

MedMira Inc.

Management's Discussion & Analysis
For the year ended July 31, 2022

Forward looking statements

This document contains forward looking statements, such as statements regarding future sales opportunities in various global regions and financing initiatives that are based on current expectations of management. These statements involve uncertainties and risks, including MedMira Inc.'s ("MedMira" or the "Company") ability to obtain and/or access additional financing with acceptable terms, and delays in anticipated product sales. Such forward-looking statements should be given careful consideration and undue reliance should not be placed on these statements.

This MD&A contains statements that may constitute forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are "forward-looking" because they are based on current expectations, estimates, assumptions, risks and uncertainties. These forward-looking statements are typically identified by future or conditional verbs such as "outlook", "believe", "anticipate", "estimate", "project", "expect", "intend", "plan", and terms and expressions of similar import. Such forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to: cyclical downturn; competitive pressures; dealing with business and political systems in a variety of jurisdictions; repatriation of funds or property in other jurisdictions; payment of taxes in various jurisdictions; exposure to currency movements; inadequate or failed internal processes, people or systems or from external events; dependence on key customers; safety performance; expansion and acquisition strategy; regulatory and legal risk; corruption, bribery or fraud by employees or agents; extreme weather conditions and the impact of natural or other disasters; shortage of specialized skills and cost of labour increases; equipment and parts availability; reputational risk; cybersecurity risk; market price and dilution of common shares and environmental regulation risk. Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on these forward-looking statements. The Company disclaims any intention and assumes no obligation to update any forward-looking statement, even if new information becomes available, as a result of future events or for any other reasons, except in accordance with applicable securities laws.

Introduction

The Management's Discussion and Analysis (MD&A) was issued and approved by the Board of Directors on November 29, 2022. The MD&A for the year ended July 31, 2022 has been prepared to help investors understand the financial performance of MedMira in the broader context of the Company's strategic direction, the risk and opportunities as understood by management, and the key metrics that are relevant to the Company's performance. The Audit Committee of the Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

This document should be read in conjunction with the audited consolidated financial statements for the year ended July 31, 2022. Annual references are to the Company's fiscal years, which end on July 31. All amounts are expressed in Canadian dollars (CAD) unless otherwise noted.

Additional information about MedMira, this document, and the related audited financial statements ended July 31, 2022 can be viewed on the Company's website at www.medmira.com and are available on SEDAR at www.sedar.com.

The preparation of the MD&A may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management bases estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different

assumptions or conditions. Management believes the accounting policies, outlined in the Significant Accounting Policies section of its July 31, 2022 consolidated financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

About MedMira

MedMira is a biotechnology company engaged in the development and commercialization of rapid diagnostics and technology platforms. The Company is headquartered in Halifax, Nova Scotia, Canada and is listed on the TSX Venture Exchange (TSX-V) under the symbol MIR.

The patented MedMira Rapid Vertical Flow (RVF) Technology™ platform is the basis for the Company's line of rapid tests. Diagnostic applications based on this technology are highly accurate, easy-to-use, and produce instant results – a strong advantage over most other rapid diagnostics on the market today. These features are enhanced further with ability to deliver multiplex results on one test device with just one drop of specimen. The Company has created a new generation of rapid tests that are based on the need to provide immediate answers without increasing costs.

MedMira's technology platform and growing portfolio of diagnostic tools demonstrate excellence in performance and quality in the highly competitive diagnostics industry. More than \$30 million has been invested in perfecting MedMira's core technology, which has proven itself time and time again with its excellent clinical performance and its success in rigorous evaluations and inspections, leading to regulatory approvals for rapid diagnostic solutions in the United States (U.S. Food and Drug Administration), Canada (Health Canada), the notified body in the European Union (CE Mark), and China (CFDA) and in a number of countries in Latin America, Africa, and Asia. The Company's quality system is ISO 9001 and ISO 13485 certified.

MedMira sells its rapid tests through a network of medical distributors and strategic business development partners to customers in all sectors of the healthcare industry, including laboratories, hospitals, point-of-care clinics, governments, aid organizations, and public health agencies.

In addition to clinical diagnostics, the Company offers the Miriad™ product line to create new opportunities in the high value technology licensing sector. This business line allows the Company to monetize its award-winning technology and core capabilities, including R&D, product development, and regulatory proficiency. Miriad provides access to MedMira's RVF Technology for researchers, developers, and biotech companies on a license basis to facilitate the creation of new rapid tests or the transition of existing tests to this unique platform. Infiltrating new and different sectors of the diagnostic industry, such as veterinary and environmental, with the Company's technology, enables MedMira to build a higher degree of global awareness, generate new revenue streams, and provide a superior diagnostic platform to the market.

Intellectual property

The Company strives to protect its intellectual property in established and emerging markets around the world as warranted. MedMira's intellectual property portfolio for its Rapid Vertical Flow Technology and the methodology behind its rapid diagnostics includes the following:

<i>Patent #</i>	<i>Title</i>	<i>Jurisdiction</i>
9,164,087	Rapid Diagnostic Device, assay and multifunctional Buffer	United States
9,086,410	Downward or vertical flow diagnostic device and assay	United States

8,025,850	Rapid Diagnostic Device, Assay and Multifunctional Buffer	United States
8,287,817	Rapid Diagnostic Device, Assay and Multifunctional Buffer	United States
8,586,375	Rapid Diagnostic Device, Assay and Multifunctional Buffer	United States
7,531,362	Rapid Diagnostic Device, Assay and Multifunctional Buffer	United States
D706945	Diagnostic Device	United States
D706466	Diagnostic Device	United States
EP1417489	Rapid Diagnostic Device and Assay	Europe
ZL02819646.5	Rapid Diagnostic Device and Assay	China
2,493,616	Rapid Diagnostic Device, Assay and Multifunctional Buffer	Canada
11,353,450	Analyte Detection Using Raman Spectroscopy	United States

The Company has other patents pending patents in the U.S. as well as two design patents in force or pending in eight markets. The Company's corporate and product brand names are protected by trademarks in the U.S. and Canada.

The Company has recorded an impairment charge in previous fiscal years to write-down its intangible assets to a nominal value. There is no indication at the end of July 31, 2022 that this impairment has been reversed and thus the value of intangible assets on the balance sheet on July 31, 2022 is \$2 (July 31, 2022 - \$2).

Corporate update

During FY2022, MedMira continued its focus on its COVID-19 and Sexually Transmitted Infections (STI) product lines. At the same time MedMira received the patent on its unique quantitative diagnostic system – MiROQ. This proven disruptive technology further substantiates the flexibility of the Rapid Vertical Flow (RVF) Technology® and provides a significant step for MedMira into the quantitative diagnostic market. Subsequent to the financial year end, the Company received the CE mark for its VYRA™ antigen test and immediately finalised sales terms for the European market with two strategically positioned distribution partners. In addition, the Company received a grant from John Hopkins School of Medicine, Division of Infectious Diseases for the development of a saliva based multiplex rapid test.

