OPSENS INC.

ANNUAL INFORMATION FORM

For the fiscal year ended August 31, 2022

November 21, 2022

TABLE OF CONTENTS

1. PRELIMINARY COMMENTS

In this annual information form ("**Annual Information Form**") unless otherwise indicated or the context suggests otherwise, references to the "**Corporation**" and "**OpSens**" are to OpSens Inc., together with its subsidiaries OpSens Solutions (as defined herein), OpSens Medical (as defined herein) and OpSens B.V. (as defined herein). The information in this Annual Information Form is dated as at August 31, 2022, unless indicated otherwise. Unless otherwise indicated in this Annual Information Form, all references to "$", "CAD" or "dollars" refer to Canadian dollars and all references to "US$" or "USD" refer to United States (U.S.) dollars.

2. FORWARD-LOOKING STATEMENTS

This Annual Information Form contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation (collectively, "**forward-looking statements**") which are based upon the Corporation's current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as "expect," "believe", "plan", "project", "assume", "likely", "may," "will," "should," "intend," or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. No assurance can be given that the expectations in any forward-looking statement will prove to be correct and, as such, the forward-looking statements included in this Annual Information Form should not be unduly relied upon. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this Annual Information Form. Forward-looking statements in this Annual Information Form include, but are not limited to, statements with respect to:

- the general economic conditions associated with the current coronavirus outbreak known as COVID-19;
- the competitive and business strategies of the Corporation;
- the Corporation's development activities and production plan;
- the competitive conditions of the industry;
- the Corporation's outlook;
- whether the Corporation will have sufficient working capital and its ability to raise additional financing required in order to develop its business and continue operations;
- the applicable laws, regulations and any amendments thereof;
- the anticipated future gross margins of the Corporation's operations;
- the Corporation's business and operational performance;
- the Corporation's ability to obtain and maintain regulatory authorizations to market its product;
- the Corporation's ability to protect its intellectual property;
- the Corporation's ability to obtain sufficient quantities of raw materials when needed;
- the Corporation's ability to attract and retain skilled staff;
- the Corporation's ability to complete research and development work;
- annual growth in the FFR (as defined herein) market;
- annual growth in the TAVR (as defined herein) market;
- the Corporation's ability to commercialize the SavvyWire (as defined herein);
- the Corporation's ability to continue to develop the OEM (as defined herein) business segment; and
- the OptoWire's success (as defined herein).

Forward-looking statements are based on reasonable assumptions that have been made by the Corporation as at the date of such statements and are subject to known and unknown risks, uncertainties and other factors that may cause the Corporation's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, and those factors discussed in the section entitled "*Risk Factors*" in this Annual Information Form. Forward-looking statements contained in certain documents incorporated by reference in this Annual Information Form are based on the key assumptions described in such documents.

Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. **The Corporation does not undertake to update any forward-looking statements that are included in this Annual Information Form except in accordance with applicable securities laws.**

3. CORPORATE STRUCTURE

3.1 Name, Address, and Incorporation

The Corporation was incorporated under the Part IA of the *Companies Act* (Québec) by articles of incorporation dated as of February 22, 2006, under the name "DCB Capital Inc." and its French version "Capital DCB inc."

In connection with its qualifying transaction pursuant to the TSX Venture Exchange (the "**TSXV**") policies, the Corporation changed its name for "OpSens Inc." on October 3, 2006 and amalgamated with 9174-3369 Québec Inc. on October 4, 2006.

The Corporation has been governed by the *Business Corporations Act* (Québec) (the "**QBCA**") since it replaced on February 14, 2011, the provisions of the *Companies Act* (Québec) relating to the incorporation and operation of business corporations.

In order to benefit from the provisions of section 153 of the QBCA, the Corporation amended its articles on February 6, 2012, in order to allow the directors of the Corporation to appoint one or more additional directors to hold office for a term expiring not later than the close of the next annual shareholders meeting, provided that the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual shareholders meeting.

On February 28, 2017, the Corporation received final approval of the listing of the Corporation's common shares ("**Common Shares**") on the Toronto Stock Exchange ("**TSX**"). The Common Shares commenced trading on the TSX on March 1, 2017, at market opening, under the symbol "OPS." In addition to listing on the TSX, the Common Shares were voluntarily delisted from the TSXV prior to the commencement of trading on March 1, 2017.

