

Condensed Consolidated Interim Financial Statements

**OpSens Inc.**

Nine-month periods ended May 31, 2022 and 2021  
(unaudited)

# OpSens Inc.

Nine-month periods ended May 31, 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 May 31,		Nine-month periods ended May 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Revenues</b>				
Sales	10,044,441	9,213,407	26,074,571	26,342,284
Other	31,833	19,486	196,875	56,128
	10,076,274	9,232,893	26,271,446	26,398,412
Cost of sales	4,938,567	3,809,205	12,846,127	11,733,794
Gross margin	5,137,707	5,423,688	13,425,319	14,664,618
<b>Operating expenses</b>				
Administrative	1,885,939	1,722,170	5,949,769	4,678,943
Sales and marketing	3,638,560	2,315,852	8,237,030	5,458,226
Research and development	2,322,175	1,590,244	6,113,891	4,170,110
	7,846,674	5,628,266	20,300,690	14,307,279
Other income	-	(121,097)	-	(721,401)
Financial expenses	75,132	144,072	311,117	495,632
Loss on foreign currency translation	63,161	326,811	120,097	483,870
<b>Income (loss) before income taxes</b>	<b>(2,847,260)</b>	<b>(554,364)</b>	<b>(7,306,585)</b>	<b>99,238</b>
Current income tax expense	9,066	16,110	43,362	34,814
<b>Net income (loss)</b>	<b>(2,856,326)</b>	<b>(570,474)</b>	<b>(7,349,947)</b>	<b>64,424</b>
<b>Other comprehensive income (loss)</b>				
<i>Item that may be reclassified subsequently to net income (loss)</i>				
Net changes in unrealized gain (loss) on translation of foreign operations	(20,359)	14,018	(21,879)	14,377
<b>Comprehensive income (loss)</b>	<b>(2,876,685)</b>	<b>(556,456)</b>	<b>(7,371,826)</b>	<b>78,801</b>
<b>Basic and diluted net income (loss) per share (Note 7)</b>	<b>(0.03)</b>	<b>(0.01)</b>	<b>(0.07)</b>	<b>0.00</b>

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

# OpSens Inc.

## Condensed Consolidated Interim Statements of Changes in Equity

Nine-month period ended May 31, 2022

(in Canadian dollars) (unaudited)

	Common shares	Share capital	Reserve – Stock option plan	Accumulated other comprehensive income (loss) – Foreign operations translation	Deficit	Total
	(number)	\$	\$	\$	\$	\$
Balance as at August 31, 2021	<b>107,157,039</b>	82,894,802	3,821,980	8,662	(44,395,449)	<b>42,329,995</b>
Common shares issued pursuant to the stock option plan (Note 6a)	<b>1,370,000</b>	2,456,365	(682,726)	-	-	<b>1,773,639</b>
Stock-based compensation costs (Note 6b)	-	-	912,016	-	-	<b>912,016</b>
Other comprehensive income (loss) – Net changes in unrealized loss on translation of foreign operations	-	-	-	(21,879)	-	<b>(21,879)</b>
Net loss	-	-	-	-	(7,349,947)	<b>(7,349,947)</b>
Balance as at May 31, 2022	<b>108,527,039</b>	85,351,167	4,051,270	(13,217)	(51,745,396)	<b>37,643,824</b>

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

# OpSens Inc.

## Condensed Consolidated Interim Statements of Changes in Equity

Nine-month period ended May 31, 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	<b>90,280,317</b>	54,768,369	3,823,514	-	(43,245,021)	<b>15,346,862</b>
Common shares issued in connection with a public bought deal offering (Note 6a)	<b>15,972,222</b>	26,624,000	-	-	-	<b>26,624,000</b>
Common shares issued pursuant to the stock option plan (Note 6a)	<b>563,000</b>	867,602	(263,739)	-	-	<b>603,863</b>
Stock-based compensation costs (Note 6b)	-	-	329,163	-	-	<b>329,163</b>
Other comprehensive income – Net changes in unrealized gain on translation of foreign operations	-	-	-	14,377	-	<b>14,377</b>
Net income	-	-	-	-	64,424	<b>64,424</b>
Balance as at May 31, 2021	<b>106,815,539</b>	82,259,971	3,888,938	14,377	(43,180,597)	<b>42,982,689</b>