Product Line - COVID-19

In FY2022, MedMira received the CE mark for its REVEALCOVID-19® Total Antibody test and subsequently in October 2022 the CE mark for its VYRA™ COVID-19 antigen rapid test. In FY2022, the Company completed a number of independent studies to finalise and submit the additional data required for its submission of the VYRA™ CoV2Flu multiplex rapid test. These have been completed and provided for review to the regulatory authorities, aiming at the main markets USA, Canada and Europe. While MedMira's single COVID-19 antigen test has shown an accuracy of close to 100% in identifying acute SARS-CoV-2 infected patients and is currently the fastest rapid test solution available, the Company has experienced a great demand for its multiplex rapid test solution. At this stage, there is no approved multiplex rapid test available which detects COVID-19, Flu A and Flu B with one single specimen. Hence allowing MedMira's VYRA™ CoV2Flu antigen test to offer a highly competitive product to North America and Europe.

With rising infection rates globally and with the substantial issues experienced with Flu infections, the demand for a multiplex rapid test is the preferred choice in hospitals, doctor clinics and for home-users. In FY2022, the Company has

negotiated and finalised terms to immediately supply its VYRA™ CoV2Flu antigen test when regulatory approval has been received.

Subsequent to FY2022, the Company has further expanded its offering and will launch an added marker to its existing portfolio. This will be announced in the month of December 2022 and shall provide additional benefits to MedMira's clients.

COVID-19 - Market Europe

With the CE mark received for its VYRA™ COVID-19 antigen rapid test, the Company was able to finalise distribution agreements and commence with the launch and sale of the fastest antigen test currently available. In addition, further data has been submitted to support MedMira's VYRA™ CoV2Flu antigen test home-test application and anticipates to receive the CE mark in December 2022.

COVID-19 - Market USA

The introduction of the traditional approval under the classification of the De Novo/510(k) Classification Request process, allowed the Company to prepare and present its pre-submission. At this stage the regulators are still reviewing the guidelines and no rapid test has received the De Novo/510(k). In order to have all necessary data available for the De Novo/510(k) Classification Request, the Company had engaged in FY2022 two highly reputable clinical trials sites in North America to verify the claim in terms of sensitivity and specificity. While this process is still under review the Company has made significant progress with its EUA application and will inform the market when the respective regulatory feedback is received. In addition, the Company has received the final guidelines to complete any additional requirements for the home-test application of its VYRA™ CoV2Flu antigen test. While the competitive landscape has significantly decreased in terms of the amount of competitors, the management believes a multiplex rapid test will generate a higher demand and MedMira's unique selling points (time, quality and ease-of-use) will generate a significant market share in this coming years.

COVID-19 - Market Canada

VYRA™ Antigen Tests: the Company has continued its path with the Interim Order process and presented the necessary data to support its application. Studies completed in FY2022 have shown an accuracy of close to 100% in identifying acute SARS-CoV-2 infected patients. In addition, in FY2022, clinical studies in Canada were completed to provide further support for MedMira's VYRA™ CoV2Flu antigen test submission. The Company anticipates to receive further feedback in this coming month and will be able to launch its product as soon the Interim Order is granted through its exclusive distributors in Canada.

Product Line - Sexually Transmitted Infections (STI)

In the second half of FY2022, the Company was able to commence its regulatory work on its STI product line in Europe, USA and Canada. These regulatory projects were delayed due to the COVID-19 pandemic.

Market USA

In Q2 FY2022 the Company filed its pre-submission for De Novo/510(k) Classification Request for its Reveal® Hepatitis C (HCV) Rapid Antibody Test. MedMira completed the Q-submission (Q220148) and received the agreement to proceed with the submission of its clinical and non-clinical protocols. Subsequent to the financial year end, the Company is able to start the clinical trials. At this stage, the clinical trial sites have been identified and the Company anticipates to complete its trials within 4-5 months from the time the clinical sites receive the necessary IRB (Institutional Review Board).

MedMira's Reveal® G4 HIV test, was previously FDA/PMA approved, has started the clinical trials required to complete its last phase of regulatory work to obtain the FDA CLIA-waived listing. This new claim allows the Company to access the over

USD\$ 350 million annual market in the United States which includes physician-office-lab (POL) facilities, clinics, and other community healthcare providers.

In July 2022, MedMira's proposal titled "RVF Technology Multiplex saliva test for Sexually Transmitted Diseases (STDs)" was selected by the panel of experts and awarded a development grant from John Hopkins School of Medicine, Division of Infectious Diseases. The development focuses on an unique saliva-based rapid test which detects simultaneously multiple STDs in one single test with immediate results. Subsequent to the financial year end, the Company completed its development work and successfully validated the prototype. As a result the Company is able to enter the next phase by starting clinical trials with the aim to achieve FDA approval. This step is entirely funded externally and will enable MedMira to launch the first multiplex saliva based STI rapid test. With this, the Company expands its STI product offering by providing alternative sample collection methods aimed at screening programs and potentially home-users. The Company will provide disclosure on the funding and milestone plan in early 2023.

Market Canada

The partnership with REACH Nexus (www.reachnexus.ca) at the MAP Centre for Urban Health Solutions (www.maphealth.ca) enabled MedMira to receive full sponsorship of the clinical trials in Canada. The data generated allows the Company to achieve Health Canada approval for its Reveal® TP (Syphilis) Rapid Test. In Q3 FY2022, the Company filled the required ITA and has received ITA approval from Health Canada in November 2022. MedMira is currently completing the training of the various trials sites and is ready to start the trials in British Columbia and in Saskatchewan in January 2023.

Market Europe

During FY2022, the Company received the CE mark for its Reveal® TP (Syphilis) Rapid Test (Reveal® TP) aimed for screening patients for antibodies. Reveal® TP is aimed for doctors' offices, STI clinics or for home testing. In addition, MedMira received the CE mark for its Multipl® Complete Syphilis (TP/nTP) Antibody Test. The CE mark allows MedMira to offer the only commercially available combined screening and confirmation test which takes less than 3 minutes (from sample collection to easy-to-read results) for syphilis. This product is specifically designed for clinics, laboratories and doctor's offices which require a fast and complete answer.

The significant changes in the regulatory framework in the CE marketplace as of the 26th of May 2022, will provide a higher entry barrier for new products and increase the overall review (control of products on market, manufacturing quality systems etc) for all existing CE marked products.

Changes to the regulatory framework in the CE marketplace

The European Medical Device landscape is in the process of dramatic change, attributable to the upcoming introduction of Regulation (EU) 2017/746, better known as the IVDR (In-Vitro Diagnostic Regulation). The IVDR will replace the existing medical device regulation, IVDD, and will cover all EU member states.

The additional considerations introduced by the IVDR apply to all manufacturers seeking CE marking for new medical devices and existing devices previously certified under the IVDD (i.e., legacy devices). These considerations include more rigorous risk classifications, quality management system requirements, and performance evaluation standards. Approvals under the IVDR will require more time and effort from both manufacturers and Notified Bodies, who are now responsible for certifying 80% of prospective medical devices (compared to 20% under the IVDD).

