

Condensed Consolidated Interim Financial Statements

OpSens Inc.

Six-month periods ended February 28, 2022 and 2021
(unaudited)

OpSens Inc.

Six-month periods ended February 28, 2022 and 2021

Table of contents

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss).....	1
Condensed Consolidated Interim Statements of Changes in Equity	2-3
Condensed Consolidated Interim Statements of Financial Position	4
Condensed Consolidated Interim Statements of Cash Flows.....	5
Notes to the Condensed Consolidated Interim Financial Statements.....	6-17

OpSens Inc.

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(in Canadian dollars) (unaudited)

	Three-month periods ended February 28,		Six-month periods ended February 28,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenues				
Sales	7,983,878	8,809,968	16,030,130	17,128,877
Other	115,776	19,062	165,042	36,642
	8,099,654	8,829,030	16,195,172	17,165,519
Cost of sales	3,929,510	4,260,430	7,907,560	7,924,589
Gross margin	4,170,144	4,568,600	8,287,612	9,240,930
Operating expenses				
Administrative	1,927,205	1,488,161	4,063,830	2,956,773
Sales and marketing	2,490,126	1,554,418	4,598,470	3,142,374
Research and development	2,025,959	1,284,080	3,791,716	2,579,866
	6,443,290	4,326,659	12,454,016	8,679,013
Other income	-	(110,025)	-	(600,304)
Financial expenses	123,817	292,515	292,921	508,619
Income (loss) before income taxes	(2,396,963)	59,451	(4,459,325)	653,602
Current income tax expense	7,345	18,704	34,296	18,704
Net income (loss)	(2,404,308)	40,747	(4,493,621)	634,898
Other comprehensive income (loss)				
<i>Item that may be reclassified subsequently to net income (loss)</i>				
Net changes in unrealized gain (loss) on translation of foreign operations	(715)	304	(1,620)	359
Comprehensive income (loss)	(2,405,023)	41,051	(4,495,241)	635,257
Basic and diluted net income (loss) per share				
(Note 6)	(0.02)	0.00	(0.04)	0.01

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

OpSens Inc.

Condensed Consolidated Interim Statements of Changes in Equity

Six-month period ended February 28, 2022

(in Canadian dollars) (unaudited)

	Common shares	Share capital	Reserve – Stock option plan	Accumulated other comprehensive income – Foreign operations translation	Deficit	Total
	(number)	\$	\$	\$	\$	\$
Balance as at August 31, 2021	107,157,039	82,894,802	3,821,980	8,662	(44,395,449)	42,329,995
Common shares issued pursuant to the stock option plan (Note 5a)	1,121,250	1,985,293	(545,216)	-	-	1,440,077
Stock-based compensation costs	-	-	699,151	-	-	699,151
Other comprehensive income – Net changes in unrealized loss on translation of foreign operations	-	-	-	(1,620)	-	(1,620)
Net loss	-	-	-	-	(4,493,621)	(4,493,621)
Balance as at February 28, 2022	108,278,289	84,880,095	3,975,915	7,042	(48,889,070)	39,973,982

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

OpSens Inc.

Condensed Consolidated Interim Statements of Changes in Equity

Six-month period ended February 28, 2021

(in Canadian dollars) (unaudited)

	Common shares	Share capital	Reserve – Stock option plan	Accumulated other comprehensive income – Foreign operations translation	Deficit	Total
	(number)	\$	\$	\$	\$	\$
Balance as at August 31, 2020	90,280,317	54,768,369	3,823,514	-	(43,245,021)	15,346,862
Common shares issued in connection with a public bought deal offering (Note 5a)	15,972,222	26,598,843	-	-	-	26,598,843
Common shares issued pursuant to the stock option plan (Note 5a)	387,375	579,722	(181,972)	-	-	397,750
Stock-based compensation costs	-	-	168,267	-	-	168,267
Other comprehensive income – Net changes in unrealized gain on translation of foreign operations	-	-	-	359	-	359
Net income	-	-	-	-	634,898	634,898
Balance as at February 28, 2021	106,639,914	81,946,934	3,809,809	359	(42,610,123)	43,146,979

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

OpSens Inc.

