

MedMira Inc.

Condensed Interim Consolidated Financial Statements
For the three months ended October 31, 2023 and October 31, 2022
(Unaudited – Prepared by Management)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ending October 31, 2023

December 29, 2023

Management's responsibility for financial reporting

The accompanying consolidated financial statements of MedMira Inc. (MedMira or the Company) are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements include amounts and assumptions based on management's best estimates which have been derived with careful judgement.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to ensure that the financial records are reliable for preparation of the consolidated financial statements.

The Board of Directors of the Company is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the condensed interim consolidated financial statements and the accompanying management's discussion and analysis. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is a subcommittee of the Board of Directors. It is responsible for oversight of the internal control and financial matters assisting the Company's management and independent auditors to ensure that the integrity of the financial reporting process is maintained.

(signed) *Hermes Chan*
Chief Executive Officer

(signed) *Markus Meile*
Chief Financial Officer

Unaudited consolidated statements of financial position
As at October 31, 2023 and July 31, 2023

In Canadian dollars

	<i>Notes</i>	31-Oct-23	31-Jul-23
		\$	\$
Assets			
<i>Current assets</i>			
Cash		891,936	13,178
Trade and other receivables		1,385,863	1,261,262
Income tax receivable		166,182	166,182
Prepaid expenses		61,317	69,238
Inventories	4	<u>176,499</u>	<u>182,424</u>
Total current assets		<u>2,681,797</u>	<u>1,692,284</u>
<i>Non-current assets</i>			
Property, plant and equipment		1,903,999	1,959,516
Intangible assets		<u>2</u>	<u>2</u>
Total non-current assets		<u>1,904,001</u>	<u>1,959,518</u>
Total assets		<u>4,585,798</u>	<u>3,651,802</u>
Liabilities			
<i>Current liabilities</i>			
Current portion of debt	8	6,146,233	6,144,786
Trade accounts payable and accrued liabilities		3,233,594	3,262,729
Salaries and benefits payable		1,935,791	1,916,159
Interest payable		2,751,754	2,621,115
Deferred rent		-	1,153
Deferred revenue		761,670	749,882
Provision for royalty	10	84,673	169,188
Advances from investors		2,371,973	84,673
Current portion of lease liabilities	7	<u>172,311</u>	<u>776,544</u>
Total current liabilities		<u>17,457,999</u>	<u>15,726,229</u>
<i>Long term liabilities</i>			
Long term debt	8	1,134,504	1,118,600
Lease liability	7	<u>1,805,310</u>	<u>1,838,628</u>
Total long term liabilities		<u>2,939,814</u>	<u>2,957,228</u>
Total liabilities		<u>20,397,813</u>	<u>18,683,457</u>
Equity			
Share capital	5	68,349,720	68,349,720
Equity reserve	5	14,577,728	14,577,728
Accumulated deficit		<u>(98,739,463)</u>	<u>(97,959,103)</u>
Total shareholders' deficiency		<u>(15,812,015)</u>	<u>(15,031,655)</u>
Total liabilities and equity		<u>4,585,798</u>	<u>3,651,802</u>

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors

(signed) *Hermes Chan*, Director

(signed) Steve Cummings, director

Unaudited consolidated statements of operations and comprehensive loss
For the three months ended October 31, 2023 and October 31, 2022

In Canadian dollars

	<i>Notes</i>	31-Oct-23 \$	31-Oct-22 \$
Product			
Product sales	3	69,379	73,636
Product cost of sales	4	<u>(14,653)</u>	<u>(10,782)</u>
Gross margin on product		<u>54,726</u>	<u>62,854</u>
Services			
Service sales		48,483	47,134
Service cost of sales		<u>(32,576)</u>	<u>(11,721)</u>
Gross margin on services		<u>15,907</u>	<u>35,413</u>
Operating expenses			
Research and development	12	(100,487)	(188,915)
Sales and marketing		(70,427)	(11,171)
Other direct costs		(206,025)	(201,462)
General and administrative		<u>(291,790)</u>	<u>(194,606)</u>
Total operating expenses		<u>(668,729)</u>	<u>(596,154)</u>
Operating loss		<u>(598,096)</u>	<u>(497,887)</u>
Non-operating expense			
Financing expense	14	<u>(182,264)</u>	<u>(134,562)</u>
Net and comprehensive loss		<u>(780,360)</u>	<u>(632,449)</u>
Basic loss per share	6	(0.001)	(0.001)
Diluted loss per share	6	(0.001)	(0.001)

The accompanying notes are an integral part of these consolidated financial statements.