Legacy devices will be subject to gap analysis after May 26, 2022, when they must meet the strict requirements of the IVDR on-top of their existing conformity to the IVDD. Many self-certified devices, however, will need to undergo a complete IVDR conformity assessment and certification through a Notified Body. The deadline for this approval depends on the new IVDR risk classification of formerly self-certified devices and will require a major commitment from manufacturers.

As a result, higher entry barriers will be established in the CE market place and a more stringent focus will be placed on the quality of components, manufacturing processes and standards, and performance quality of products. With this change, CE approval will be aligned closer to the strict regulatory framework as applied by the U.S. FDA. This provides a unique opportunity for manufacturers such as MedMira which have built over the years high quality manufacturing processes and achieved the necessary accreditations. The Company's focus on the quality of its products and acquisition of supporting evidence will be key to its future success in the CE market place. It is management's view that these changes will significantly impact the competitive landscape and the pricing model in favour of MedMira.

Technology Update - MiROQ™

In June 2022, MedMira received the U.S. patent (number 11,353,450) for its new innovative and quantitative test system. Through this new patent, MedMira is to further diversify its patent portfolio and expand on its Rapid Vertical Flow Technology® (RVF) based diagnostic tests. Subsequent to FY2022, the Company has been finalising the design and software framework with an experienced electronics manufacturer and will be launching the design in Q2 FY2023. At the same time, MedMira is continuing to collaborate with Saint Mary's University to expand its data collection which will assist future regulatory submissions.

MiROQ™ is MedMira's step forward in empowering the Company's strategic vision by offering a rapid multiplexed quantitative diagnostic system from screening to confirmation to monitoring disease progression. The synergies between both patented technologies allow MedMira to continue its corporate aim to provide the market with a highly effective and affordable alternative to the current costly and time-consuming screening and monitoring systems. This patented system with the proprietary build-in data capture and analysis software allows for immediate analysis of any positive (reactive) results within 1 min. This is in contrast to the current laboratory systems that may take from a couple of hours and up to a week to process samples.

MedMira's latest novel diagnostic system allows for accessible and efficient diagnostic tools for quantitative results in minutes. The user-friendly interface combined with automated interpretation allows for an expansion of MedMira's current RVF-based tests and can provide a pathway to significantly increase the technology's multiplexing abilities. The combination of the RVF and Surface-Enhanced Raman Spectroscopy* (SERS) technology, creates MedMira's patented novel high quality and cost-effective tool for the next generation - MiROQ™.

Corporate Update

During the financial year 2022, the Company has made significant progress to increase its product offering, its brand recognition and strengthen its patent portfolio. At the same time, the Finance team continued its fiscal constraints to maintain its low fixed costs and negotiate supply and logistical costs to continue the Company's strategic aim to achieve a 75% - 85% gross profit margin. With the support of MedMira's largest shareholders and debt holders, the Company decreased its debt payable by approximately 32% while continuing its growth in terms of product and technology development. Furthermore, the Company entered into a forbearance agreement in March 2020 with its largest debt holder, allowing the Company to focus its resources on the growth of MedMira's technologies and brand. Under the terms and condition, interest and principal payments are deferred, and periodically reviewed. Whereas this positive support enables the Company to continue its growth strategy, the debt must be deemed as a current liability.

Furthermore, the Company has entered into an initial agreement with a US based partner to develop and manufacture a new STI product aimed initially for the US market with subsequent launches in Europe and other markets. Details of this partnership and next steps will be provided in press release in January 2023.

Internal Changes

During FY2022, the Company appointed Mr. Thomas Bergmann as MedMira's independent Chairman and Ms. Pascal Nini as an independent Board Director. With these appointments, the Company benefits from their years of experience in various aspects which are beneficial to the near-term and long-term growth of MedMira Inc. and its technologies.

Subsequent to FY2022, the Company appointed Dr. Sam Ratnam as Director of Scientific and Regulatory Affairs. Dr. Ratnam brings over 40 years of experience in public health, regulatory affairs and has been the principal in a number of important regulations set forward by the health authorities such as the guidelines on Syphilis, Hepatitis C or HPV. His invaluable expertise and intrinsic knowledge of the regulatory and clinical trial framework in Canada and the United States, will provide the Company even further momentum to push forward in its current and future applications.

Dr. Sam Ratnam, MSc (Medical Microbiology; Madras), PhD (Medical Microbiology; Delhi), MPH (Johns Hopkins), FCCM (Fellow of Canadian College of Microbiologists), is Clinical Professor at Memorial University, St. John's, and Adjunct Professor, McGill University, Montreal, Canada. He was Director of Public Health Laboratory, Government of Newfoundland, St. John's, and served as Advisor to the National Microbiology Laboratory, Public Health Agency of Canada, Winnipeg, and Interim Advisor to the Public Health Laboratory, St. John's. He has served as chair or member of many Canadian federal and provincial advisory committees and working groups and as temporary advisor to the WHO. His research interests are clinical and public health microbiology with focus on STI diagnostics (200 scientific articles and abstracts).

Financial results

Basis of preparation and significant accounting policies

The basis of financial statement preparation and the significant accounting policies of MedMira are described in Notes 2 and 3 of the Company's audited consolidated financial statements for the year ended July 31, 2022.

Selected quarterly information (in thousands of dollars except per share amounts)

Income statement	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
					\$	\$	\$	\$
Revenue	128	324	298	202	110	84	347	1,603
Cost of sales	(31)	(227)	(212)	(177)	(25)	(48)	(109)	(241)
Gross profit	97	97	86	25	85	36	238	1,362
Operating expenses	(506)	(393)	(445)	(413)	(697)	(233)	(497)	(479)
Other expenses (gains)	(53)	(115)	(109)	(101)	(24)	(141)	(158)	(168)
Net earnings (loss) before tax	(462)	(411)	(468)	(489)	(636)	(338)	(417)	715
Balance sheet								
	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
					\$	\$	\$	\$
Current assets	1,658	1,874	2,340	2,603	1,576	1,342	1,610	2,123
Non-current assets	2,172	2,224	2,214	2,265	2,314	2,337	2,389	2,437
Total assets	3,830	4,098	4,554	4,868	3,890	3,679	3,999	4,560
Current liabilities	14,138	13,902	13,905	18,911	17,414	17,026	16,763	16,300
Non-current liabilities	2,048	2,089	2,131	2,172	2,199	2,239	2,484	3,107
Total liabilities	16,186	15,991	16,036	21,083	19,613	19,265	19,247	19,407
Total shareholders deficiency	(12,356)	(11,893)	(11,482)	(16,215)	(15,724)	(15,586)	(15,248)	(14,847)
Total liabilities and equity	3,830	4,098	4,554	4,868	3,889	3,679	3,999	4,560