The Corporation's head and registered office is located at 750 boulevard du Parc-Technologique, Québec, Québec, G1P 4S3.

3.2 Intercorporate Relationship

The Corporation beneficially owns 100% of the votes attaching to all the voting securities of OpSens Solutions Inc. ("**OpSens Solutions**") incorporated under the *Business Corporations Act* (Alberta).

The Corporation beneficially owns 100% of the votes attaching to all the voting securities of OpSens Medical Inc. ("**OpSens Medical**") incorporated under the *Delaware General Corporation Law*.

The Corporation beneficially owns 100% of the votes attaching to all the voting securities of OpSens B.V. ("**OpSens BV**") incorporated under the *Netherlands Law.*

4. GENERAL DEVELOPMENT OF THE BUSINESS

Since 2003, the Corporation has established itself as a pioneer of innovative fiber optic sensing technology committed to quality and excellence. The Corporation delivers cost-effective solutions to a variety of sectors, primarily medical and industrial. Its fundamental objective is to develop and manufacture products as well as tailor a wide range of services for individual industry requirements.

The Corporation is a leader in advanced 2nd generation fiber optic sensor applications for cardiovascular interventions. The Corporation's current primary focus is the measurement of fractional flow reserve ("**FFR**") and the diastolic pressure algorithm ("**dPR**") in the coronary artery disease market. The Corporation offers an optical guidewire (the "**OptoWire"**) powered by the 2nd generation optical sensor, Fidela, to measure pressure in the diagnosis and to improve clinical outcomes in patients with coronary artery disease. The Corporation recently entered the large and rapidly growing structural heart space with its introduction of the SavvyWire (the "**SavvyWire**") as the first and only sensor-guided transcatheter aortic valve replacement ("**TAVR**") solution, designed to support TAVR efficiency and lifetime patient management. The Corporation also operates in the industrial segment through its wholly-owned subsidiary OpSens Solutions, which develops, manufactures, and installs innovative measurement solutions using fibre optic sensors for critical and demanding industrial applications.

The Corporation also aims to become a key player in the physiological measurement market in interventional cardiology with the OptoWire, a nitinol-based optical guidewire. The OptoWire provides intra-coronary blood pressure measurements with unique, patented optical pressure guidewire technologies. It is immune to the adverse effects related to blood contact and allows easy and reliable connectivity that leads to reliable measurements in extended conditions of usage. The OptoWire is also designed to provide cardiologists with a guidewire delivering optimized performances to navigate coronary arteries and cross blockages with ease and safety.

In 2019, the Corporation announced it was expanding its medical device business into the structural cardiology space and was accelerating development activities of products that reach beyond its current coronary and peripheral applications. This project became the Corporation's largest research and development project. The area of focus of this expansion is aortic stenosis, a common and serious valve disease that is often treated through TAVR. This is a growing segment of cardiology, driven by clinical results, aging population and advancements in valve technology and technique that are bringing the procedure to a wider patient population.

The Corporation has been successfully working on this structural cardiology project and has sufficiently advanced the program to warrant further activities and investment to accelerate the Corporation's time to market. The Corporation is building on its existing technology, infrastructure and know-how to ramp-up business in structural cardiology. Positive development milestones have been announced since expansion of structural activities, namely the receipt of Health Canada and the U.S. Food & Drug Administration ("**FDA**")'s clearance to commercialize the SavvyWire for TAVR procedures. The SavvyWire is the first and only sensor-guided TAVR solution, designed to support TAVR efficiency and lifetime patient management. The SavvyWire enables significant TAVR procedural benefits by supporting multiple steps over the same device without exchange, while delivering continuous, accurate hemodynamic measurements and display.

In medical instrumentation, the Corporation also provides sensors to be integrated as critical components of products sold by established medical companies, as original equipment manufacturer ("**OEM**").

The continued development of the OEM business segment is strategically important for the Corporation as it increases revenues and the critical mass in manufacturing, further advancing improvement initiatives. These agreements allow the Corporation to capitalize on the work done with long-time and newer partners. They also showcase the quality and benefits of its offer to the interventional cardiology market globally and demonstrate the accuracy of the Corporation's measurement technology as well as the Corporation's manufacturing capabilities.