Unaudited consolidated statements of changes in equity
In Canadian dollars

<i>Notes</i>	Share capital		Warrant reserve	Equity reserve	Accumulated deficit	Shareholders' deficiency
	Common shares	Preferred shares				
Balance at July 31, 2022	68,347,220	2,500	-	14,577,728	(95,283,445)	(12,355,997)
Net and comprehensive net loss	-	-	-	-	(632,449)	(632,449)
Balance at October 31, 2022	68,347,220	2,500	-	14,577,728	(95,915,894)	(12,988,446)
Net and comprehensive loss					(2,043,209)	(2,043,209)
Balance at July 31, 2023	68,347,220	2,500	-	14,577,728	(97,959,103)	(15,031,655)
Net and comprehensive income	-	-	-	-	(780,360)	(780,360)
Balance at October 31, 2023	68,347,220	2,500	-	14,577,728	(98,739,463)	(15,812,015)

The accompanying notes are an integral part of these consolidated financial statements.

Unaudited consolidated statements of cash flows
For the three months ended October 31, 2023 and October 31, 2022

In Canadian dollars

	<i>Notes</i>	31-Oct-23	31-Oct-22
		\$	\$
Cash from operating activities			
Net loss		(780,360)	(632,449)
Adjustments for:			
Exchange loss on conversion of debt		17,360	
Depreciation		56,317	53,171
Movements in working capital:			
Increase in trade and other receivables		(124,601)	(140,083)
Decrease in inventories		5,925	9,227
Increase (decrease) in prepaid expenses		7,921	(5,721)
Decrease in income tax receivable		-	118,979
Increase (decrease) in trade accounts payable and accrued liabilities		(29,144)	82,889
Increase in other current liabilities		149,118	128,768
Increase (decrease) in deferred revenue		11,788	38,360
Net cash used in operating activities		<u>(685,676)</u>	<u>(346,859)</u>
Cash flow from investing activities			
Payments to acquire financial assets		(800)	(1,267)
Net cash used in investing activities		<u>(800)</u>	<u>(1,267)</u>
Cash flow from financing activities			
Decrease in lease obligations	7	(30,195)	(27,292)
Proceeds from borrowings	8	-	342,180
Repayment of borrowings	8	-	14,736
Advances from investors		1,595,429	-
Net cash from financing activities		<u>1,565,234</u>	<u>329,624</u>
Net increase (decrease) in cash		878,758	(18,502)
Cash at the beginning of the year		13,178	33,461
Cash at the end of the year		<u>891,936</u>	<u>14,959</u>

The accompanying notes are an integral part of these consolidated financial statements.

MedMira Inc.

Notes to the Consolidated Financial Statements

For the three months ended October 31, 2023 and October 31, 2022

In Canadian dollars

1. Reporting entity

Nature of operations

MedMira Inc. (“MedMira” or “the Company”) is a biotechnology company headquartered in Canada. The address of the Company’s registered office is 155 Chain Lake Drive, Suite 1, Halifax, Nova Scotia, B3S 1B3. MedMira Holding AG owns the majority of MedMira’s shares and is the controlling shareholder. MedMira, through its subsidiaries, is engaged in the business of research, development and manufacturing of rapid diagnostics and technologies. The Company invests in research to maintain and expand its position in the global diagnostics market. MedMira’s research is focused on specific areas of the broader diagnostics market, namely the rapid, point-of-care, and *in vitro* sectors.

2. Basis of preparation

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The consolidated financial statements were authorized for issue by the Board of Directors on December 29, 2023.

b. Going-concern

The accompanying consolidated financial statements have been prepared based on IFRS applicable to a going-concern, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations. However, certain adverse conditions and events cast significant doubt upon the validity of this assumption.

The Company has incurred losses and negative cash flows from operations on a cumulative basis since inception. For the three months ended October 31, 2023, the Company realized a net loss of \$0.8 million (October 31, 2022 – net loss of \$0.6 million), consisting of a net loss from operations of \$0.6 million (October 31, 2022 – net income of \$0.5 million), and other non-operating losses of \$0.2 million (October 31, 2022 - \$0.1 million). Negative cash outflows from operations were \$0.7 million (October 31, 2022 – \$0.3 million). As at October 31, 2023, the Company had an accumulated deficit of \$98.7 million (July 31, 2023 - \$98.0 million) and a negative working capital position of \$14.8 million (July 31, 2023 - \$14.0 million). In addition, as of October 31, 2023, \$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 ongoing 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 investment 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. After the close of the first quarter of fiscal year 2024, the Company, has generated additional revenues from product sales and service revenue, which support the Company’s

MedMira Inc.

