, 2013 to 33% for the three-month period ended February 28, 2014. The decrease in gross margin and gross margin rate is explained by a change in the business mix where a higher proportion of gross margin was generated by businesses with gross margins below group average.

The Company expects the gross margin rate for the Company to move toward its target of 40% as revenues grow.

Administrative expenses

Administrative expenses were $541,000 and $611,000, respectively, for the three-month periods ended February 28, 2014 and 2013. The decrease is explained by management's continuous focus on controlling costs.

Marketing expenses

Sales and marketing expenses were $211,000 for the three-month period ended February 28, 2014, compared with $226,000 for the comparative period, a decrease of $15,000. The decrease is explained by lower travelling and entertainment fees when compared with last year.

Research and development expenses

Research and development expenses amounted to $357,000 and $424,000, respectively, for the three-month periods ended February 28, 2014 and 2013. The decrease in the research and development expenses in the second quarter of fiscal 2014 when compared with 2013 is mainly attributable to higher R&D tax credits recorded during the quarter upon the finalization of the income tax return.

Financial expenses

Financial expenses reached $108,000 for the three-month period ended February 28, 2014 compared with $5,000 for the three-month period ended February 28, 2013. The increase in the financial expenses during the second quarter of fiscal 2014 is explained by a negative change in fair value of embedded derivative of $24,000 and by a negative variation of $66,000 in the gain (loss) on foreign exchange.

Net loss

As a result of the foregoing, net loss for the three-month period ended February 28, 2014 was $843,000 compared with a net loss of $623,000 for the three-month period ended February 28, 2013.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

(In thousands of Canadian dollars)	As at February 28, 2014	As at August 31, 2013
	$	$
Current assets	14,647	8,459
Total assets	16,851	10,528
Current liabilities	2,187	2,415
Long-term liabilities	5,090	4,720
Shareholders' equity	9,574	3,393

Total assets as at February 28, 2014 were $16,851,000 compared with $10,528,000 as at August 31, 2013. The increase is mainly related to higher cash and cash equivalents explained by the proceeds from the public offering of $7,848,000, net of share and units issue costs, and by the issuance of shares pursuant to the stock option plan of $62,000. This was partly offset by reduced cash and cash equivalents due to the amount invested for the verification and validation phase of our FFR products and by lower revenues.

Long-term liabilities totaled $5,090,000 as at February 28, 2014 compared with $4,720,000 as at August 31, 2013, an increase of $370,000. The increase is explained by non-interest bearing contributions amounting to $193,000 received during the period from governmental agencies, by an increase in the value of the embedded derivative of $102,000 and by a foreign exchange loss of $111,000 on the conversion of the convertible debenture. This was partly offset by reimbursement of long-term debt amounting to $90,000.

SUMMARY OF CONSOLIDATED QUARTERLY RESULTS

The summary below presents the periods in which Opsens published unaudited interim financial statements.

(Unaudited, in thousands of Canadian dollars, except for information per share)	Three-month period ended February 28, 2014	Three-month period ended November 30, 2013	Three-month period ended August 31, 2013	Three-month period ended May 31, 2013
	$	$	$	$
Revenues	1,118	2,202	1,451	1,706
Net loss for the period	(843)	(685)	(1,075)	(689)
Net loss per share – Basic	(0.02)	(0.01)	(0.02)	(0.01)
Net loss per share – Diluted	(0.02)	(0.01)	(0.02)	(0.01)

(Unaudited, in thousands of Canadian dollars, except for information per share)	Three-month period ended February 28, 2013	Three-month period ended November 30, 2012	Three-month period ended August 31, 2012	Three-month period ended May 31, 2012
	$	$	$	$
Revenues	1,836	2,533	1,416	2,174
Net profit (net loss) for the period	(623)	21	(639)	(357)
Net profit (net loss) per share – Basic	(0.01)	0.00	(0.01)	(0.01)
Net profit (net loss) per share – Diluted	(0.01)	0.00	(0.01)	(0.01)

Historically, the Company's revenues and net earnings (net loss) results have experienced minimal seasonality. Seasonal fluctuations have become more significant with the increase weighting of sales in the oil and gas field, since business activity is generally greater in the fall and winter for this sector.