The Corporation is also involved in industrial activities. The Corporation's technology, expertise and products can serve several markets including aerospace, nuclear, military, power electronics, geotechnical and mining. The inherent safety of the Corporation's fiber-optic sensors allied with their robustness make them an attractive choice for those applications. The Corporation's broad portfolio of products and technologies can be adapted to measure various parameters in the harshest conditions and provide significant advantages in terms of production optimization and reduced risk to the environment and health.

Since the Corporation's reorganization of its corporate structure on September 1, 2015, the Corporation's industrial activities have been consolidated in the OpSens Solutions business unit. As a result, only the medical activities have remained in the Corporation's business unit.

On January 31, 2020, the Corporation organized its U.S. medical activities under its wholly-owned subsidiary OpSens Medical. OpSens Medical's operations started in October 2020.

On February 16, 2022, the Corporation organized its European medical activities under its wholly-owned subsidiary Opsens B.V. The Corporation expects that OpSens B.V.'s operations will start in the first quarter of 2023.

Impact of the COVID-19 Pandemic

The Corporation continued (and continues) to operate throughout the COVID-19 pandemic. While the demand for its products has remained relatively stable globally during this period, the Corporation's operations and supply chains were challenged with temporary supplier closures combined with workforce shortages and additional sanitary measures, putting pressure on labour costs. The Corporation continues to closely monitor the pandemic and continuously assess its potential impact on further production activities, supply chains, and facilities capacity to respond to demand and to prevent any disruptions of fulfillment. Pressure on supply chains, inventory levels and increased operational costs or disruptions and labour shortages could increase depending on the duration and severity of the pandemic as well as any changes to industry regulatory framework.

4.1 Three-Year History

The events described below have influenced the general development of the business of the Corporation during the first months of the fiscal year ending August 31, 2023, and the last three fiscal years of the Corporation ended August 31, 2022, 2021 and 2020.

Beginning of Fiscal Year Ending August 31, 2023, and Up to the Date of this Annual Information Form

SavvyWire Development

On September 14, 2022, the Corporation announced its participation in the *Transcatheter Cardiovascular Therapeutics Conference 2022* (the "**TCT**") in Boston from September 16 to 19, 2022. The TCT is an annual scientific symposium of the *Cardiovascular Research Foundation* and the largest educational meeting specializing in interventional cardiovascular medicine, attracting more than 10,000 attendees from 90 countries worldwide.

The Corporation also announced the unveiling of the SavvyWire, the first and only sensor-guided solution for TAVR, and the sponsorship of a satellite breakfast science program titled: Lifetime Patient Management and the Importance of TAVR Hemodynamics, held on Sunday, September 18, 2022. The symposium was moderated by Dr. Genereux and Dr. Martin B. Leon, MD. The world-renowned panel of interventional cardiologists included Dr. Anita W. Asgar, Dr. Nicolas M. Van Mieghem, Dr. Thomas E. Waggoner and Dr. David A. Wood.

On September 15, 2022, the Corporation announced that it had received 510(k) regulatory clearance from the FDA for the SavvyWire, its new guidewire for TAVR procedures. The SavvyWire is the first and only sensor-guided TAVR solution, designed to support TAVR efficiency and lifetime patient management. The SavvyWire enables significant TAVR procedural benefits by supporting multiple steps over the same device without exchange, while delivering continuous, accurate hemodynamic measurements and display.

On September 23, 2022, the Corporation announced that Dr. Philippe Genereux, Director of the Structural Heart Program at Morristown Medical Center in New Jersey, and his team, performed the first use of SavvyWire in a TAVR procedure in the United States. Dr. Philippe Genereux successfully treated ten (10) consecutive patients with a variety of anatomies and levels of complexity including bicuspid valve, severe vessel tortuosity, horizontal aorta, failed prior surgical valve (valve-in-valve) using both balloon-expandable and self-expandable valves, and balloon valvuloplasty. The SavvyWire allowed his team to optimize its efficiency and workflow, while enhancing accuracy and patient safety. Dr. Genereux's prior work has been instrumental to the advancement and expansion of the TAVR field. The Corporation is conducting a controlled release to a limited number of hospitals in the United States through the end of calendar year 2022, then will initiate a full launch in early 2023.