Condensed Consolidated Interim Statements of Financial Position

(in Canadian dollars) (unaudited)

	As at February 28, 2022	As at August 31, 2021
	\$	\$
Assets		
Current		
Cash and cash equivalents (Note 7)	30,947,501	38,563,271
Trade and other receivables	4,293,799	4,135,446
Government assistance receivable	146,040	-
Tax credits receivable	437,840	320,000
Inventories	5,662,354	6,115,091
Prepaid expenses	870,707	648,884
	42,358,241	49,782,692
Property, plant and equipment	2,452,864	2,731,508
Intangible assets	1,697,324	1,676,597
Right-of-use assets	4,002,559	4,321,608
	50,510,988	58,512,405
Liabilities		
Current		
Accounts payable and accrued liabilities	4,360,268	3,842,871
Warranty provision (Note 8)	59,168	83,803
Deferred revenues	257,143	120,710
Current income taxes payable	10,776	19,895
Current portion of long-term debt (Note 4)	492,360	2,802,223
Current portion of lease liabilities	543,477	525,494
	5,723,192	7,394,996
Long-term debt (Note 4)	892,318	4,594,594
Lease liabilities	3,921,496	4,192,820
	10,537,006	16,182,410
Shareholders' equity		
Share capital (Note 5a)	84,880,095	82,894,802
Reserve – Stock option plan (Note 5b)	3,975,915	3,821,980
Accumulated other comprehensive income	7,042	8,662
Deficit	(48,889,070)	(44,395,449)
	39,973,982	42,329,995
	50,510,988	58,512,405

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Approved by the Board

Signed [Jean Lavigueur], director

Signed [Louis Laflamme], director

OpSens Inc.

Condensed Consolidated Interim Statements of Cash Flows

(in Canadian dollars) (unaudited)

	Three-month periods ended		Six-month periods ended	
	February 28,		February 28,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Operating activities				
Net income (loss) for the period	(2,404,308)	40,747	(4,493,621)	634,898
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets	386,829	382,550	774,176	760,797
Amortisation of intangible assets	62,901	58,498	127,404	110,016
Loss on disposal of property, plant and equipment	38,270	23,832	87,229	65,515
Stock-based compensation costs	376,515	92,988	699,151	168,267
Interest expense	42,413	158,643	116,603	289,428
Unrealized foreign exchange loss	17,052	51,493	1,105	69,168
Changes in non-cash operating working capital items (Note 7)	483,315	(497,325)	433,647	(482,396)
	(997,013)	311,426	(2,254,306)	1,615,693
Investing activities				
Acquisition of property, plant and equipment	(100,408)	(158,592)	(280,633)	(308,575)
Additions to intangible assets	(51,516)	(94,199)	(135,923)	(205,427)
Interest received	36,190	10,302	77,224	20,030
	(115,734)	(242,489)	(339,332)	(493,972)
Financing activities				
Increase in long-term debt, net of transaction costs	-	242,180	-	842,180
Reimbursement of long-term debt	(129,171)	(76,996)	(6,043,027)	(192,588)
Payment of lease liabilities	(127,756)	(120,018)	(253,338)	(235,927)
Proceeds from issuance of shares (Note 5a)	447,953	29,147,750	1,440,077	29,147,750
Transaction costs attributable to the issuance of common shares (Note 5a)	-	(1,896,283)	-	(1,896,283)
Interest paid	(77,734)	(159,285)	(162,942)	(289,375)
	113,292	27,137,348	(5,019,230)	27,375,757
Effect of foreign exchange rate changes on cash and cash equivalents	(17,709)	(51,189)	(2,902)	(68,809)
Increase (decrease) in cash and cash equivalents	(1,017,164)	27,155,096	(7,615,770)	28,428,669
Cash and cash equivalents – Beginning of period	31,964,665	12,157,592	38,563,271	10,884,019
Cash and cash equivalents – End of period	30,947,501	39,312,688	30,947,501	39,312,688

Additional information on the condensed consolidated interim statements of cash flows is presented in Note 7.