LIQUIDITY AND CAPITAL RESOURCES

On February 18, 2014, the Company completed a public offering for aggregate gross proceeds of $8,505,104. In connection with the offering, the Company issued a total of 5,340,220 units at a price of $0.75 per unit and 6,164,300 common shares at a price of $0.73 per common share. Each unit consists of one common share in the capital stock of Opsens and one-half of one common share purchase warrant, with each whole common share purchase warrant entitling the holder thereof to purchase one common share at a price of $1.05 until February 17, 2016.

The value of one-half of one common share purchase warrant was established at $0.02, being the difference between the issuing price of $0.75 per unit and of $0.73 per common share. Expenses of the offering include 7% underwriting fees of $595,357 and other professional fees and miscellaneous fees of $370,396 for total fees of $965,753 of which $657,315 have been paid and $308,438 are included in accounts payable and accrued liabilities.

The Company also issued 805,316 broker warrants as additional compensation, each warrant entitling the holder to purchase one common share at a price of $0.73 until February 17, 2016. The total fees of $965,753 and the broker warrants value of $32,213 have been allocated on a prorata basis between share capital and the warrants reserve, $985,433 and $12,532 respectively, based on the ratio established by their respective values as described above.

On November 19, 2012, the Company announced the granting of distribution and other rights for OptoWire and OptoMonitor, Opsens' products for measuring FFR. Under the terms of the agreement, the Company received:

- US$3,000,000 for the distribution rights for its FFR products for Japan, Korea and Taiwan, which includes:
    a. US$2,000,000 ($2,002,000) at signing;
    b. US$1,000,000 once Opsens gets regulatory approval for its FFR devices in Japan;
- US$2,000,000 ($2,002,000) in subordinated secured convertible debenture, at signing.

The convertible debenture bears interest at a rate of 2.0% per annum payable at maturity which is November 19, 2017. At the holder's option, the convertible debenture may be converted into common shares of the Company at any time up to the maturity date at a conversion price representing the market price of the shares. However, the conversion price is subject to a minimum of $0.50 and a maximum of $0.75 per common share (the "conversion price").

The convertible debenture is also convertible at the Company's option at the conversion price if the volume-weighted average closing price per common share for the twenty trading days immediately preceding the fifth trading day before such conversion date is at least $1.20 and if a minimum of 50,000 common shares have traded on the TSX Venture Exchange during each of the twenty trading days taken into account in the calculation of the conversion price.

To secure the repayment of the convertible debenture, a movable hypothec on certain equipment has been given. As at February 28, 2014, the net book value of property, plant and equipment pledged as collateral was $49,500 ($66,000 as at August 31, 2013). This hypothec will rank second to certain long-term loans of the Company.

As noted above, the convertible debenture contains a conversion option that will result in an obligation to deliver a fixed amount of equity in exchange of a variable amount of convertible debenture when translated in the functional currency of the Company. Consequently, under IAS 32, "Financial Instruments: Presentation", the convertible debenture is accounted for as a compound instrument with a debt component and a separate embedded derivative representing the conversion option. Both the debt and embedded derivative components of this compound financial instrument are measured at fair value on initial recognition. The debt component is subsequently accounted for at amortized cost using the effective interest rate method. The embedded derivative is subsequently measured at fair value at each reporting date with gains and losses in fair value recognized through profit or loss.

The Company has an authorized line of credit for a maximum amount of $200,000, $50,000 of which is available at all times and does not take into consideration any margining of accounts receivable and inventories. When using the line of credit in an amount varying from $50,000 and $100,000, the available credit is limited to an amount that is equal to 75% of Canadian accounts receivable and 65% of foreign accounts receivable plus 50% of inventories of raw materials and finished goods. If the amount used exceeds $100,000, the credit available is limited to an amount equal to 75% of Canadian accounts receivable and 90% of insured foreign accounts receivable plus 50% of inventories of raw materials and finished goods. This line of credit bears interest at the financial institution's prime rate plus 2% and is repayable on a weekly basis by $5,000 tranches. It is secured by a first-rank movable hypothec for an amount of $750,000 on the universality of receivables and inventories.

Under an agreement entered into with Canada Economic Development ("CED"), the Company may receive a refundable contribution of a maximum amount of $300,000, non-interest bearing, to cover expenses related to the development of its OptoWire product for the FFR market. This contribution is paid out based on the project's percentage of completion at the rate of 40% of eligible expenses since February 1, 2013. During the year ended August 31, 2013, the Company recognized for this refundable contribution an amount of $57,500 against research and development expenses. During the six-month period ended February 28, 2014, the Company received an amount of $152,000 for which a portion of $66,000 was recognized against research and development expenses.