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 May 31, 2022	As at August 31, 2021
	\$	\$
<b>Assets</b>		
Current		
Cash and cash equivalents (Note 8)	28,029,994	38,563,271
Trade and other receivables	5,267,312	4,135,446
Government assistance receivable	235,370	-
Tax credits receivable	566,959	320,000
Inventories	5,623,782	6,115,091
Prepaid expenses	1,311,413	648,884
	<b>41,034,830</b>	<b>49,782,692</b>
Property, plant and equipment	2,516,743	2,731,508
Intangible assets	1,809,309	1,676,597
Right-of-use assets (Note 5)	5,196,767	4,321,608
	<b>50,557,649</b>	<b>58,512,405</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	5,673,316	3,842,871
Warranty provision (Note 9)	52,906	83,803
Deferred revenues	222,245	120,710
Current income taxes payable	17,580	19,895
Current portion of long-term debt (Note 4)	465,201	2,802,223
Current portion of lease liabilities (Note 5)	561,896	525,494
	<b>6,993,144</b>	<b>7,394,996</b>
Long-term debt (Note 4)	774,379	4,594,594
Lease liabilities (Note 5)	5,146,302	4,192,820
	<b>12,913,825</b>	<b>16,182,410</b>
<b>Shareholders' equity</b>		
Share capital (Note 6a)	85,351,167	82,894,802
Reserve – Stock option plan (Note 6b)	4,051,270	3,821,980
Accumulated other comprehensive income	(13,217)	8,662
Deficit	(51,745,396)	(44,395,449)
	<b>37,643,824</b>	<b>42,329,995</b>
	<b>50,557,649</b>	<b>58,512,405</b>

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		Nine-month periods ended	
	May 31,		May 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Operating activities</b>				
Net income (loss) for the period	(2,856,326)	(570,474)	(7,349,947)	64,424
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets	397,080	396,794	1,171,256	1,157,591
Amortisation of intangible assets	66,033	59,561	193,437	169,577
Loss on disposal of property, plant and equipment	25,813	80,868	113,042	146,383
Stock-based compensation costs (Note 6b)	212,865	160,896	912,016	329,163
Interest expense	33,028	164,485	149,631	453,913
Unrealized foreign exchange loss	13,347	118,216	14,452	187,384
Changes in non-cash operating working capital items (Note 8)	(374,497)	426,095	59,150	(56,301)
	<b>(2,482,657)</b>	836,441	<b>(4,736,963)</b>	2,452,134
<b>Investing activities</b>				
Acquisition of property, plant and equipment	(273,633)	(281,173)	(554,266)	(589,748)
Additions to intangible assets	(166,692)	(14,202)	(302,615)	(219,629)
Interest received	50,820	32,361	128,044	52,391
	<b>(389,505)</b>	(263,014)	<b>(728,837)</b>	(756,986)
<b>Financing activities</b>				
Increase in long-term debt, net of transaction costs	-	-	-	842,180
Reimbursement of long-term debt	(145,387)	(694,293)	(6,188,414)	(886,881)
Payment of lease liabilities	(116,509)	(98,729)	(369,847)	(334,656)
Proceeds from issuance of shares (Note 6a)	333,562	206,113	1,773,639	29,353,863
Transaction costs attributable to the issuance of common shares (Note 6a)	-	(229,717)	-	(2,126,000)
Interest paid	(83,557)	(187,921)	(246,499)	(477,296)
	<b>(11,891)</b>	(1,004,547)	<b>(5,031,121)</b>	26,371,210
Effect of foreign exchange rate changes on cash and cash equivalents	(33,454)	(103,489)	(36,356)	(172,298)
Increase (decrease) in cash and cash equivalents	<b>(2,917,507)</b>	(534,609)	<b>(10,533,277)</b>	27,894,060
Cash and cash equivalents – Beginning of period	30,947,501	39,312,688	38,563,271	10,884,019
Cash and cash equivalents – End of period	<b>28,029,994</b>	38,778,079	<b>28,029,994</b>	38,778,079

Additional information on the condensed consolidated interim statements of cash flows is presented in Note 8.