Notes to the Consolidated Financial Statements

For the three months ended October 31, 2023 and October 31, 2022

In Canadian dollars

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, nevertheless there is no assurance that this initiative would be successful.

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.

c. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control is achieved when the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee; and can use its power to affect its returns. The Company reassesses whether it controls an investee if facts and circumstances indicate that there changes to one or more of the three elements of control listed above. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements.

3. Revenue

The Company derives approximately 92% (October 31, 2022 – 93%) of its revenue from four (October 31, 2022 – three) main customers and, for these customers, assesses the recoverability of each account on a regular basis. During the three months ended October 31, 2023, customer 1 accounted for 43% of the Company's revenue, customer 2 accounted for 35% of the revenue, customer 3 accounted for 8% and customer 4 accounted for 6%.

	31-Oct-23	31-Oct-22
	\$	\$
Product sales	69,379	73,636
Service sales	48,483	47,134
Total revenue	<u>117,862</u>	<u>120,770</u>

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The Company organizes and records revenue based on major geographical territories around the world. The table below provides the geographic breakdown of revenue.

	31-Oct-23	31-Oct-22
	\$	\$
North America*	110,683	110,500
Europe	<u>7,179</u>	<u>10,270</u>
Total revenue	<u>117,862</u>	<u>120,770</u>

*For the three months ended October 31, 2023, revenue in North America included sales made in Canada (the Company's country of domicile) of \$628 (October 31, 2022 - \$330).

4. Inventories

As of October 31, 2023, there were no valuation allowances against inventory (July 31, 2023 - \$nil).

During the three months ended October 31, 2023, inventory valued at \$12,385 was expensed as product cost of sales (October 31, 2022 - \$11,271), which included write-downs of inventory because of net realizable value being lower than cost of \$3,244 (October 31, 2022 - \$2,502). No inventory write-downs recognized in previous years were reversed during the current year.

	31-Oct-23	31-Jul-23
	\$	\$
Raw materials and consumables	154,905	158,883
Work in process	9,901	9,901
Finished goods	<u>11,693</u>	<u>13,640</u>
Total inventories	<u>176,499</u>	<u>182,424</u>

MedMira Inc.

Notes to the Consolidated Financial Statements

For the three months ended October 31, 2023 and October 31, 2022

In Canadian dollars

5. Capital and other components of equity

a. Authorized

The Company is authorized to issue an unlimited number of Series A preferred shares, non-voting, non-participating, redeemable at the Company's option at \$0.001 per share after March 31, 2010, convertible into an equal number of common shares upon the Company meeting certain milestones. The preferred shares earn no dividends.

The Company is authorized to issue an unlimited number of voting common shares without nominal or par value.

b. Share capital issued

	Number of		Value of		Total share capital \$
	Common shares	Preferred shares	Common shares	Preferred shares	
Balance at July 31, 2023	697,445,660	5,000,000	\$ 68,347,220	\$ 2,500	68,349,720
Balance at October 31, 2023	697,445,660	5,000,000	68,347,220	2,500	68,349,720

The total common shares issued and outstanding includes 4,064,464 common shares held in escrow scheduled to be released when the Company obtains positive operating cash flow.

The Series A preferred shares had a stated capital of \$2,500 on October 31, 2023 (July 31, 2023 - \$2,500).

c. Equity Reserve

The change in equity reserve is outlined in the table below:

	Equity Reserve \$
Balance at July 31, 2023	14,577,728
Balance at October 31, 2023	14,577,728

MedMira Inc.

Notes to the Consolidated Financial Statements

For the three months ended October 31, 2023 and October 31, 2022

In Canadian dollars

6. Loss per share

	for the three months ended	
	31-Oct-23	31-Oct-22
	\$	\$
Net income (loss) attributable to common shareholders	(780,360)	(632,449)
Issued common shares	697,445,660	697,445,660
Weighted average number of common shares	697,445,660	697,445,660
Basic earnings (loss) per share	(0.001)	(0.001)
Diluted earnings (loss) per share	(0.001)	(0.001)

The diluted weighted average number of common shares outstanding is the same as the basic weighted average number of common shares outstanding for the three months ended October 31, 2023, as the exercise of options would be anti-dilutive.