At the end of the year ended August 31, 2012, the Company has received approval for financial support from the Ministère des Finances et de l'Économie ("MFE") in the form of a repayable contribution of $413,590 for the development of a portfolio of products for FFR. During the six-month period ended February 28, 2014, the Company received an amount of $164,200 for which a portion of $57,000 was recognized against research and development expenses.

As at February 28, 2014, the Company had cash and cash equivalents of $10,010,000 compared with $3,662,000 as at August 31, 2013. Of this amount as at February 28, 2014, $9,666,000 was invested in highly liquid, safe investments. As at February 28, 2014, Opsens had a working capital of $12,460,000, compared with a working capital of $6,043,000 as at August 31, 2013.

Based on the agreement with Abiomed, Inc. announced on April 15, 2014, on the public offering completed on February 18, 2014, on the agreement announced on November 19, 2012 for the granting of distribution and other rights for FFR products, on the debt financings with the MDEIE, the CED and its financial institution, on the private placement completed on February 12, 2010, on the use of proceeds from the high-power transformers sale, on its cash and cash equivalents, on its working capital and its order backlog, Opsens has the financial resources necessary to maintain short-term operations, honour its commitments and support its anticipated growth and development activities. From a mid-term perspective, Opsens may need to raise additional financing by issuing equity securities and debt. From a long-term perspective, there is uncertainty about obtaining additional financing, given the risks and uncertainties identified in the *Risks and Uncertainties section*. Fluctuation in cash and cash equivalents will depend particularly on the rate of revenues growth for the coming quarters.

As at February 28, 2014, working capital of the Company was higher than what was expected when compared with the activity level of Opsens. As a result, the Company does not anticipate additional investments in the working capital for the fiscal year ending August 31, 2014.

SUMMARY OF CASH FLOWS

(In thousands of Canadian dollars)	Three-month Period Ended February 28, 2014	Three-month Period Ended February 28, 2013	Six-month Period Ended February 28, 2014	Six-month Period Ended February 28, 2013
	$	$	$	$
Operating activities	(583)	(649)	(1,665)	474
Investing activities	(69)	(234)	(123)	(375)
Financing activities	7,844	8	8,136	2,078
Net change in cash and cash equivalents	7,192	(875)	6,348	2,177

Operating activities

Cash flows used by our operating activities for the three-month period ended February 28, 2014 were $583,000, compared with $649,000 for the same period last year, a decrease of $66,000. The decrease in the cash flows used by our operating activities is explained by the increase in the changes in non-cash operating working capital of $241,000 and by a higher change in fair value of embedded derivative of $21,000, partly offset by the increase in net loss of $221,000.

Investing activities

For the three-month period ended February 28, 2014, cash flows used by our investing activities reached $69,000 and were used for acquisitions of property, plant and equipment for an amount of $35,000 and $44,000 was used for additions to intangible assets. This was partly offset by interest received of $10,000. Acquisitions of property, plant and equipment were made primarily for our oil and gas activities and for our FFR project.

For the three-month period ended February 28, 2013, cash flows used by our investing activities reached $234,000 and were used for acquisitions of property, plant and equipment for an amount of $219,000 and $15,000 was used for additions to intangible assets.

Financing activities

For the three-month period ended February 28, 2014, cash flows generated by our financing activities reached $7,844,000. The net proceeds from the issuance of shares and units of $7,887,000 were partly offset by the $45,000 payments on the long-term debt.

For the three-month period ended February 28, 2013, cash flows generated by our financing activities reached $8,000. The increase in our long-term debt of $60,000 was partly offset by payments of $43,000 on the long-term debt and by the $9,000 used for interest payments.

INFORMATION BY REPORTABLE SEGMENTS

Sector's Information

The Company's reportable segments are strategic business units managed separately as one is focused on developing, producing and supplying fiber optic sensors (Opsens Inc.) and the other (Opsens Solutions Inc.) is specialized in the commercialization and installation of optical and conventional sensors for the oil and gas industry.

The same accounting policies are used for both reportable segments. Operations are carried out in the normal course of operations and are measured at the exchange amount which approximates prevailing prices in the markets.