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

1. Incorporation and Description of Business

OpSens Inc. (“OpSens” or the “Company”) is incorporated under the Business Corporations Act (Quebec). OpSens focuses mainly on physiological measurement such as Fractional Flow Reserve (FFR) and Diastolic Pressure Ratio (dPR) in the coronary artery disease market and also supplies a wide range of miniature optical sensors to measure pressure and temperature to be used in a wide range of applications that can be integrated in other medical devices. OpSens offers an advanced optical-based pressure guidewire (OptoWire) that aims at improving the clinical outcome of patients with coronary artery disease. OpSens is also involved in industrial activities through its wholly-owned subsidiary OpSens Solutions Inc. (“Solutions”). Solutions develops, manufactures and installs innovative fibre optic sensing solutions for critical and demanding industrial applications. The Company’s head office is located at 750, du Parc-Technologique Blvd., Quebec City, Quebec, Canada, G1P 4S3.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34, *Interim Financial Reporting* and using the same accounting policies and methods of computation as the most recent annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended August 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

Impact Assessment of the COVID-19 Pandemic

The spread of the COVID-19 virus continues to disrupt the global economic conditions due to its unpredictability and instability. So, there are still some economic and business uncertainties that could have an impact on the critical accounting estimates, assumptions and judgments that are made by management when preparing the condensed consolidated interim financial statements. Accordingly, management continues to monitor and evaluate the situation and its impact on the Company’s activities.

The COVID-19 pandemic had a moderate impact on the condensed consolidated interim financial statements for the six-month period ended February 28, 2022, following the supply chain disruptions that affected manufacturing and distribution of its products and hospitals procedure disruptions. At the current time, it is not possible to reliably estimate the duration and impact that the global pandemic may have on the Company’s financial results, business conditions and cash flows because of uncertainties about future developments. Nevertheless, the Company expects a decrease in the negative impacts generated by the COVID-19 pandemic over the coming months.

Changes in Accounting Policies

The accounting policies and basis of measurement applied in these condensed consolidated interim financial statements are the same as those applied by the Company in its consolidated financial statements for the year ended August 31, 2021.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

3. New Line of Credit

On September 9, 2021, the Company signed an amendment to its credit agreement dated February 26, 2019. Pursuant to this amendment, the Company has an additional non-revolving credit facility of \$10,000,000 that can be used for growth and working capital purposes and that is secured by a first-rank movable hypothec on the universality of the Company's present and future property, plant and equipment and intangible assets. The credit facility shall be available to the Company in two advances to be made by August 31, 2022. Any amount which remains unused shall be automatically and permanently cancelled and terminated. Any amount drawn under this credit facility bears interest at the prime rate plus 1.50%. The Company shall pay a 0.50% annual fee on the unused portion of the credit facility. The used portion of the credit facility is repayable in equal monthly payments from September 2022 until the credit facility maturity in August 2026. The credit line was not used as at February 28, 2022.

4. Long-term Debt

	As at February 28, 2022	As at August 31, 2021
	\$	\$
Contributions repayable to Canada Economic Development (CED), without interest (effective rate of 12.00%), repayable in 59 equal and consecutive monthly instalments of \$3,333 and a final payment of \$3,353, maturing in July 2024 without payment from April to December 2020 inclusive due to a nine month moratorium.		
Debt balance	96,677	116,675
Imputed interest	(8,072)	(11,622)
	88,605	105,053
Term loan, bearing interest at prime rate plus 0.25%, secured by a movable hypothec on the universality of the Company's present and future property, plant and equipment and intangible assets, payable in 48 monthly instalments of \$4,500, maturing in August 2022 without principal payment from March to August 2020 inclusive due to a six-month moratorium. Amounts received are net of transaction costs of \$2,160.	26,969	53,900
Term loan, bearing interest at prime rate plus 2.00%, secured by a movable hypothec on the universality of the Company's present and future property, plant and equipment and intangible assets, maturing in February 2024 without principal payment for a 24-month period following the signature of an agreement in March 2019. The principal is payable in 36 monthly instalments of \$194,444. Amounts received are net of transaction costs of \$87,468. The Company finally prepaid the entire balance of the term loan in September 2021 for a principal amount of \$5,833,333.	-	5,804,813
Amounts to be carried forward	115,574	5,963,766