This quarterly information is unaudited but has been prepared on the same basis as the annual consolidated financial statements. We discuss the factors that caused our results to vary over the past eight quarters throughout this MD&A. The main highlights are:

- The Company's decrease in revenue is directly related to the following factors:
 - During the calendar year 2021, regulatory changes temporarily halted sales of MedMira's COVID-19 products in the United States. The Company is expecting to continue the sale of its COVID-19 products at the time the EUA and/or 510(k) approval is granted in the USA and the Interim Order in Canada. Subsequent to the financial year end, the Company received on the 14th of October 2022, the CE mark for its Vyra™ CoV2Flu antigen rapid test and commenced its sales in Europe.
 - At the same time, during calendar year 2021 and the first half of calendar year 2022, sales of MedMira's non-COVID-19 products were lower due to the effects of the pandemic. Subsequent to the FY2022, the Company has recorded a significant increase in sales of its non-Covid19 products such its G4 HIV rapid test and its Miriad product line.
- The decrease of other expenses of approximately 23% for fiscal 2022 compared to fiscal 2021 was mainly due to the significant decrease in debt during FY2022 and with it the decrease in interest payable.

Fourth quarter analysis

	For the three months ended		Better(worse)
	31-Jul-22	31-Jul-21	
	\$	\$	\$
Product			
Product sales	105,009	106,480	(1,471)
Product cost of sales	(7,863)	(20,983)	13,120
Gross margin on product	97,146	85,497	11,649
Service			
Service sales	23,547	3,859	19,688
Service cost of sales	(23,547)	(3,859)	(19,688)
Gross margin on service sales	-	-	-
Operating expenses			
Research and development	(120,503)	(142,776)	22,273
Sales and marketing	(10,997)	(697)	(10,300)
Other direct costs	(186,988)	(238,545)	51,557
General and administrative	(187,345)	(315,195)	127,850
Total operating expenses	(505,833)	(697,213)	191,380
Operating loss	(408,687)	(611,716)	203,029
Non-operating income (expenses)			
Financing	(173,451)	(195,392)	21,941
Government Assistance	118,979	170,128	(51,149)
Net (loss) income	(463,159)	(636,980)	173,821

Product revenue and gross margin

The Company recorded revenue from product sales in the three months ended July 31, 2022, of \$105,009 as compared to \$106,480 for the same period last year. The Company's slight decrease in revenue is mainly due to the timing of revenue recognition.

Gross profit on product sales for the three months ended July 31, 2022, was \$97,146 compared to \$85,497 for the same period in 2021. The generated gross margin is in line with management's expectations and reflects MedMira's standard gross profit margin.

Service revenue and gross margin

The Company recorded revenue from service sales in the three months ended July 31, 2022, of \$23,547 compared to \$3,859 for the same period in 2021. The increase of service revenue was due to additional project work being completed and with it the Company was able to recognise this as service revenue. There was no gross profit generated from service sales in Q4 FY2022 which has been expected by the management for the above-mentioned reason.

Operating expenses

Total operating expenses decreased by \$191,380 from \$697,213 for the three months ended July 31, 2021, to \$505,833 for

the three months ended July 31, 2022.

- Research and development expenses for the three months ended July 31, 2022, were \$120,503 compared to a \$142,776 for the same period in 2021. The decrease in research and development expenses are mainly due to costs being externally funded.
- Sales and marketing expenses for the three months ended July 31, 2022, were \$10,997 compared to \$697 for the same period in 2021. The increase of sales and marketing expenses were mainly due to the costs to establish its online sales platform in FY2022.
- Other direct costs for the three months ended July 31, 2022, were \$186,988, compared to \$238,545 for the same period in 2021. The decrease in other direct costs mainly due to lower costs associated with the Company's sales.
- General and administrative expenses were \$187,345 for the three months ended July 31, 2022, compared to \$315,195 for the same period in 2021. The decrease is mainly due to lower costs associated with MedMira's operational activities.

Non-operating expenses

- Total non-operating expenses were \$54,472 in the three months ended July 31, 2022, compared to \$25,264 during the same period in fiscal year 2021. The increase is due to governmental subsidy received and recognised in Q4 FY2021 which lowered the non-operating expenses in Q4 FY2021.

Year to date Analysis

	For the twelve months ended		Better(worse) \$
	31-Jul-22 \$	31-Jul-21 \$	
Product			
Product sales	359,285	2,060,497	(1,701,212)
Product cost of sales	(55,258)	(343,708)	288,450
Gross margin on product	<u>304,027</u>	<u>1,716,789</u>	<u>(1,412,762)</u>
Service			
Service sales	592,842	83,973	508,869
Service cost of sales	(592,842)	(79,020)	(513,822)
Gross margin on service sales	<u>-</u>	<u>4,953</u>	<u>(4,953)</u>
Operating expenses			
Research and development	(191,138)	(359,316)	168,178
Sales and marketing	(14,742)	(44,297)	29,555
Other direct costs	(816,536)	(1,011,769)	195,233
General and administrative	(734,833)	(490,592)	(244,241)
Total operating expenses	<u>(1,757,249)</u>	<u>(1,905,974)</u>	<u>148,725</u>
Operating loss	<u>(1,453,222)</u>	<u>(184,232)</u>	<u>(1,268,990)</u>
Non-operating income (expenses)			
Financing	(562,036)	(681,693)	119,657
Government assistance	183,682	190,128	(6,446)
Net (loss) income	<u>(1,831,576)</u>	<u>(675,797)</u>	<u>(1,155,779)</u>

Product revenue and gross margin

The Company recorded revenue from product sales for the year ended July 31, 2022, of \$359,285 as compared to \$2,060,497 for the same period last year. Gross profit on product sales for the year ended July 31, 2022, was \$304,027 compared to \$1,716,789 for the same period in 2021. The Company's decrease in revenue is directly related to the following factors:

- During the calendar year 2021, regulatory changes temporarily halted sales of MedMira's COVID-19 products in the United States. The Company is expecting to continue the sale of its COVID-19 products at the time the EUA and/or 510(k) approval is granted in the USA and the Interim Order in Canada. Subsequent to the financial year end, the Company received on the 14th of October 2022, the CE mark for its Vyra™ CoV2Flu antigen rapid test and commenced its sales in Europe.
- At the same time, during calendar year 2021 and the first half of calendar year 2022, sales of MedMira's non-COVID-19 products were lower due to the effects of the pandemic. Subsequent to the FY2022, the Company has recorded a significant increase in sales of its non-Covid19 products such its G4 HIV rapid test and its Miriad product line.

The Company's gross margin was 85% for the twelve months ended July 31, 2022, in comparison to a gross profit margin of 83% for the period ended July 31, 2021. The generated gross margin is in line with management's expectations and reflects MedMira's standard gross profit margin.

Service revenue and gross margin

The Company recorded revenue from service sales in the year ended July 31, 2022, of \$592,842 compared to \$83,973 for the same period in 2021. These service sales were in relation to the MedMira's Vyra™ product line with focus on its unique Vyra™ CoV2Flu antigen rapid test.