	Three-month periods ended February 28,					
			2014			2013
	Opsens Inc.	Opsens Solutions Inc.	Total	Opsens Inc.	Opsens Solutions Inc.	Total
	$	$	$	$	$	$
External sales	**612,025**	**506,587**	**1,118,612**	359,297	1,477,469	1,836,766
Internal sales	**26,500**	**-**	**26,500**	428,388	-	428,388
Depreciation of property, plant and equipment	**41,418**	**33,317**	**74,735**	40,711	30,270	70,981
Amortization of intangible assets	**8,697**	**1,870**	**10,567**	5,691	1,398	7,089
Financial expenses (revenues)	**26,736**	**81,694**	**108,430**	(67,524)	72,477	4,953
Net loss	**(466,254)**	**(377,047)**	**(843,301)**	(609,516)	(13,000)	(622,516)
Acquisition of property, plant and equipment	**193,375**	**8,153**	**201,528**	70,685	148,230	218,915
Additions to intangible assets	**43,575**	**-**	**43,575**	15,496	-	15,496
Segment assets	**12,790,991**	**4,059,999**	**16,850,990**	7,322,299	4,058,423	11,380,722
Segment liabilities	**6,580,837**	**695,772**	**7,276,609**	5,635,726	657,887	6,293,613

	Six-month periods ended February 28,					
			2014			2013
	Opsens Inc.	Opsens Solutions Inc.	Total	Opsens Inc.	Opsens Solutions Inc.	Total
	$	$	$	$	$	$
External sales	**1,038,930**	**2,281,467**	**3,320,397**	1,023,540	3,345,975	4,369,515
Internal sales	**341,848**	**-**	**341,848**	625,180	-	625,180
Depreciation of property, plant and equipment	**87,349**	**66,579**	**153,928**	77,363	53,933	131,296
Amortization of intangible assets	**15,784**	**5,561**	**21,345**	11,613	2,800	14,413
Financial expenses (revenues)	**58,946**	**160,571**	**219,517**	(111,057)	137,683	26,626
Net profit (net loss)	**(1,273,242)**	**(255,084)**	**(1,528,326)**	(960,000)	358,713	(601,287)
Acquisition of property, plant and equipment	**234,402**	**13,268**	**247,670**	89,832	259,256	349,088
Additions to intangible assets	**60,253**	**2,271**	**62,524**	26,080	-	26,080
Segment assets	**12,790,991**	**4,059,999**	**16,850,990**	7,322,299	4,058,423	11,380,722
Segment liabilities	**6,580,837**	**695,772**	**7,276,609**	5,635,726	657,887	6,293,613

Geographic sector's information

	Three-month period ended		Six-month period ended	
	February 28, 2014	February 28, 2013	February 28, 2014	February 28, 2013
	$	$	$	$
Revenues per geographic sector				
Canada	**527,915**	**1,496,592**	2,318,127	3,387,016
United States	**261,754**	**102,912**	412,966	344,432
Others*	**328,943**	**237,262**	589,304	638,067
	1,118,612	**1,836,766**	3,320,397	4,369,515

* Comprise revenues generated in countries for which amounts are individually not significant.

Revenues are attributed to geographic sector based on the clients' location. Capital assets, which include property, plant and equipment and intangible assets, are all located in Canada.

During the three-month period ended February 28, 2014, revenues from three clients represented individually more than 10% of the total revenues of the Company, i.e. approximately 34% (Opsens Solutions Inc.'s reportable segment), 12% (Opsens Inc.'s reportable segment) and 11% (Opsens Solutions Inc.' reportable segment).

During the three-month period ended February 28, 2013, revenues from two clients represented individually more than 10% of the total revenues of the Company, i.e. approximately 63% (Opsens Solutions Inc.' reportable segment) and 12% (Opsens Solutions Inc.'s reportable segment).

During the six-month period ended February 28, 2014, revenues from three clients represented individually more than 10% of the total revenues of the Company, i.e. approximately 26% (Opsens Solutions Inc.'s reportable segment), 25% (Opsens Solutions Inc.'s reportable segment) and 15% (Opsens Solutions Inc.' reportable segment).

During the six-month period ended February 28, 2013, revenues from three clients represented individually more than 10% of the total revenues of the Company, i.e. approximately 43% (Opsens Solutions Inc.' reportable segment), 18% (Opsens Solutions Inc.'s reportable segment) and 14% (Opsens Solutions Inc.' reportable segment).

Opsens Inc. sector

For the three-month period ended February 28, 2014, revenues from Opsens Inc. sector were $612,000 compared with $359,000 for the comparative period, an increase of $253,000. The increase is explained by significant orders placed by two clients during the three-month period ended February 28, 2014.