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

4. Long-term Debt (continued)

	As at February 28, 2022	As at August 31, 2021
	\$	\$
Amounts carried over	115,574	5,963,766
Term loan, bearing interest at prime rate plus 0.25%, secured by a movable hypothec on the universality of the Company's present and future property, plant and equipment and intangible assets, maturing in June 2024 without principal payment for a 12-month period following the receipt of the first tranche of the loan in October 2019. The second and last tranche of the loan for \$242,180 has been received in January 2021. The principal is payable in 44 monthly instalments of \$10,938 and a final payment of \$10,386. Amounts received are net of transaction costs of \$5,250.	304,453	369,507
Term loan bearing interest at 6.66% payable in 111 monthly instalments of \$8,070, maturing in September 2025.	413,300	463,544
Term loan, bearing interest at prime rate plus 1.00%, secured by a movable hypothec on the universality of the Company's present and future property, plant and equipment and intangible assets, maturing in December 2024 without principal payment for a 12-month period following the receipt of the loan in November 2020. The principal is payable in 37 monthly instalments of \$16,216.	551,351	600,000
	1,384,678	7,396,817
Current portion	492,360	2,802,223
	892,318	4,594,594

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

5. Shareholders' equity

a) Share Capital

During the six-month period ended February 28, 2022, following the exercise of stock options, the Company issued 1,121,250 common shares (387,375 common shares for the six-month period ended February 28, 2021) for a cash consideration of \$1,440,077 (\$397,750 for the six-month period ended February 28, 2021). As a result, an amount of \$545,216 was reallocated from *Reserve – Stock option plan* to *Share capital* in shareholders' equity (\$181,972 for the six-month period ended February 28, 2021).

On February 25, 2021, the Company completed a public bought deal offering for aggregate gross proceeds of \$28,750,000. In connection with the offering, the Company issued a total of 15,972,222 common shares at a price of \$1.80 per common share.

For the three-month period ended February 28, 2021, transaction costs of the offering include underwriting fees of \$1,725,000 and other professional fees and miscellaneous fees of \$426,157 for total transactions costs of \$2,151,157 of which \$1,896,283 have been paid and \$254,874 are included in *Accounts payable and accrued liabilities* as at February 28, 2021.

b) Stock Options

The changes in the number of stock options granted by the Company and their weighted-average exercise prices, for the six-month periods ended February 28, 2022 and 2021, are as follows:

	Six-month period ended February 28, 2022		Six-month period ended February 28, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance – Beginning of period	7,140,250	1.20	6,596,375	1.01
Options granted	1,328,750	2.66	936,250	1.23
Options exercised	(1,121,250)	1.29	(387,375)	1.03
Options expired	(63,500)	1.58	(298,125)	1.20
Options cancelled	(346,375)	1.22	(149,750)	0.89
Balance – End of period	6,937,875	1.46	6,697,375	1.03

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

5. Shareholders' equity (continued)

b) Stock Options (continued)

The fair value of the options granted issued was estimated using the Black-Scholes option pricing model using the following assumptions:

	Six-month period ended February 28, 2022	Six-month period ended February 28, 2021
Risk-free interest rate	Between 0.38% and 1.62%	Between 0.17% and 0.39%
Volatility	Between 58.29% and 75.48%	Between 55.81% and 67.11%
Dividend yield on shares	Nil	Nil
Expected life	0 to 5 years	0 to 5 years
Weighted share price	\$2.66	\$1.19
Weighted fair value per option at the grant date	\$1.17	\$0.50

Option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Any changes in the subjective input assumptions can affect the fair value estimate.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

6. Net Income (Loss) per Share

The table below presents a reconciliation between the basic net income (loss) and the diluted net income (loss) per share:

	Three-month periods ended February 28,		Six-month periods ended February 28,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Net income (loss) attributable to shareholders				
Basic and diluted	(2,404,308)	40,747	(4,493,621)	634,898
Number of shares				
Basic weighted average number of shares outstanding	108,139,158	91,009,302	107,863,342	90,642,796
Diluted weighted average number of shares outstanding	108,139,158	93,411,997	107,863,342	91,992,041
Amount per share				
Basic and diluted net income (loss) per share	(0.02)	0.00	(0.04)	0.01

Stock options are excluded from the calculation of the diluted weighted average number of shares outstanding when their exercise price is greater than the average market price of common shares or when their effect is antidilutive. The number of stock options excluded from the calculation because their exercise price is greater than the average market price of common shares is presented below:

	Three-month periods ended February 28,		Six-month periods ended February 28,	
	2022	2021	2022	2021
Stock options	778,250	782,250	540,750	2,061,250

For the three-month and the six-month periods ended February 28, 2022, the diluted amount per share was the same amount as the basic amount per share, since the dilutive effect of stock options was not included in the calculation; otherwise, the effect would have been antidilutive. Accordingly, the diluted amount per share for these periods was calculated using the basic weighted average number of shares outstanding.