Management Departure

On November 1, 2022, the Corporation announced that Mr. Robin Villeneuve, Chief Financial Officer and Corporate Secretary of the Corporation, will be leaving the Corporation on December 9, 2022, to pursue other business opportunities. The Corporation appointed Mr. Louis Laflamme, President and Chief Executive Officer of the Corporation, to assume the role of Interim Chief Financial Officer. Mr. Laflamme previously served as the Corporation's Chief Financial Officer between 2005 and 2013, prior to being appointed President and Chief Executive Officer. The Corporation plans to conduct a comprehensive search to find a permanent Chief Financial Officer. Mr. Villeneuve has played an important leadership role in finance and value creation for shareholders of the Corporation over the past five years.

Fiscal Year Ended August 31, 2022

SavvyWire Development

On September 20, 2021, the Corporation announced that it had received Health Canada's approval to commence one of the first in-man studies with its SavvyWire, a guidewire developed specifically for TAVR. The SavvyWire is the first guidewire intended to both deliver the aortic valve prosthesis while allowing continuous hemodynamic pressure measurement during the procedure.

On October 13, 2021, the Corporation announced the commencement of the human clinical study utilizing the SavvyWire, and successful treatment of the first patients. The SavvyWire, developed initially for TAVR, is the first guidewire intended to both deliver a valvular prosthesis while allowing continuous hemodynamic pressure measurement during the procedure. In the two first cases performed simultaneously at the *Institut Universitaire de Cardiologie et de Pneumologie de Québec* ("**IUCPQ**") and the Montreal Heart Institute ("**MHI**"), Drs Rodés-Cabau and Réda Ibrahim were able to successfully deploy the two dominant valves on the market, an Edwards Sapien 3 Ultra valve in one patient and a Medtronic CoreValve Evolut Pro Plus in the other, demonstrating the initial versatility of the SavvyWire product.

On November 8, 2021, the Corporation announced that its SavvyWire was featured in four presentations by leading medical specialists during the TCT 2021 Annual Meeting held from November 4 to November 6, 2021, in Orlando, Florida.

On November 23, 2021, the Corporation announced the successful treatment of 20 patients at the IUCPQ and at the MHI leading to the completion of the first in-man clinical study utilizing the SavvyWire, with all patients successfully treated without any adverse effects related to the use of the SavvyWire. The SavvyWire was designed and developed to improve the intervention workflow for TAVR and is an active guidewire that allows physicians to precisely deliver the valve and monitor deployment to ensure optimal implantation without guidewire exchanges.

On December 13, 2021, the Corporation announced that it had filed a 510(k) submission with the FDA for regulatory clearance for its SavvyWire for TAVR procedures, and had also filed for approval with Health Canada for the SavvyWire.

On April 26, 2022, the Corporation received Health Canada approval for the SavvyWire. The introduction of a next-generation guidewire with the ability to deliver a prosthetic valve and designed for rapid-pacing while allowing continuous measurement of hemodynamic pressure during the procedure is considered a significant benefit to the Corporation. The Corporation completed a limited market release in September 2022 and was prepared to initiate a phased commercialization in Canada over the following months with a full launch expected in the first quarter of 2023. The SavvyWire, a third-generation, intelligent, pre-shaped, structural guidewire with integrated pressure monitoring, aims at improving procedural efficiency and clinical outcomes by allowing multiple steps over the same device without exchange. This device is designed to support the growing minimalist TAVR approach. With the SavvyWire, physicians can expect to implant the percutaneous valve over the same device while obtaining continuous and accurate hemodynamic measurements to assist their diagnosis.

On May 19, 2022, the Corporation announced new data supporting the safety and efficacy of its SavvyWire recently approved by Health Canada for TAVR procedures. The results of the 20 patients first-in-human clinical study of the SavvyWire were presented the same day at the 2022 EuroPCR conference, and simultaneously published in the EuroIntervention journal. The new clinical data presented by Dr. Josep Rodés-Cabau from the IUCPQ support the safety and efficacy of the SavvyWire for TAVR procedures. A total of 12 patients received an Evolut PRO+ (Medtronic) valve and eight patients received a SAPIEN 3/ULTRA valve (Edwards Lifesciences). Patient enrollment was performed by Dr. Rodés-Cabau at IUCPQ and by Dr. Ibrahim at MHI. Appropriate left ventricular rapid pacing was achieved in all patients, resulting in an adequate reduction of aortic pressure. No procedural mortality, stroke, cardiac perforation, or guidewire malfunction were reported. Importantly, continuous, and accurate recording of pressure measurements during the TAVR procedures was achieved in all patients, with an excellent correlation between systolic and left ventricular end-diastolic pressure obtained using traditional pigtail catheters and the SavvyWire.