Gross margin was $274,000 for the three-month period ended February 28, 2014, compared with $147,000 for the three-month period ended February 28, 2013, an increase of $127,000. Gross margin rate went from 41% for the three-month period ended February 28, 2013 to 45% for the three-month period ended February 28, 2014. The increase in the gross margin is explained by the increase in the revenues. The increase in the gross margin rate arises from high margin revenues generated with the significant orders placed by two clients as explained previously.

Net loss for the Opsens Inc. sector was $466,000 for the three-month period ended February 28, 2014, compared with a net loss of $610,000 for the three-month period ended February 28, 2013. The decrease in net loss reflects higher gross margin as explained above, lower research and development expenses as explained in the "SELECTED CONSOLIDATED FINANCIAL DATA" section of this MD&A and by lower administrative and marketing expenses when compared with the same period last year. This was partly offset by higher financial expenses arising from an unfavorable variance of the gain (loss) on foreign exchange and by an unfavorable change in fair value of the embedded derivative.

Working capital for the Opsens Inc. sector was $10,296,000 as at February 28, 2014, compared with $3,994,000 as at August 31, 2013. The increase of $6,302,000 in the working capital is due to the net proceeds of $7,910,000 from the issuance of shares and units partly offset by the net loss of $1,273,000 generated during the six-month period ended February 28, 2014 and by higher accounts payable and accrued liabilities of $147,000.

Opsens Solutions Inc. sector

For the three-month period ended February 28, 2014, revenues from the Opsens Solutions Inc. sector were $507,000 compared with $1,493,000 for the same period last year, a decrease of $986,000. The decrease in revenues is explained by installations of the 48 OPP-W systems contract carried over to the next quarters.

Gross margin was $100,000 for the three-month period ended February 28, 2014 compared with $496,000 for the same period last year, a decrease of $396,000. Gross margin rate went from 34% for the three-month period ended February 28, 2013 to 20% for the three-month period ended February 28, 2014. The decrease in the gross margin and the gross margin rate is explained by the diminished revenues as explained previously.

Net loss for the Opsens Solutions Inc. sector went from a net loss of $13,000 for the three-month period ended February 28, 2013 to a net loss of $377,000 for the three-month period ended February 28, 2014. The increase in the net loss is mainly explained by the decrease in the gross margin as explained previously.

The working capital for the Opsens Solutions Inc. sector as at February 28, 2014 was $2,164,000 compared with $2,049,000 as at August 31, 2013. The increase of $115,000 in the working capital is explained by a lower balance of accounts payable as at February 28, 2014 partly offset by a lower balance of cash and accounts receivable.

SIX-MONTH PERIODS ENDED FEBRUARY 28, 2014 AND 2013

Revenues

Revenue totalled $3,321,000 for the six-month period ended February 28, 2014 compared with $4,370,000 a year earlier. The decrease is mainly explained by lower revenues in the oil and gas field as installations of the 48-well contract placed by an oil and gas producer for an Alberta SAGD oil sands project were carried over to the next quarters. In addition, one of the largest customer in 2013 placed fewer orders in the six-month period ended February 28, 2014, when compared with last year.

Gross margin

Gross margin was $1,174,000 for the six-month period ended February 28, 2014 compared with $1,862,000 for the same period last year, a decrease of $688,000. In addition, the gross margin rate decreased from 43% for the six-month period ended February 28, 2013 to 35% for the six-month period ended February 28, 2014. The decrease in gross margin and gross margin rate is explained by lower revenues as explained previously and by a special project with a non-recurring client that occurred last year and that generated a gross margin above group average.

Administrative expenses

Administrative expenses were $1,114,000 and $1,149,000, respectively, for the six-month periods ended February 28, 2014 and 2013. The slight decrease is explained by management’s continuous focus on controlling costs.

Marketing expenses

Marketing expenses for the six-month period ended February 28, 2014 were $506,000, an increase of $30,000 over the $476,000 reported during the same period in 2013. The increase is mainly explained by higher subcontractor fees incurred during the period for the commercialization of our products.

Research and development expenses

Research and development expenses totalled $864,000 for the six-month period ended February 28, 2014, an increase of 53,000$ over the $811,000 reported during the same period in 2013. The variation is explained by costs incurred during the period for the FFR project because the verification and validation phase made significant progress.