For the three-month period ended February 28, 2021, the dilutive effect is about 2,402,695 units for stock options for which their exercise price is lesser than the average market price of common shares. For the six-month period ended February 28, 2021, the dilutive effect is about 1,349,245 units for stock options for which their exercise price is lesser than the average market price of common shares.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

7. Additional Information on the Condensed Consolidated Interim Statements of Cash Flows

	Three-month periods ended February 28,		Six-month periods ended February 28,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Changes in non-cash operating working capital items</i>				
Trade and other receivables	114,080	(1,468,980)	(158,353)	(1,205,201)
Government assistance receivable	(146,040)	335,481	(146,040)	323,601
Tax credits receivable	(24,445)	(24,501)	(117,840)	(36,106)
Inventories	(26,869)	1,164,164	452,737	680,401
Prepaid expenses	(69,483)	101,710	(221,823)	(39,894)
Accounts payable and accrued liabilities	612,252	(545,339)	522,287	(167,918)
Warranty provision	(21,289)	(62,471)	(24,635)	(77,894)
Deferred revenues	73,140	(10,874)	136,433	27,130
Current income taxes payable	(28,031)	13,485	(9,119)	13,485
	483,315	(497,325)	433,647	(482,396)

Supplementary information

Unpaid acquisition of property, plant and equipment	15,329	29,415	15,329	29,415
Unpaid additions to intangible assets	37,711	18,087	37,711	18,087
Unpaid transaction costs attributable to the issuance of common shares	-	254,874	-	254,874

	As at February 28, 2022	As at August 31, 2021
	\$	\$
<i>Cash and cash equivalents</i>		
Cash	2,602,335	2,700,529
Cash equivalents	28,345,166	35,862,742
	30,947,501	38,563,271

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

8. Warranty provision

During the normal course of business, the Company replaces defective parts under warranty provision offered at the sale of the products. The term of the warranty is generally 12 months. The following table summarizes changes in warranty provision:

	Six-month periods ended February 28,	
	2022	2021
	\$	\$
Balance – Beginning of period	83,803	153,138
Additional provision recognized	18,709	18,943
Unused amount reversed during the period	(12,497)	(46,515)
Amount used during the period	(30,890)	(50,053)
Effect of foreign exchange differences	43	(269)
Balance – End of period	59,168	75,244

This provision estimate is based on past experience. The actual costs that the Company may incur, as well as the moment when the parts should be replaced, can differ from the estimated amount.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

9. Segmented Information

Segmented Information

The Company is organized into two segments: Medical and Industrial.

Medical segment: in this segment, OpSens focuses mainly on physiological measurement such as FFR and dPR in the coronary artery disease market and also supplies a wide range of miniature optical sensors to measure pressure and temperature to be used in a wide range of applications that can be integrated in other medical devices. This also includes other revenues related to its optical sensor technology.

Industrial segment: in this segment, OpSens develops, manufactures and installs innovative fibre optic sensing solutions for critical and demanding industrial applications.

The principal factors employed in the identification of the two segments reflected in this note include the Company's organizational structure, the nature of the reporting lines to the President and Chief Executive Officer and the structure of internal reporting documentation such as management accounts and budgets.