On June 7, 2022, the Corporation announced that Dr. Josep Rodés-Cabau at IUCPQ and Dr. Reda Ibrahim at MHI performed the first commercial cases with the SavvyWire guidewire in TAVR procedures in Canada. The Corporation conducted a controlled release to a limited number of hospitals in Canada, then recently moved on to a full launch, in this market.

OptoWire III Development

On May 18, 2022, the Corporation announced newly published data supporting the correlation between the Corporation's OptoWire, powered by Fidela sensor, and a novel TAVR interface, with measurement derived from standard hemodynamic assessment, both before and after TAVR. The results of the 20-patients clinical study were published in the Journal of the Society for Cardiovascular Angiography & Intervention. These clinical data presented by Dr. Philippe Généreux highlighted several key points, including: (i) hemodynamic assessment derived from the OptoWire and the new TAVR algorithm demonstrated excellent correlation with measurements derived from standard catheterization technique using two pigtails; and (ii) compared with transthoracic echocardiogram and transesophageal echocardiographic, the OptoWire demonstrated the strongest correlation with catheterization measurement.

On July 11, 2022, the Corporation announced it had been awarded a national group purchasing agreement for Interventional Specialty Diagnostics with Premier, Inc. ("**Premier**"), a leading healthcare improvement company uniting an alliance with approximately 4,400 United States hospitals and health systems. Effective July 1, 2022, this agreement allows Premier members, at their discretion, to take advantage of special pricing and terms pre-negotiated by Premier for the OptoWire III (the "**OptoWire III**"), the third generation of the Corporation's guidewire for the diagnosis of cardiovascular disease, and related system components. The Corporation now has contracts in place covering over 90% of hospitals in the United States through group purchasing agreements.

Board of Directors and Management Appointments

On September 8, 2021, the Corporation announced the appointment of Mrs. Lori Chmura to its board of directors (the "**Board of Directors**").

On February 9, 2022, the Corporation announced the appointment of Mr. Brad Davis as Chief Commercial Officer of the Corporation. Mr. Davis manages a leadership team responsible for global commercialization and expanding United States commercial operations and reports to Mr. Louis Laflamme, President and Chief Executive Officer of the Corporation. Mr. Davis held numerous commercial roles of increasing responsibility within the cardiovascular medical device industry.

Partnerships and Contracts

On February 1, 2022, the Corporation announced a four-year extension to its five-year supply agreement (the "**Supply Agreement**") entered into between the Corporation and Abiomed, Inc. ("**Abiomed**") on April 30, 2019, to continue supplying the Corporation's sensor technology for Abiomed's Impella® heart pump through April 2028.

2022 OTCQX® Best 50

On January 24, 2022, the Corporation announced it had been named to the 2022 OTCQX® Best 50, a ranking of top performing companies traded on the OTCQX Best Market last year, taking the sixth (6th) position. The ranking is calculated based on an equal weighting of one-year total return and average daily dollar volume growth in the previous calendar year. Companies in the 2022 OTCQX Best 50 were ranked based on their performance in 2021.

Corporate Growth Strategy

A detailed analysis of expected changes in the activities of the Corporation during fiscal year ended August 31, 2023, is presented in "Corporate Growth Strategy" of the management's discussion and analysis for the fiscal year ended August 31, 2022, available on SEDAR at **www.sedar.com** and on the Corporation's website at **www.OpSens.com**.

Fiscal Year Ended August 31, 2021

OptoWire III Development

On February 18, 2021, the Corporation announced it had received CE marking for the OptoWire III, the latest generation of its flagship product. CE Marking allowed the OptoWire III to be marketed in the European Union, the Middle East and Africa ("**EMEA**"). The OptoWire III is the latest version of the OptoWire. The OptoWire III offers physicians several competitive advantages, including superior steerability, reliability in coronary physiologic assessments, and the ability to use a single guidewire for the entire procedure, saving physicians and staff costs and time.