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

# OpSens Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 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 nine-month period ended May 31, 2022, following the supply chain disruptions that affected manufacturing and distribution of its products and hospitals procedure disruptions. Nevertheless, for the three-month period ended May 31, 2022, there have been a decrease in the negative impacts generated by the COVID-19 pandemic. During this period, the Company has had minimal manufacturing, supply chain, or distribution 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.

#### 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

Nine-month periods ended May 31, 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 May 31, 2022.

### 4. Long-term Debt

	As at May 31, 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	<b>86,678</b>	116,675
Imputed interest	<b>(6,505)</b>	(11,622)
	<b>80,173</b>	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.		
	<b>13,486</b>	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	<b>93,659</b>	5,963,766

# OpSens Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

### Nine-month periods ended May 31, 2022 and 2021

(in Canadian dollars) (unaudited)

#### 4. Long-term Debt (continued)

	As at May 31, 2022	As at August 31, 2021
	\$	\$
Amounts carried over	<b>93,659</b>	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.	<b>271,890</b>	369,507
Term loan bearing interest at 6.66% payable in 111 monthly instalments of \$8,070, maturing in September 2025.	<b>387,546</b>	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.	<b>486,485</b>	600,000
	<b>1,239,580</b>	7,396,817
Current portion	<b>465,201</b>	2,802,223
	<b>774,379</b>	4,594,594

#### 5. Leases

In May 2022, the Company signed an amendment to a lease for a building to extend the lease term by three years. At the remeasurement date of the lease liability, the Company used the present value of the remaining lease payments on a discounted basis, using its incremental borrowing rate, which was 5.90%. The amount of the remeasurement of the lease liability of \$1,208,533 has been recognised as an adjustment to the right-of-use assets.

Moreover, for other leases, the carrying amount of the lease liabilities and the right-of-use assets has been increased by an amount of \$150,894 during the three-month period ended May 31, 2022 due to the remeasurement of the lease liabilities and a new lease for a building.

# OpSens Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

### Nine-month periods ended May 31, 2022 and 2021

(in Canadian dollars) (unaudited)

#### 6. Shareholders' equity

##### a) Share Capital

During the nine-month period ended May 31, 2022, following the exercise of stock options, the Company issued 1,370,000 common shares (563,000 common shares for the nine-month period ended May 31, 2021) for a cash consideration of \$1,773,639 (\$603,863 for the nine-month period ended May 31, 2021). As a result, an amount of \$682,726 was reallocated from *Reserve – Stock option plan* to *Share capital* in shareholders' equity (\$263,739 for the nine-month period ended May 31, 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. Transaction costs of the offering include underwriting fees of \$1,725,000 and other professional fees and miscellaneous fees of \$401,000 for total transactions costs of \$2,126,000.

##### b) Stock Options

The changes in the number of stock options granted by the Company and their weighted-average exercise prices, for the nine-month periods ended May 31, 2022 and 2021, are as follows:

	Nine-month period ended May 31, 2022		Nine-month period ended May 31, 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	1,815,750	2.41	1,582,500	1.42
Options exercised	(1,370,000)	1.30	(563,000)	1.07
Options expired	(86,000)	1.55	(299,375)	1.20
Options cancelled	(488,875)	1.38	(345,375)	0.99
Balance – End of period	7,011,125	1.48	6,971,125	1.09

# OpSens Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

### Nine-month periods ended May 31, 2022 and 2021

(in Canadian dollars) (unaudited)

---

#### 6. 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:

	<b>Nine-month period ended May 31, 2022</b>	Nine-month period ended May 31, 2021
Risk-free interest rate	<b>Between 0.38% and 2.49%</b>	Between 0.17% and 0.76%
Volatility	<b>Between 58.29% and 75.48%</b>	Between 55.81% and 71.82%
Dividend yield on shares	<b>Nil</b>	Nil
Expected life	<b>0 to 5 years</b>	0 to 5 years
Weighted share price	<b>\$2.41</b>	\$1.42
Weighted fair value per option at the grant date	<b>\$1.07</b>	\$0.61

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.