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

	Three-month period ended February 28, 2022			Three-month period ended February 28, 2021		
	Medical	Industrial	Total	Medical	Industrial	Total
	\$	\$	\$	\$	\$	\$
External sales	7,082,170	1,017,484	8,099,654	7,850,048	978,982	8,829,030
Internal sales	6,721	55,415	62,136	38,617	54,802	93,419
Gross margin	3,492,988	677,156	4,170,144	3,838,756	729,844	4,568,600
Depreciation of property, plant and equipment and right-of-use assets	331,742	55,087	386,829	344,356	38,194	382,550
Amortisation of intangible assets	59,579	3,322	62,901	55,756	2,742	58,498
Other income	-	-	-	5,025	105,000	110,025
Financial expenses	43,613	80,204	123,817	181,171	111,344	292,515
Current income tax expense	7,345	-	7,345	18,704	-	18,704
Net income (loss)	(2,589,865)	185,557	(2,404,308)	(364,354)	405,101	40,747
Acquisition of property, plant and equipment	92,519	2,653	95,172	159,982	1,033	161,015
Additions to intangible assets	82,015	6,426	88,441	68,063	14,856	82,919
Segment assets	48,070,750	2,440,238	50,510,988	57,058,635	3,601,459	60,660,094
Segment liabilities	9,676,435	860,571	10,537,006	16,550,481	962,634	17,513,115

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

9. Segmented Information (continued)

	Six-month period ended February 28, 2022			Six-month period ended February 28, 2021		
	Medical	Industrial	Total	Medical	Industrial	Total
	\$	\$	\$	\$	\$	\$
External sales	14,473,111	1,722,061	16,195,172	15,186,464	1,979,055	17,165,519
Internal sales	36,724	121,709	158,433	72,090	87,869	159,959
Gross margin	7,233,044	1,054,568	8,287,612	7,842,624	1,398,306	9,240,930
Depreciation of property, plant and equipment and right-of-use assets	664,284	109,892	774,176	688,008	72,789	760,797
Amortisation of intangible assets	120,012	7,392	127,404	104,751	5,265	110,016
Other income	-	-	-	445,506	154,798	600,304
Financial expenses	146,712	146,209	292,921	302,770	205,849	508,619
Current income tax expense	34,296	-	34,296	18,704	-	18,704
Net income (loss)	(4,589,659)	96,038	(4,493,621)	(14,853)	649,751	634,898
Acquisition of property, plant and equipment	255,522	8,013	263,535	253,452	1,033	254,485
Additions to intangible assets	136,793	11,338	148,131	174,262	19,785	194,047
Segment assets	48,070,750	2,440,238	50,510,988	57,058,635	3,601,459	60,660,094
Segment liabilities	9,676,435	860,571	10,537,006	16,550,481	962,634	17,513,115

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

9. Segmented Information (continued)

Information by geographic segment

	Three-month periods ended February 28,		Six-month periods ended February 28,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenue by geographic segment				
United States	3,361,096	2,954,743	6,774,992	6,154,286
Japan	918,386	2,386,871	2,162,653	4,106,590
Canada	772,940	886,421	1,622,640	1,590,487
Other*	3,047,232	2,600,995	5,634,887	5,314,156
	8,099,654	8,829,030	16,195,172	17,165,519

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

Revenues are attributed to the geographic segment based on the clients' location. Non-current assets, which include property, plant and equipment, intangible assets and right-of-use assets, are mainly located in Canada. Non-current assets located in other countries are not significant.

During the three-month period ended February 28, 2022, revenues from two clients from the Medical's reportable segment represented individually more than 10% of the total revenues of the Company, i.e. 26% and 10% (27% and 17% for the three-month period ended February 28, 2021).

During the six-month period ended February 28, 2022, revenues from two clients from the Medical's reportable segment represented individually more than 10% of the total revenues of the Company, i.e. 26% and 13% (24% and 19% for the six-month period ended February 28, 2021).

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Six-month periods ended February 28, 2022 and 2021

(in Canadian dollars) (unaudited)

10. Related Party Transactions

Key management personnel, having authority and responsibility for planning, directing and controlling the activities of the Company, comprise the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, the Chief Commercial Officer and the President of OpSens Solutions Inc. Compensation of key management personnel and directors during the three-month and the six-month periods ended February 28, 2022 and 2021 were as follows:

	Three-month periods ended February 28,		Six-month periods ended February 28,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Short-term salaries and other benefits	287,430	295,140	651,778	580,849
Option-based awards	184,367	21,144	363,575	42,720
	471,797	316,284	1,015,353	623,569

The compensation of key executives is determined by the Human Resources and Compensation Committee, taking into consideration individual performance and market trends.

11. Approval of Condensed Consolidated Interim Financial Statements

The condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issue on April 12, 2022.