Operating expenses

Total operating expenses decreased by \$148,725 from \$1,905,974 for the year ended July 31, 2021, to \$1,757,249 for the year ended July 31, 2022.

- Research and development expenses for the year ended July 31, 2022, were \$191,138 compared to \$359,316 for the same period in 2021. The decrease in research and development expenses mainly due to costs being externally funded.
- Sales and marketing expenses for the year end July 31, 2022, were \$14,742 to \$44,297 for the same period in 2021. The decrease of approximately 67% was due to the transition of sales and marketing related work to the Company's distributors in Europe and North America.
- Other direct costs for the year ended July 31, 2022, were \$816,536 compared to \$1,011,769 for the same period in 2021. The decrease of approximately 19% is mainly due to lower costs associated with the Company's sales.
- General and administrative expenses were \$734,833 for the year ended July 31, 2022, compared to \$490,592 for the same period in 2021. The increase in general and administrative expenses were mainly due the Company's additional expansion of its operational activities due to its significant increase in new product lines.

Non-operating expenses

- Total non-operating expenses were \$378,354 in the year ended July 31, 2022, compared to \$491,565 during the same period in 2020. The decrease in non-operating expenses was mainly due to the significant decrease in debt during FY2022 and with it the decrease in interest payable.

Geographic information

The Company organizes and records the sales and distribution of its products based on major geographical territories around the world. The table below provides the three-month geographic breakdown of revenue.

	Product and service revenue		Product and service revenue	
	For the three months ended		For the year ended	
	31-Jul-22	31-Jul-21	31-Jul-22	31-Jul-21
	\$	\$	\$	\$
North America	111,691	78,094	915,236	1,846,096
Europe	16,865	28,386	36,437	288,421
Asia Pacific	-	-	454	8,039
Other	-	-	-	1,914
Total revenue	128,556	106,480	952,127	2,144,470

Liquidity and capital resources

Cash and working capital

The Company had a cash reserve of \$33,461 on July 31, 2022, as compared to a bank indebtedness of \$10,113 on July 31, 2021. The Company's net working capital position as at July 31, 2022 was a deficit of \$12.5 million compared to the July 31, 2021 working capital deficit of \$15.8 million. The Company has incurred operational losses and negative cash flows on a cumulative basis since inception. For the year ended July 31, 2022, the Company incurred a net loss from operating activities of approximately \$1.5 million and negative cash flows from operations of \$1.9 million, compared to a net loss from operations of \$0.2 million and negative cash flows from operations of \$0.5 million for the same period in 2021. The following table is a list of commitments the Company has:

For the year ended July 31, 2022

	Total	Less than 1 year	1 to 3 years	4 to 5 years	After 5 years
	\$	\$	\$	\$	\$
Debt	6,139,672	6,099,672	40,000		
Accounts payable and accrued liabilities	6,701,628	6,701,628			
Advance from shareholder	500,000	500,000			
Lease liabilities	2,159,342	151,526	535,432	425,467	1,046,917
Royalty provision	72,673	72,673			
Total debt	15,573,315	13,525,499	575,432	425,467	1,046,917

Operating activities

MedMira incurred negative cash flows from operations of approximately \$1.9 million for the year ended July 31, 2022, compared to negative cash flows of \$0.5 million for the same period in 2021. The reason for this variance was mainly due to additional investments in equipment, labour and training in order to accommodate the high demand for MedMira's products.

Financing activities

Cash inflows from financing activities were \$2.0 million for the year ended July 31, 2022, compared to cash inflow of \$0.1

million for the same period in 2021. The increase in cash inflow in FY2022 compared to FY2021 was due to additional funding required for clinical trials and regulatory work surrounding MedMira's COVID-19 product line and the commencement of its HIV G4 CLIA waiver approval.

Investing activities

Cash outflows from investments were \$0.07 million for the year ended July 31, 2022, compared to cash outflows of \$0.04 for the same period in 2021.

Debt

As at July 31, 2022, the Company had loans payable with a carrying value of \$6.1 million compared to \$9.2 million at July 31, 2021. The decrease in the carrying value of loans payable from July 31, 2021, to July 31, 2022, is due to the conversion of a portion of the Company's loans payable into equity. During the past 36 months, the Company was in negotiations with all of its debt holders to ensure realistic debt repayment plans, which shall enable the Company to use its working capital for its growth and ensure its future stability. In order to complete these negotiations, MedMira requires proof of its development and financial stability mainly in relation to its sales. At the time, MedMira is able to generate enough sales to fund its operations and meet any other essential corporate expenses, the Company is able to present and finalize a secure repayment plan. As these negotiations are ongoing, the Company must record these as in default until final agreements have been signed. The amount of all loans in default due to non-payment of principal and interest was \$6.1 million and therefore shows as a current liability on the balance sheet.

Further discussion on liquidity and capital resources can be found in this document in the Liquidity Risk section, Risk and Uncertainties section of this document and in Notes 2 and 12 of the Company's consolidated financial statements for the year ended July 31, 2022, and the audited consolidated financial statements for the year ended July 31, 2021.

Equity/Shares

The Company is authorized to issue an unlimited number of common shares without par value. During the year end July 31, 2022, the Company issued 36,069,844 common shares. The number of issued and outstanding common shares on July 31, 2022, was 697,445,660. The Company is also authorized to issue an unlimited number of Series A preferred shares redeemable at \$0.01 per share after March 31, 2010, convertible into an equal number of common shares upon the Company meeting certain milestones. There were 5,000,000 Series A preferred shares issued and outstanding on July 31, 2022.

The Company had 0 outstanding stock options on July 31, 2022. The number of outstanding warrants on July 31, 2022, was 0.

Off balance sheet arrangements

The Company was not party to any off balance sheet arrangements as of July 31, 2022.

Financial instruments – fair value

- (i) Classification and measurement of financial assets and liabilities

A financial asset is classified as the following measurement categories: amortized cost; fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets is

generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Company's financial assets consist of cash and cash equivalents FVTPL, and accounts receivable classified at amortized cost. The Company's financial liabilities consist of trade accounts payable and accrued liabilities, salaries and benefits payable, interest payable, lease liability and long-term debt are classified at amortized cost.

Financial instruments – risk factors

MedMira has exposure to the following risks from its financial instruments: liquidity risk, credit risk, currency risk, and interest rate risk. Management monitors risk levels and reviews risk management activities as necessary.

Liquidity risk

The Company manages liquidity by forecasting and monitoring operating cash flows and the use of revolving credit facilities and share issuances.