7. Lease liability

	Building
	\$
at July 31, 2023	2,007,816
Interest expense	25,098
Less: Lease payments	(55,293)
at October 31, 2023	1,977,621
Less: Current portion	(172,311)
	1,805,310

The lease liability is based on one lease the company has for the building it is using for operations. The remaining lease term is three years with an option to renew for two additional terms of five years each. The imputed finance costs of the liability were determined based on an incremental borrowing rate of 5%. The minimum lease payments for the next five year are as follows:

MedMira Inc.

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In Canadian dollars

		Lease Liability \$	Finance Charge \$	Total \$
Year ending October 31,	2024	172,311	98,276	270,587
	2025	180,889	89,698	270,587
	2026	190,942	80,654	271,595
	2027	210,649	71,031	281,680
	2028	221,144	60,536	281,680

8. Loans and borrowings

a. Loans

	31-Oct-23		31-Jul-23	
	Carrying value \$	Contract value \$	Carrying value \$	Contract value \$
Short term loans	159,190	159,190	157,795	157,795
Loan 1	1,054,167	1,054,167	1,054,167	1,054,167
Loan 2	1,300,000	1,300,000	1,300,000	1,300,000
Loan 3	5,876	5,876	5,824	5,824
Loan 4	305,580	305,580	302,900	302,900
Loan 5	168,069	168,069	166,595	166,595
Loan 6	152,790	152,790	151,450	151,450
Loan 7	75,000	75,000	75,000	75,000
Loan 8	75,000	75,000	75,000	75,000
Loan 9	150,000	150,000	150,000	150,000
Loan 10	208,065	208,065	197,655	197,655
Canada emergency business account	40,000	40,000	40,000	40,000
ACOA loans	473,610	473,610	473,610	473,610
Nova Scotia government loan 1	3,016,000	3,016,000	3,016,000	3,016,000
Nova Scotia government loan 2	97,390	97,390	97,390	97,390
Total loan principal	7,280,737	7,280,737	7,263,386	7,263,386
Long term portion of principal	1,134,504		1,118,600	
Current portion payable of principal	6,146,233		6,144,786	

The required annual principal repayments on loans and borrowings are as follows:

	\$
2024	6,146,233
2025	-
2026	660,885
2027	473,649
Total	7,280,767

MedMira Inc.

Notes to the Consolidated Financial Statements

For the three months ended October 31, 2023 and October 31, 2022

In Canadian dollars

Short term loans

The Company has various short-term loans with one related party. These loans were utilized by the Company for short-term working capital requirements. The loans have an interest rate of 5% per year. As of October 31, 2023, the loans are all in default due to non-payment.

Loan 1

Loan established October 31, 2012, bearing 5% interest with monthly interest only payments until November 30, 2013, followed by monthly principal payments and accrued interest for five additional years ending November 30, 2018. The loan is secured by interest on intellectual property and on the step-up technology. The loan was in default as of October 31, 2023, due to nonpayment of interest and principal payments and thus has been classified as a current liability.

Loan 2

Loan established July 31, 2012, bearing 5% interest with monthly interest payments were due until April 30, 2016, followed by equal monthly principal payments and accrued interest for four additional years ending July 31, 2022. The loan was in default due to nonpayment of interest and principal payments as of October 31, 2023, and thus has been classified as a current liability.

Loan 3

Loan was established on July 31, 2016, bearing 5% interest with the Company's Chief Financial Officer. The loan was renegotiated on January 21, 2017, and is now fully payable on or before October 1, 2018. The loan was in default due to nonpayment of interest and principal payments as of October 2023 and thus has been classified as a current liability.

Loan 4

Loan was established on December 19, 2022, with a shareholder. The loan bears 5% interest and is due on August 1, 2026.

Loan 5

Loan was established on February 27, 2023, with a shareholder. The loan bears 5% interest and is due on December 1, 2026.

Loan 6

Loan was established on April 4, 2023, with a member of the board of directions. The loan bears 5% interest and is due on August 18, 2025.

Loan 7

Loan was established on August 18, 2022. The loan bears 5% interest and is due on August 18, 2025.

Loan 8

Loan was established on August 18, 2022. The loan bears 5% interest and is due on August 18, 2025.