The expected volatility is based on the historical volatility of the underlying share price for a period equivalent to the expected life of the options.

# OpSens Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

### Nine-month periods ended May 31, 2022 and 2021

(in Canadian dollars) (unaudited)

#### 7. 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		Nine-month periods ended	
	May 31,		May 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Net income (loss) attributable to shareholders</b>				
Basic and diluted	<b>(2,856,326)</b>	(570,474)	<b>(7,349,947)</b>	64,424
<b>Number of shares</b>				
Basic weighted average number of shares outstanding	<b>108,376,373</b>	106,707,339	<b>108,036,232</b>	96,056,488
Diluted weighted average number of shares outstanding	<b>108,376,373</b>	106,707,339	<b>108,036,232</b>	97,997,192
<b>Amount per share</b>				
Basic and diluted net income (loss) per share	<b>(0.03)</b>	(0.01)	<b>(0.07)</b>	0.00

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		Nine-month periods ended	
	May 31,		May 31,	
	2022	2021	2022	2021
Stock options	<b>1,934,250</b>	-	<b>765,750</b>	1,884,750

For the three-month and the nine-month periods ended May 31, 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 May 31, 2021, 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 nine-month period ended May 31, 2021, the dilutive effect is about 1,940,704 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

Nine-month periods ended May 31, 2022 and 2021

(in Canadian dollars) (unaudited)

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

	Three-month periods ended		Nine-month periods ended	
	May 31,		May 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Changes in non-cash operating working capital items</i>				
Trade and other receivables	(973,513)	(117,774)	(1,131,866)	(1,322,975)
Government assistance receivable	(89,330)	65,000	(235,370)	388,601
Tax credits receivable	(129,119)	81,202	(246,959)	45,096
Inventories	38,572	(337,863)	491,309	342,538
Prepaid expenses	(440,706)	(65,513)	(662,529)	(105,407)
Accounts payable and accrued liabilities	1,253,955	789,701	1,776,242	621,783
Warranty provision	(6,262)	6,488	(30,897)	(71,406)
Deferred revenues	(34,898)	(4,609)	101,535	22,521
Current income taxes payable	6,804	9,463	(2,315)	22,948
	(374,497)	426,095	59,150	(56,301)
			As at May 31, 2022	As at May 31, 2021
			\$	\$
<i>Supplementary information</i>				
Unpaid acquisition of property, plant and equipment			63,096	38,976
Unpaid additions to intangible assets			49,037	37,308
			As at May 31, 2022	As at August 31, 2021
			\$	\$
<i>Cash and cash equivalents</i>				
Cash			3,117,937	2,700,529
Cash equivalents			24,912,057	35,862,742
			28,029,994	38,563,271

# OpSens Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

### Nine-month periods ended May 31, 2022 and 2021

(in Canadian dollars) (unaudited)

#### 9. 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:

	Nine-month periods ended	
	May 31,	
	2022	2021
	\$	\$
Balance – Beginning of period	83,803	153,138
Additional provision recognized	26,922	56,801
Unused amount reversed during the period	(12,497)	(46,515)
Amount used during the period	(45,353)	(81,150)
Effect of foreign exchange differences	31	(542)
Balance – End of period	52,906	81,732

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

Nine-month periods ended May 31, 2022 and 2021

(in Canadian dollars) (unaudited)