The Company has incurred losses and negative cash flows from operations on a cumulative basis since inception. For the year ended July 31, 2022, the Company realized a net loss of \$1.8 million (July 31, 2021 - \$0.7 million), consisting of a net loss from operations of \$1.4 million (July 31, 2021 - \$0.2 million), and other non-operating losses of \$0.4 million (July 31, 2021 - \$0.5 million). Negative cash flows from operations were \$1.9 million (July 31, 2021 - \$0.5 million). As at July 31, 2022, the Company had an accumulated deficit of \$95.3 million (July 31, 2021 - \$93.5 million) and a negative working capital position of \$12.5 million (July 31, 2021 - \$15.8 million). In addition, as at July 31, 2022, \$6.1 million of debt was in default. The Company currently has insufficient cash to fund its operations for the next 12 months. In addition to its on-going working capital requirements, the Company must secure sufficient funding for its research and development programs for existing commitments, including its current portion of debt of approximately \$6.1 million. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company's objectives in managing capital are to ensure it can meet its ongoing working capital requirements. The Company must secure sufficient capital to support its capital requirements for research and development programs, existing commitments, including its current portion of debt of approximately \$6.1 million, as well as growth opportunities.

Management dedicates significant time to pursuing additional revenue generating alternatives that will fund the Company's operations and growth opportunities so it can continue as a going concern. Debt arrangements were also ongoing with the Company's major shareholder and other debt holders. Subsequent to the close of fiscal year 2022, MedMira has generated additional revenues from product sales and product development fees which support the Company's on-going operating costs and provide funding for its product development activities. Management continues to work closely with its main investor to support any additional cash requirements if needed. While there is no assurance that this initiative will be successful for the future, subsequently to year end FY2022, the Company secured additional funding to continue its operational activities with focus on product development.

The Company is subject to risks associated with early stage companies, including but not limited to, dependence on key individuals, competition from substitute services and larger companies, and the requirement for the continued successful development and marketing of its products and services. The Company's ability to continue as a going-concern is dependent upon its ability to generate positive cash flow from operations and secure additional financing and the continued support of its lenders and shareholders. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going-concern assumption not appropriate. These adjustments could be material.

Credit risk

The Company exposed to credit risk in relation to its trade accounts receivable. To mitigate such risk, the Company continuously monitors the financial condition of its customers and reviews the credit history or worthiness of each new customer. The Company mitigates this risk by requiring a 100% down payment for any orders received by new clients at the time of purchase. The Company establishes an allowance for doubtful accounts based on specific credit risk of its customers by examining such factors as the number of overdue days of the customers' balance outstanding as well as the customers' collection history. Since 94% of the Company's sales are with five large international companies with which the Company has distribution agreements since over 10 years, there is no significant concentration of credit risk.

Currency risk

MedMira receives most of its revenues in foreign currencies and incurs expenses in U.S. and Canadian currencies. As a result, the Company is subject to uncertainty as foreign exchange rates fluctuate. The exchange fluctuations from year to year have accounted for a significant portion of the Company's exchange gain and loss. Most sales are in USD, however, they are recorded at the exchange rate prevailing on or near the transaction date and collected in a timely manner.

The Company also experiences currency exposure resulting from balance sheet fluctuations of U.S and CHF denominated cash, U.S. accounts receivable, US and CHF denominated accounts payable and U.S. and CHF denominated promissory notes.

MedMira mitigates this currency risk by maintaining a balance of USD currency which is used to pay down U.S.-denominated liabilities and replenishes the balance through U.S.-denominated revenues.

Interest rate risk

The Company is not exposed to interest rate risk as it borrows funds at fixed rates.

Related party transactions

The following transactions occurred with related parties during the year ended July 31, 2022:

- Short term loans totalling \$55,846 was received from an officer (2021 - \$26,884).
- Short term loans totalling \$5,000 were repaid to employees (2021 - \$56,346).
- Short term loans of \$157,865 and interest payable of \$11,357 owed to an officer were converted to common shares (July 31, 2021 – nil).
- Long term loans of \$201,002 and interest payable of \$35,842 owed to an officer were converted to common shares (July 31, 2022 – nil).
- Short term loans of \$1,637,880 and interest payable of \$317,274 to Ritec AG were converted to common shares (July 31, 2021 – nil).
- Short term loans of \$18,000 were repaid to an officer (July 31, 2021 – nil).
- Long term loans of \$750,695 and interest payable of \$70,190 owed to MedMira Holdings AG were converted to common shares (July 31, 2021 – nil).
- Short term loans of \$341,225 and interest payable of \$41,106 owed to MedMira Holding AG were converted to common shares (July 31, 2021 – nil)
- Common shares were issued in the value of \$1,665,691 to MedMira Holding AG from the receipt of cash (July 31, 2021 – nil).
- A payment of \$67,328 (July 31, 2021 – nil) was made to Ritec AG as payment towards a royalty agreement.
- Royalty payments of \$10,000 were incurred and owed to MedMira Holding AG (2021 - \$28,397).
- There was no exercise of stock options (2021 – 300,000 stock options for \$15,000) by an officer.

The following balances with related parties were outstanding at July 31, 2022:

- Salaries and benefits payable totalling \$1,232,784 was due to officers (2021 - \$1,142,165).
- A long term loan totalling \$5,170 (2021 - \$207,792) and accrued interest of \$186 (2021 - \$33,178) was due to the Chief Financial Officer.
- A short term loan totalling \$153,334 (2021-\$277,662) and accrued interest of \$18,893 (2021 - \$20,088) were owed to an officer
- A royalty provision was owed to MedMira Holding AG of \$72,673 (2021 - \$130,000).

Compensation summary

A) Officers for the year ended July 31, 2022

Name and Principal Position	Paid Compensation (\$)	Accrued Compensation Current year (\$)	Share- and Option-based Awards* (\$)	All other compensation (\$)	Total Compensation current year (\$)	Paid Compensation related to previous fiscal years (\$)	Accrued Compensation related to previous fiscal years (\$)
Hermes Chan <i>CEO</i>	74,410	25,590	-	-	100,000	-	540,461
Markus Meile <i>CFO</i>	-	60,000	-	-	60,000	-	560,418

¹ All other compensation includes pension fund contributions and/or bonuses paid out.

*The Company makes certain estimates and assumptions when calculating the fair value of option-based awards. The Company uses an option-pricing model, which includes significant assumptions including estimates of the expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

B) Directors for year ended July 31, 2022

Name and Principal Position	Paid Compensation (\$)	Accrued Compensation Current year (\$)	Share- and Option-based Awards* (\$)	Total Compensation current year (\$)	Paid Compensation related to previous fiscal years (\$)	Accrued Compensation related to previous fiscal years (\$)
Hermes Chan, Director, Member of the Audit Committee and Nomination and Compensation Committee	-	-	-	-	-	-
Steven Cummings, Director, Member of the Audit Committee and Nomination and Compensation Committee	-	-	-	-	-	-
Jianhe Mao, Director, Member of the Audit Committee and Nomination and Compensation Committee	-	-	-	-	-	-
Thomas Bergmann, Director, Member of the Audit Committee and Nomination and Compensation Committee						
Pascale Nini, Director						

*The Company makes certain estimates and assumptions when calculating the fair value of option-based awards. The Company uses an option pricing model which includes significant assumptions including estimates of the expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the amount recorded for the issuance of stock options.