Partnerships and Contracts

On October 14, 2020, the Corporation announced it had been awarded a 3-year contract by a major American Group Purchasing Organization. The contract provides access to the OptoWire to all their members across the United States.

On February 8, 2021, OpSens Solutions was awarded a contract from RI Research Instruments GmbH ("**RI**") to supply fiber optic absolute and differential pressure sensors for the International Thermonuclear Experimental Reactor ("**ITER**"), the world's largest nuclear fusion and scientific experiment project with 35 nations collaborating to build and operate a potential source of safe, non-carbon emitting and virtually limitless energy based on fusion reactions as it fuels the sun. ITER is currently under construction in southern France. The Corporation will supply RI with fiber optic absolute and differential pressure sensors that will provide critical information for accurate monitoring of RI's cryogenic valve boxes. The vacuum system for ITER contains several large cryogenic pumps which need to be supplied with liquid helium via cryogenic valve boxes produced by RI. In total, it is anticipated that there will be a large number of sensors at different levels of the ITER project for which the Corporation sensor technology would be applicable.

On April 7, 2021, the Corporation announced it had been awarded an Innovative Technology contract from Vizient, Inc. ("**Vizient**"), a member-driven healthcare performance improvement company in the United States. The contract was awarded based on the recommendation by hospital experts who serve on one of Vizient's member-led councils of the OptoWire III. Innovative Technology contracts are recommended after review and interaction with products submitted through Vizient's Innovative Technology Program. Vizient member-led councils identify technologies that have the potential to enhance clinical care, patient safety, healthcare worker safety or improve business operations of healthcare organizations.

On April 21, 2021, the Corporation announced it had signed an agreement with Cathmedical Cardiovascular S.A. ("**Cathmedical**") for the integration of its coronary physiology algorithms into the Picasso system, a next-generation hemodynamic system. The integrated system is expected to initially focus on the Spanish cardiology market where the Picasso has a dominant market share. This partnership agreement will allow interventional cardiologists using this system to benefit from full integration into the catheterization laboratory and to offer superior diagnosis and treatment to their patients. Combined with the OptoWire III, the full power of coronary physiology indices, such as the dPR algorithm, is now available within the Picasso system for optimal integration into the workflow.

National Research Council of Canada Industrial Research Assistance Program Funding Support

On June 16, 2021, OpSens Solutions announced that it received advisory services and up to $500,000 in funding support from the National Research Council of Canada Industrial Research Assistance Program to support a collaborative research and development project through the international EUREKA Network. The project will jointly develop an optical-based fuel monitoring system for aerospace applications including civil aircraft with Temai Ingenieros S.L. ("**Temai**"), the consortium partner of this EUREKA international project. Temai also received public funding for this project from the Spanish Innovation Agency, the Centre for the Development of Industrial Technology.

Deloitte's 2020 Technology Fast 500™

On November 18, 2020, the Corporation announced it had been recognized in Deloitte's 2020 Technology Fast 500™, a ranking of the 500 fastest-growing technology, media, telecommunications, life sciences and energy tech companies in North America.

Bought Deal Public Offering of Common Shares

On February 25, 2021, the Corporation announced the closing of a bought deal public offering of Common Shares, for total gross proceeds of approximately $28,750,000. The Corporation

issued an aggregate of 15,972,222 Common Shares, at a price of $1.80 per Common Share, including 2,083,333 Common Shares issued pursuant to the exercise in full of the underwriters' over-allotment option. This offering was conducted by a syndicate of underwriters led by Stifel GMP as sole bookrunner and lead underwriter, and including Paradigm Capital Inc., Raymond James Ltd., RBC Dominion Securities Inc., and M Partners Inc. The Corporation used the net proceeds of this offering (i) to execute its commercialization and marketing strategy, (ii) to fund research and product development, (iii) to secure additional manufacturing capacity for its coronary artery disease products, its structural heart products, its fiber optic sensors, and signal conditioners and, (iv) for general working capital purposes. The Common Shares were offered by way of a short form prospectus filed in all the provinces of Canada pursuant to *Regulation 44-101 respecting Short Form Prospectus Distributions* (National Instrument 44-101 - *Short Form Prospectus Distributions* outside of the province of Québec) and in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended.