### 10. 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 May 31, 2022			Three-month period ended May 31, 2021		
	Medical	Industrial	Total	Medical	Industrial	Total
	\$	\$	\$	\$	\$	\$
External sales	9,202,825	873,449	10,076,274	8,520,376	712,517	9,232,893
Internal sales	42,041	73,947	115,988	36,042	91,726	127,768
Gross margin	4,553,428	584,279	5,137,707	4,906,684	517,004	5,423,688
Depreciation of property, plant and equipment and right-of-use assets	346,455	50,625	397,080	342,323	54,471	396,794
Amortisation of intangible assets	61,392	4,641	66,033	56,371	3,190	59,561
Other income	-	-	-	-	121,097	121,097
Financial expenses	317	74,815	75,132	63,714	80,358	144,072
Loss on foreign currency translation	43,192	19,969	63,161	287,298	39,513	326,811
Current income tax expense	9,066	-	9,066	16,110	-	16,110
Net loss	(2,928,571)	72,245	(2,856,326)	(566,769)	(3,705)	(570,474)
Acquisition of property, plant and equipment	315,987	5,413	321,400	250,720	40,014	290,734
Additions to intangible assets	130,940	47,078	178,018	33,423	-	33,423
Segment assets	47,971,368	2,586,281	50,557,649	57,409,323	2,770,152	60,179,475
Segment liabilities	12,053,847	859,978	12,913,825	16,099,694	1,097,092	17,196,786



# OpSens Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2022 and 2021

(in Canadian dollars) (unaudited)

### 10. Segmented Information (continued)

	Nine-month period ended May 31, 2022			Nine-month period ended May 31, 2021		
	Medical	Industrial	Total	Medical	Industrial	Total
	\$	\$	\$	\$	\$	\$
External sales	23,675,936	2,595,510	26,271,446	23,706,840	2,691,572	26,398,412
Internal sales	78,765	195,656	274,421	108,132	179,595	287,727
Gross margin	11,786,472	1,638,847	13,425,319	12,749,308	1,915,310	14,664,618
Depreciation of property, plant and equipment and right-of-use assets	1,010,739	160,517	1,171,256	1,030,331	127,260	1,157,591
Amortisation of intangible assets	181,404	12,033	193,437	161,122	8,455	169,577
Other income	-	-	-	445,506	275,895	721,401
Financial expenses	88,474	222,643	311,117	252,855	242,777	495,632
Loss on foreign currency translation	101,747	18,350	120,097	400,927	82,943	483,870
Current income tax expense	43,362	-	43,362	34,814	-	34,814
Net income (loss)	(7,518,230)	168,283	(7,349,947)	(581,622)	646,046	64,424
Acquisition of property, plant and equipment	571,509	13,426	584,935	504,172	41,047	545,219
Additions to intangible assets	267,733	58,416	326,149	207,685	19,785	227,470
Segment assets	47,971,368	2,586,281	50,557,649	57,409,323	2,770,152	60,179,475
Segment liabilities	12,053,847	859,978	12,913,825	16,099,694	1,097,092	17,196,786

# OpSens Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

### Nine-month periods ended May 31, 2022 and 2021

(in Canadian dollars) (unaudited)

#### 10. Segmented Information (continued)

*Information by geographic segment*

	Three-month periods ended		Nine-month periods ended	
	May 31,		May 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenue by geographic segment				
United States	<b>4,161,505</b>	3,552,305	<b>10,936,497</b>	9,706,591
Japan	<b>2,200,817</b>	1,638,755	<b>4,363,470</b>	5,745,345
Canada	<b>890,196</b>	857,260	<b>2,512,836</b>	2,447,747
Other*	<b>2,823,756</b>	3,184,573	<b>8,458,643</b>	8,498,729
	<b>10,076,274</b>	9,232,893	<b>26,271,446</b>	26,398,412

\* 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 located in Canada, except non-current assets located in United States of \$179,165 as at May 31, 2022 (\$19,440 as at August 31, 2021).

During the three-month period ended May 31, 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. 22% and 21% (20% and 18% for the three-month period ended May 31, 2021).

During the nine-month period ended May 31, 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. 24% and 16% (22% and 19% for the nine-month period ended May 31, 2021).

# OpSens Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

### Nine-month periods ended May 31, 2022 and 2021

(in Canadian dollars) (unaudited)

#### 11. 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 nine-month periods ended May 31, 2022 and 2021 were as follows:

	Three-month periods ended May 31,		Nine-month periods ended May 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Short-term salaries and other benefits	553,109	320,048	1,204,887	900,897
Option-based awards	26,265	65,306	389,840	108,026
	<b>579,374</b>	385,354	<b>1,594,727</b>	1,008,923

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

#### 12. 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 July 13, 2022.