Subsequent events

Subsequent to the end of the financial year 2022, MedMira has received two advance payments in the amount of CHF 200,000 and USD\$ 200,000.

Internal control systems and disclosure controls

To ensure the integrity and objectivity of the data, management maintains a system of internal controls comprising of written policies, procedures and a program of internal reviews which provides reasonable assurance that transactions are recorded and executed in accordance with its authorization that assets are properly safeguarded and that reliable financial records are maintained.

Management is currently updating existing standardized processes to improve internal controls and reduce compliance costs. The updated controls will help improve timeliness and accuracy of financial records as well as continue to ensure that the Company's assets are properly safeguarded.

Disclosure controls and procedures within MedMira have been designed to provide reasonable assurance that all relevant information is identified to the Disclosure Committee to ensure appropriate and timely decisions are made regarding public disclosure.

Management, under the supervision of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's internal control over financial reporting and based on this evaluation, has concluded that internal control over financial reporting was effective as of July 31, 2022.

Due to inherent limitations, internal control over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Audit Committee of the Board of Directors of MedMira reviewed this MD&A, and the consolidated financial statements and MedMira's Board of Directors approved these documents prior to release.

Risk and uncertainties

The Company's base of activity has expanded to manufacturing products for distribution in international markets, making it difficult to accurately predict future operating results. Actual future results may differ significantly in any forward-looking statements. Currently, the Company is not making sufficient sales to be self-sustaining. As a result, the Company's financial condition, business and operations, and intellectual property are exposed to a variety of risk factors. These risks include, but are not limited to, the following:

Risks and uncertainties related to the Company's financial condition

Need for additional capital

Cash generated from operations is insufficient to satisfy working capital and capital expenditure requirements, and the Company is operating with a substantial working capital deficit. The Company will need to secure additional financing in the near term in order to continue as a going concern which may include the sale of additional equity or debt securities or obtaining additional credit facilities. In recent quarters, the Company has relied on temporary funding advanced from key investors. There can be no assurance that this source of funding will continue to be available on acceptable terms, and additional capital may not be available on satisfactory terms, or at all. Management is pursuing other financing alternatives to fund the Company's operations so it can continue as a going-concern.

The Company intends to continue to explore opportunities to enter into supply agreements, joint venture relationships, and other special purpose vehicles with third parties from time to time in order to continue to commercialize its patent pending technology and other intellectual property. Such arrangements may include the issuance of equity or debt securities of the Company, subject to compliance with the applicable requirements of the Canadian securities regulatory authorities and the TSX-V.

Any additional equity financing may result in the dilution of shareholders, and debt financing, if available, may include restrictive covenants. MedMira's future liquidity and capital funding requirements will depend on numerous factors including:

- the extent to which new products and products under development are successfully developed, gain market acceptance and become and remain competitive;
- the costs and timing of further expansion of sales, marketing and manufacturing activities and facility's needs;
- the timing and results of clinical studies and regulatory actions regarding potential products; and
- the costs and timing associated with business development activities, including potential licensing of technologies patented by others.

Continued operations will be contingent on generating sufficient revenues or raising additional capital or debt financing. There is no assurance that these initiatives will be successful.

Fluctuations in revenue

The Company's quarterly and annual revenues may fluctuate due to several factors, including seasonal variations in demand, competitive pressure on average selling prices, customer order patterns, the rate of acceptance of the Company's products, product delays or production inefficiencies, regulatory uncertainties or delays, costs and timing associated with business development activities, including potential licensing of technologies, international market conditions and variations in the timing and volume of distributor purchases. The healthcare industry traditionally is not impacted by seasonal demand. The impact of one or a combination of several of these factors could have a significant adverse effect on the operations of the Company. In addition, changes in existing collaborative relationships, as well as the establishment of new relationships, product licensing and other financing relationships, could materially impact the Company's financial position and results from operations.

Effects of inflation and foreign currency fluctuations

A significant portion of the Company's revenue and expenses are in U.S. dollars, and therefore subject to fluctuations in exchange rates. There is a risk that significant fluctuations in exchange rates may impact the Company's ability to sell its products and, thereby, have a material adverse impact on the Company's results of operations.

Possible volatility of share price

The stock market has from time to time experienced significant price and volume fluctuations that may be unrelated to the operating performance of the Company. In addition, the market price of the Company's common shares, like the share prices of many publicly traded biotechnology companies, has been highly volatile. Announcement of technology innovations or new commercial products by the Company or its competitors, developments or disputes concerning patent or proprietary rights, publicity regarding actual or potential medical results relating to products under development by the Company or its competitors, regulatory developments in both the U.S. and foreign countries, public concern as to the safety of biotechnology products and economic and other external factors, as well as period to period fluctuations in financial results may have a significant impact on the market price of the Company's common shares. It is likely that in some future quarter the Company's operating results will be below the expectations of the public market analysts and investors. In such event, the price of the Company's common shares would likely be materially adversely affected.

Risks and uncertainties related to the Company's business and operations

Lack of market acceptance

MedMira's ability to market its diagnostic products will, in part, depend on its or its partners' ability to convince users that these products represent viable and efficacious diagnostic tests. There can be no assurance that MedMira will be successful in this regard.

Competition

The *in vitro* diagnostics market in which the Company participates is highly complex and competitive. It is comprised of both large healthcare companies that have substantially greater financial, scientific, and other resources than MedMira and a variety of international companies producing diagnostic products of varying quality. In the developed regions of the world with strong healthcare infrastructures, the *in vitro* diagnostics market for serious and emerging infectious diseases such as HIV and Hepatitis C has been focused on diagnostic tests using instrument based platforms designed for clinical laboratories. Diagnostic products designed for use in non-laboratory settings at the point-of-care or for use in laboratories or public health clinics using non-instrument based platforms for the screening and diagnosis of infectious diseases are becoming more mainstream in both the developed and developing regions of the world. Competition in this sector of the market is intense and is expected to increase. Many of the companies have substantially greater resources available for development, marketing and distribution of these products than does MedMira.

Significant development effort required

Products currently under development by MedMira require additional development, testing and investment prior to any final commercialization. There can be no assurance that these products or any future products will be successfully developed, prove to be safe and effective in clinical trials, receive applicable regulatory approvals, be capable of being produced in commercial quantities at reasonable costs or be successfully marketed. The long term success of MedMira must be considered in light of the expenses, difficulties and delays frequently encountered in connection with the development of new technology and the competitive and highly regulated environment in which MedMira operates.

Uncertainties in sales cycles in target markets

MedMira markets and distributes its products to both developed and developing regions of the world. Sales cycles in developed regions of the world are somewhat conventional, however, timing of registrations and other activities surrounding the sale of product into a specific market are unpredictable and highly dependent on third party and government organizations to complete certain processes before a sales transaction can take place. In developing regions of the world where MedMira and its strategic partners are working to close deals, the sales cycle timing is highly uncertain given a number of factors including political and economic turmoil, as well as bureaucratic processes necessary to do business in these regions.