Financial expenses

Financial expenses reached $220,000 for the six-month period ended February 28, 2014 compared with $27,000 in the same period last year. The increase in the financial expenses is explained by higher interest expense of $15,000 arising from the issuance of the convertible debenture in November 2012, by an unfavourable change of $76,000 in the gain (loss) on foreign exchange and by the negative change in fair value of embedded derivative of $102,000.

Net loss

As a result of the foregoing, net loss for the six-month period ended February 28, 2014 was $1,528,000 compared with $601,000 for the same period in 2013.

INFORMATION ON SHARE CAPITAL

For the six-month period ended February 28, 2014, the Company granted to some employees, consultants and Directors a total of 240,000 stock options with an average exercise price of $0.68, cancelled 506,667 stock options with an average exercise price of $0.32, 50,000 stock options with an exercise price of $0.40 expired and 194,500 stock options with an average exercise price of $0.32 were exercised.

As at the date of this MD&A, the following components of shareholders' equity are outstanding:

Common shares	59,711,503
Stock options	3,919,000
Warrants	3,475,426
Convertible debenture	2,933,333
Securities on a fully diluted basis	70,039,262

The number of shares that would be issued upon conversion of the debenture may vary depending on various parameters such as the exchange rate and the conversion price per share. In the table above, the conversion was carried out on the assumption that the exchange rate between the U.S. dollar and the Canadian dollar is $1.10 and the conversion price is equal to $0.75 per share.

No dividend was declared per share for each share class.

SUBSEQUENT EVENT

On April 15, 2014, the Company announced it has entered into an agreement with Abiomed, Inc. (“Abiomed”) in connection with its miniature optical pressure sensor technology for applications in circulatory assist devices. The Company has granted Abiomed an exclusive worldwide license to integrate its miniature pressure sensor in connection with Abiomed’s circulatory assist devices. Under the agreement, Abiomed will pay Opsens an aggregate amount of US$6 million. US$1,500,000 is payable upon closing, while the balance will be disbursed based on the achievement of certain milestones, such as the meeting of certain performance requirements, the filing of regulatory application, the obtaining of regulatory approval and the transfer of manufacturing to Abiomed.

The closing payment of US$1,500,000 (CAN$1,647,150) will be recorded as a gain on disposal in the statement of loss. Future milestone payments will be recorded as gains on disposal when the conditions related to the payments will be met.

CAPACITY TO PRODUCE RESULTS

As discussed in the section regarding financial position, the Company has the required financial resources for its short-term operations, to fulfill its commitments, to support its growth plan and for the development of its activities. On a mid-term perspective, it is possible that additional financing, through the issuance of shares or debt financing or any other means of financing might be required.

During the next year, the activity level should not require additional investment in working capital. Investments in capital of a few hundreds of thousands of dollars will be needed to respond to Opsens’ operational needs.

From the human resources’ perspective, there are no vacancies in the major executive and technical positions within the Company. However, additional production personnel will be required in Quebec and Alberta. Taking into account the employment market in Canada, Opsens is confident in its capacity to recruit qualified human resources in a timely fashion.

Regarding the strategy on corporate executive remuneration, it is oriented towards creation of long-term value for the shareholders. Several corporate executives hold an important share and share-purchase option position, with rights to be acquired over a four-year period in order to align shareholders’ interest with corporate executives’ interest. This long-term vision stimulates innovation and the development of recurrent revenues.

FUTURE ACCOUNTING CHANGES

Future accounting changes, as described in note 4 of the Audited Consolidated Financial Statements for the year ended August 31, 2013, have not materially changed since August 31, 2013 except for the changes in accounting policies described in note 2 to the Condensed Interim Consolidated Financial Statements for the six-month period ended February 28, 2014.

OFF-BALANCE SHEET ARRANGEMENTS

As of February 28, 2014, the Company was not the primary beneficiary in Special Purpose Entities and there were no off-balance sheet arrangements

RISK FACTORS AND UNCERTAINTIES

Opsens operates in an industry subject to various risks and uncertainties. The Company's business, financial position and operating results could be impacted negatively by these risks and uncertainties. The most important risks and uncertainties are described in the management discussion and analysis for the year ended August 31, 2013.

OTHER INFORMATION

Updated information on the Company can be found on the SEDAR Web site at http://www.sedar.com.

On behalf of management,
Chief Financial Officer and Corporate Secretary

(s) Thierry Dumas

April 25, 2014