Loan 9

Loan was established on August 18, 2022. The loan bears 5% interest and is due on August 18, 2025.

MedMira Inc.

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For the three months ended October 31, 2023 and October 31, 2022

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Loan 10

Loan was established on August 18, 2022. The loan bears 5% interest and is due on August 18, 2025.

Canada Emergency Business Account (CEBA)

The Company received a loan of CAD\$40,000 from Bank of Montreal which is fully secured by the Government of Canada. This Relief Line of Credit was the governments direct response to support Canadian companies during the COVID-19 situation. This loan carries an interest rate of 0% per annum to be repaid in full by the January 18, 2024. This loan may be extended from January 18, 2024, to December 31, 206 in which case this loan carries an interest of 5%. If this loan is repaid before January 18, 2024, the Company is entitled to a credit in the amount of 25% equal to \$10,000.

Atlantic Canada Opportunities Agency (ACOA) loans

Loans established on October 31, 2012, bearing no interest with monthly principal payments of \$3,747 until July 31, 2013, followed by monthly principal payments of \$24,234 for five additional years ending July 31, 2018. The loan was renegotiated in July 2014, bearing no interest with a monthly principal payment of \$24,234 in August 2014 followed by 40 monthly principal payments of \$27,800 starting on February 1, 2015, and one monthly principal payment of \$26,975 at the end of the loan. The loan is secured by all present and subsequently acquired personal property, excepting consumer goods. The loan was in default on October 31, 2023, due to non-payment of principal and interest and thus has been classified as a current liability.

Nova Scotia government loan 1

The loan was established in August 2015, bearing interest based on the Province of Nova Scotia's five-year cost of funds, plus five hundred basis points. Monthly interest payments are due until August 31, 2018. Starting on September 1, 2016, thirteen monthly principal payments of \$120,000 are due followed by ten monthly principal payments of \$135,000 starting on October 1, 2017, and one monthly principal payment of \$106,000 on August 1, 2018. The loan is secured by first interest on intellectual property and on the Maple Bio sensor technology. The loan was in default due to nonpayment of interest and principal payments on July 31, 2023, and thus has been classified as a current liability. In September 15, 2020 the Company has entered into a forbearance agreement with the Province of Nova Scotia which allows the Company to defer principal and interest payments. The terms and condition were based on the Company's growth and milestone-based achievements. On March 9, 2023, the Company received an additional Forbearance extension for a period of twelve months. Pending on the Company's achievement of growth milestones, the Province may extend this further.

Nova Scotia government loan 2

Loan established September 14, 2012, bearing no interest with the balance due by August 31, 2018. The loan is secured by first interest on intellectual property and on the Maple Bio sensor technology. The loan was in default due to nonpayment of interest and principal payments on July 31, 2023, and thus has been classified as a current liability. On September 15, 2020, the Company has entered into a forbearance agreement with the Province of Nova Scotia which allows the Company to defer principal and interest payments. The terms and condition were based on the Company's growth and milestone-based achievements. On March 9, 2023, the Company received an additional Forbearance extension for a period of twelve months. Pending on the Company's achievement of growth milestones, the Province may extend this further.

MedMira Inc.

Notes to the Consolidated Financial Statements

For the three months ended October 31, 2023 and October 31, 2022

In Canadian dollars

9. Capital management and financial risks

a. Capital management

The Company's objectives in managing capital are to ensure sufficient liquidity to support the capital requirements of its various businesses, including growth opportunities. The Company manages its capital structure and adjusts considering general economic conditions, the risk characteristics of the underlying assets and the Company's working capital requirements. Management of the capital structure involves the issuance of new debt, the repayment of existing debt using cash generated by operations and issuance of additional financial structures such as product financing and royalty agreements. The capital structure of the Company is composed of shareholders' deficiency, cash, long-term and short-term debts. The provisions of certain financing agreements provide for restrictions on the activities of the Company in terms of their use of funds. Such restrictions are mainly applied in specific product development financing projects. The Company's objectives when managing capital are to provide competitive cost structures, safeguard its assets and daily cash flow management to maximize the Company's cash holding.

The Company's capital is summarized in the table below.