High degree of regulation

MedMira operates in a highly regulated industry and is subject to the authority and approvals of certain regulatory agencies, including Health Canada, the FDA, the CFDA, CE Mark and applicable health authorities in other countries, with regard to the development, testing, manufacture, marketing and sale of its products. The process of obtaining such approvals can be costly and time consuming, and there can be no assurance that regulatory approvals will be obtained or maintained. Any failure to obtain (or significant delay in obtaining) or maintain Health Canada, FDA, Notified Body or CFDA approvals (or, to a lesser extent, approval of applicable health authorities in other countries) for MedMira's new or existing products could materially adversely affect MedMira's ability to market its products successfully and could therefore have a material adverse effect on the business of MedMira.

Ability to retain and attract key management and other experienced personnel

Since its inception, the Company has been, and continues to be, dependent in its ability to attract and maintain key scientific and commercial personnel upon whom the Company relies for its product innovations and commercialization programs. Loss of key personnel individually or as a group could have significant adverse impact on the Company's immediate and future achievement of operating results.

Limited sales and marketing resources and reliance on key distributors to market and sell the Company's product

Any revenues received by the Company will be dependent on the efforts of third parties and there can be no assurance that such efforts will be successful. Failure to establish sustainable and successful sales and marketing programs with effective distributor support programs may have a material adverse effect on the Company.

Commercialization of the Company's products is expensive and time consuming. In the United States, a relationship has been established with a number of distributors to support the logistics and distribution of the Company's products. The Company will rely on the joint efforts of Medline Industries and distributors Cardinal Health, a Fortune 100 company, and VWR International to distribute MedMira's product line.

Outside the United States, the Company pursues collaborative arrangements with established pharmaceutical and distribution companies for marketing, distribution, and sale of its products.

In China, MedMira has formed a strategic partnership with Triplex to market and distribute the Company's rapid HIV test within the assigned territory. This strategic partnership also encompasses the assembly and packaging of final product components.

If any of the Company's distribution agreements are terminated and the Company is unable to enter into alternative agreements, or if the Company elects to distribute new products directly, additional investment in sales and marketing resources would be required which would increase future selling, general and administrative expenses. The Company has limited experience in direct sales, marketing and distribution of its products. A failure of the Company to successfully market its products would have a material and adverse effect on the Company.

Manufacturing capabilities and scale-up

The Company must manufacture its products in compliance with regulatory requirements, in sufficient quantities and on a timely basis, while maintaining product quality and acceptable manufacturing costs. If it is unable to manufacture or contract for such capabilities on acceptable terms for its products under development, MedMira's plans for commercialization could be materially adversely affected.

MedMira's manufacturing facilities are, or will be, subject to periodic regulatory inspections by the FDA, CE, CFDA and other regulatory agencies and these facilities are subject to Quality System Regulations requirements of the FDA and other standards organizations. MedMira may not satisfy such regulatory or standards requirements, and any failure to do so would have a material adverse effect on the Company.

In addition, production and scale-up of manufacturing for new products may require the development and implementation of new manufacturing technologies and expertise. Manufacturing and quality control problems may arise as the Company attempts to scale-up manufacturing and such scale-up may not be achieved in a timely manner or at commercially reasonable cost, or at all.

Rapidly changing technology

The *in vitro* diagnostic testing field as a whole is characterized by rapidly advancing technology that could render MedMira's products obsolete at any time and thereby adversely affect the financial condition and future prospects of the Company.

Uncertainties regarding healthcare reimbursement and reform

The future revenues and profitability of diagnostic companies as well as the availability of capital may be affected by the continuing efforts of government and third party payers to contain or reduce costs of healthcare through various means. For example, in certain foreign markets, pricing or profitability is subject to government control. In the US, there has been, and the Company expects that there will continue to be, a number of federal and state proposals to implement similar government controls. While the Company cannot predict whether any such legislative or regulatory proposals will be adopted, the announcement or adoption of such proposals could have a material adverse effect on the Company's results of operations.

Product liability

MedMira may be subject to claims of personal injury and could become liable to clinical laboratories, hospitals and patients for injuries resulting from the use of its products. MedMira could suffer financial loss due to defects in its products and such financial loss together with litigation expenses could have a material adverse effect on its operations. MedMira has obtained product liability insurance to protect against possible losses of this nature. However, no assurance can be given that such insurance will be adequate to cover all claims or that MedMira will be able to maintain such insurance at a reasonable cost.

COVID-19 related uncertainties

Since January 31, 2021, the outbreak of COVID-19 (coronavirus) has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown, and global equity markets have experienced significant volatility. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the outcome of government and central bank interventions. The Company has not recorded any major negative impacted at this time by the global pandemic expect higher logistic costs and longer lead times during 2020 which have stabilised in 2021. Furthermore, the Company managed to stay operational and continued its development and manufacturing activities throughout the various lock downs. In addition, the Company was able to increase its work force and with the stringent safety measures put in place, recorded no COVID-19 related cases. Despite this, the management and the board of directors of MedMira Inc. caution the market with regard to the future and any potential negative impact the continuous spread of COVID-19 may have at the operational stability of the Company. In management's estimation, these events have not had a material unrecorded impact on the carrying value of assets and liabilities reported in these financial statements as at July 31, 2021. The duration and impact of the COVID-19 pandemic remains unclear at this time. Therefore, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company for future periods.

Risks and uncertainties related to the Company's intellectual property

No assurance of patent protection

MedMira has filed patent applications in the United States, Canada, China, and other foreign countries relating to various aspects of its rapid diagnostic platform, processes, reagents, and equipment. Although it is management's belief that the patents for which the Company applied may be issued, there can be no such assurance, nor can MedMira assure that competitors will not develop functionally similar or superior diagnostic testing devices. Moreover, there is a question as to the extent to which biotechnology discoveries and related products and processes can effectively be protected by patents. The law regarding the breadth or scope of biotechnology patents is new and evolving. No assurance can be given that, if a patent issued to MedMira is challenged, it will be held valid and enforceable or will be found to have a scope sufficiently broad to cover competitors' products or processes. The cost of enforcing MedMira's patent right, if any, in lawsuits that it may bring against infringers may be significant and could limit MedMira's operations.

Possible patent infringement

The extent to which biotechnology discoveries and related products and processes can be effectively protected by patents and be enforceable is uncertain and subject to interpretation by the courts. The technologies, products, and processes of MedMira may be subject to claims of infringement on the patents of others and, if such claims are successful, could result in the requirement to access such technology by license agreement. There can be no assurance that such licenses would be available on commercially acceptable terms. If MedMira is required to acquire rights to valid and enforceable patents but cannot do so at reasonable cost, MedMira's ability to manufacture or market its products would be materially adversely affected. The cost of MedMira's defence against infringement charges by other patent holders may be significant and could limit MedMira's operations.