	31-Oct-23	31-Jul-23
	\$	\$
Total debt	7,280,737	7,263,386
Less: Cash	(891,936)	(13,178)
Net debt	6,388,801	7,250,208
Shareholders' deficiency	(15,812,015)	(15,031,655)
Total capital	(9,423,214)	(7,781,447)

Refer to the note 2b for information on how the Company manages its plan and its ability to continue as a going concern.

b. Foreign currency risk

Most of the Company's sales are denominated in foreign currencies. The Company's US dollar foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are shown in the table below.

	31-Oct-23	31-Jul-23
	US\$	US\$
Cash	862,275	1,608
Trade and other receivables	943,057	914,511
Accounts payable and accrued liabilities	1,491,079	1,371,279
Royalty provision	70,654	70,654
Debt	1,196,000	20,000

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A one percent change in the US dollar exchange rate would result in approximately a \$45,631 (July 31, 2023 - \$26,331) impact on the statement of financial position and consolidated statement of operations.

The Company's Swiss Franc foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are shown in the table below:

	31-Oct-23	31-Jul-23
	CHF	CHF
Cash	996	3,094
Trade and other receivables	2,048	2,048
Prepaid	17,903	17,903
Accounts payable and accrued liabilities	401,299	392,846
Debt	614,247	614,247

A one percent change in the US dollar exchange rate would result in approximately a \$10,365 (July 31, 2023 - \$10,301) impact on the statement of financial position and consolidated statement of operations.

c. Interest rate risk

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

d. Credit risk

The Company exposed to credit risk in relation to its trade accounts receivable. To mitigate such risk, the Corporation 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 prior to shipment for new clients. 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 96% of the Company's sales are with three international companies there is no significant concentration of credit risk.

Trade and other receivables include amounts that are past due as of October 31, 2023, for which the Company has not recognized an allowance for doubtful accounts because there has not been a significant change in the credit quality of the customer and the amounts are still considered recoverable.

e. Liquidity risk

Liquidity risk represents the possibility that the Company may not be able to gather sufficient cash resources, when required and under reasonable conditions, to meet its financial obligations. As of October 31, 2023, the Company does not have sufficient cash to meet all of its current liabilities.

The Company also continues to have an ongoing need for substantial capital resources to research and develop, commercialize, and manufacture its products and technologies. The Company is not yet receiving a significant ongoing revenue stream, nor can it be certain that it will receive significant revenue before additional cash is required. As a

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result, there can be no assurance that the Company will have sufficient capital to fund its ongoing operations, develop or commercialize its products without future financing.

The Company's contractual maturities for its financial liabilities are outlined in the table below.

For the three months ended October 31, 2023					
	Total	Less than 1 year	1 to 3 years	4 to 5 years	After 5 years
	\$	\$	\$	\$	\$
Debt	7,280,737	6,146,233	1,134,504	-	-
Accounts payable and accrued liabilities	7,921,139	7,921,139	-	-	-
Lease liabilities	1,977,621	172,311	582,480	454,354	768,476
Advance from investors	2,371,973	2,371,973	-	-	-
Royalty provision	84,673	84,673	-	-	-
Total debt	19,636,143	16,696,329	1,716,984	454,354	768,476

For the year ended July 31, 2023					
	Total	Less than 1 year	1 to 3 years	4 to 5 years	After 5 years
	\$	\$	\$	\$	\$
Debt	7,263,386	6,144,786	1,118,600	-	-
Accounts payable and accrued liabilities	7,800,003	7,800,003	-	-	-
Lease liabilities	2,007,816	169,188	573,297	447,748	817,583
Advance from investors	776,544	776,544	-	-	-
Royalty provision	84,673	84,673	-	-	-
Total debt	17,932,422	14,975,194	1,691,897	447,748	817,583

The payments noted above do not include interest payments.

10. Royalty provision

During March 2015, the Company entered into a royalty agreement with MedMira Holding AG whereby MedMira Holding AG would receive a 10% royalty on all future US sales of the Reveal G4 product for a five-year period commencing on the day the first full payment and delivery of at least CAD \$100,000 worth of product. In exchange, MedMira Holding AG provided the Company with \$270,000 to fund costs required to complete the product development and obtain US Food and Drug Administration (FDA) pre-market approval. At the inception of the arrangement, the Company's best estimate of the value of the provision was zero and as MedMira Holding AG is the controlling shareholder of the Company, the \$270,000 was recorded in equity (Note 8). As of October 31, 2023, the Company's best estimate of the fair value of the provision was \$84,673 (July 31, 2023 - \$84,673), which is recorded in royalty provision and the change in fair value of the provision recorded in financing expense in profit or loss.

During July 2016, the Company entered into a royalty agreement with MedMira Holding AG whereby MedMira Holding AG would receive a 10% royalty on all future sales of the hepatitis C (HCV) portion of the approved Multiplo HIV/HCV test commencing on the day of the first full delivery and payment of CAD \$10,000 worth of product. In exchange, MedMira Holding AG provided the Company with \$200,000 to fund costs required to complete product development and obtain FDA pre-market approval. At the inception of the arrangement, the Company's best estimate of the fair value of the provision was zero and as MedMira Holding AG is the controlling shareholder of the Company, the \$200,000 was recorded in equity reserve. As of October 31, 2023, the Company's best estimate of the fair value of the

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provision was zero. Management's fair value estimate was based on changes made during the FY2017 product commercialization prioritization process which placed the Multiplo HIV/HCV project on hold until further notice.

During October 2016, the Company entered into a royalty agreement with Ritec AG whereby Ritec AG would receive a 12.5% royalty on all future sales of the approved Reveal G4 CLIA-waived product commencing on the day of the first full delivery and payment of CAD \$10,000 worth of product. In exchange, Ritec AG provided the Company with \$1,310,100 to fund costs required to complete the product development, clinical trials and obtain FDA approval. At the inception of the arrangement, the Company's best estimate of the fair value of the provision was zero and as Ritec AG is owned by a shareholder of MedMira Holding AG who is the controlling shareholder of the Company, the \$1,310,100 was recorded in equity reserve. On October 31, 2023, the Company's best estimate of the fair value of the provision was zero.

The change in royalty provision is outlined in the table below:

	\$
Balance at July 31, 2023	84,673
Balance at October 31, 2023	84,673

11. Related parties

The following transactions occurred with related parties during the three months ended October 31, 2023:

- An advance from an investor of \$679,500 was received from a shareholder (July 31, 2023 - nil)

The following balances with related parties were outstanding on October 31, 2023:

- Salaries and benefits totalling \$1,382,517 were due to the CEO and CFO (July 31, 2023 - \$1,232,784).
- A long-term loan totalling \$5,877 (July 31, 2023 - \$5,824) and accrued interest of \$579 (2023 - \$500) was due to the Chief Financial Officer (July 31, 2023- \$5,824).
- A royalty provision was owed to MedMira Holding AG of \$84,673 (July 31, 2023 - \$84,673).
- Short term loans totalling \$159,190 (July 31, 2023 - \$157,794) and accrued interest of \$32,001 (2023 - 29,731) were owed to one officer.
- Long term loans totalling \$473,649 (July 31, 2023 - \$469,495) and accrued interest of \$18,892 (2023 - 12,809) were owed to a shareholder.
- A long-term loan totalling \$152,790 (July 31, 2023 - \$151,450) and accrued interest of \$4,395 (2023 - \$2,488) was owed to a member of the board of directors.
- Expenses in the amount of \$16,599 (July 31, 2023 - \$16,454) were owed to an officer.

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12. Research and development

The following table provides a summary of aggregate research costs and reimbursements.

	31-Oct-23	31-Oct-22
	\$	\$
Research and development expenses	(125,457)	(200,636)
Less: research and development expenses allocated to cost of sales	24,970	11,721
Net research and development expense	(100,487)	(188,915)

13. Expenses by nature

The following table provides the Company's expenses listed by the nature of the expense.

	for the three months ended	
	31-Oct-23	31-Oct-22
	\$	\$
Change in inventory	(12,195)	(11,034)
Employee benefits	(332,198)	(334,320)
Depreciation	(56,317)	(53,171)
Distribution	(10,054)	(5,780)
Facility	(32,669)	(17,790)
Professional services	(125,350)	(89,941)
Lab supplies	(12,305)	(37,862)
Other expenses	(55,200)	(37,768)
Exchange gains (losses)	(79,670)	(30,991)
Finance costs	(182,264)	(134,562)
Government Assistance	-	-
	(898,222)	(753,219)

14. Financing expense

A breakdown of the income (expenses) allocated to financing expense on the consolidated statements of operations and comprehensive loss is provided in the table below.

	31-Oct-23	31-Oct-22
	\$	\$
Finance costs	(182,264)	(134,582)
Total financing expense	(182,264)	(134,582)

15. Subsequent events

The Company has received USD \$451,668 in advance payments.