Fiscal Year Ended August 31, 2020

OptoWire III Development

On November 7, 2019, the Corporation announced the world's first clinical use of the OptoWire III, following Health Canada's approval. The OptoWire III is a guidewire integrating a second-generation optical sensor for vascular physiological measurement, such as FFR. This pressure guidewire is designed to offer the lowest drift in the industry and excellent access to lesions. Health Canada's approval paved the way for first use of the product by interventional cardiologist Olivier F. Bertrand, from the ICUPQ. In addition to Canada, the Corporation has also filed applications for approval in Japan, the United States and Europe.

On December 19, 2019, the Corporation announced that it had received clearance from the FDA to market its dPR. Consequently, the dPR was then approved in Japan, Canada, Europe, and the United States. Physiological measurement is constantly evolving following the increased use of FFR, the support of solid clinical data and the recommendations of cardiology societies. The option of physiological measurement without hyperemia induced by the injection of heart-stimulating drugs appeared and the Corporation developed its diastolic pressure algorithm to meet this need. Pressure indicators without hyperemia, such as the dPR, are beneficial for some patients because they reduce time, cost, and discomfort during the procedure.

On January 13, 2020, the Corporation announced that it had received clearance from the FDA to market its OptoWire III. In addition to the United States and Canada, the Corporation had also filed applications for approval in Japan and Europe.

On May 20, 2020, the Corporation announced that it had reached an important milestone with more than 100,000 patients evaluated with the OptoWire, its pressure guidewire for the diagnosis of coronary artery disease.

Corporation's Activities and Development

On November 5, 2019, the Corporation announced its intention to expand its medical device business into the structural cardiology space and to accelerate development activities of products that reach beyond its current coronary and peripheral applications. The initial area of focus of this expansion is aortic valve stenosis.

On March 24, 2020, the Corporation made an operational update in the context of the COVID-19 pandemic. Exempted from the province of Québec's order to close non-essential

businesses, the Corporation announced that it would continue to provide its cardiovascular diagnostic solutions to meet the needs of doctors and patients worldwide. The Corporation also described the precautions taken to maintain the health, well-being, and safety of its employees and to provide uninterrupted service to its customers.

5. DESCRIPTION OF THE BUSINESS

5.1 General

The Corporation is a leader in advanced 2nd generation fiber optic sensor applications for cardiovascular interventions. The Corporation's current primary focus is the measurement of FFR and dPR in the coronary artery disease market. The Corporation offers an optical guidewire, the OptoWire, powered by the 2nd generation optical sensor, Fidela, to measure pressure in the diagnosis and to improve clinical outcomes in patients with coronary artery disease. The Corporation recently entered the large and rapidly growing structural heart space with its introduction of the SavvyWire as the first and only sensor-guided TAVR solution, designed to support TAVR efficiency and lifetime patient management. The Corporation also operates in the industrial segment through its wholly-owned subsidiary OpSens Solutions, which develops, manufactures, and installs innovative measurement solutions using fibre optic sensors for critical and demanding industrial applications.

The Corporation owns 21 patents and has four pending patents to protect its technologies in the Medical Segment (as defined herein) and the Industrial Segment (as defined herein).

A) Summary

To strengthen its medical identity to develop its full potential in the physiological measurement market, the Corporation reorganized, on September 1, 2015, its corporate structure. Following the reorganization, the Corporation is now organized into two segments: Medical and Industrial.

- *Medical* – In this segment, the Corporation focuses mainly on physiological measurement in interventional cardiology and, in 2022, the Corporation entered the structural heart market (the "**Medical Segment**").

- *Industrial* – In this segment, the Corporation develops, manufactures, and installs innovative fiber optic sensing solutions for critical applications such as the monitoring of composite reservoir structures in the aeronautic industry, temperature in the semi-conductor manufacturing equipment, and other demanding industrial applications (the "**Industrial Segment**").

The principal factors employed in the identification of the two (2) segments reflected in this Annual Information Form include the Corporation's organizational structure, the nature of the reporting lines to the President and Chief Executive Officer of the Corporation and the structure of internal reporting documentation such as management's accounts and budgets.

Sales between segments are carried out at cost plus a reasonable margin.

The following table shows the revenues and the percentage for each reportable segments of the Corporation for the fiscal years ended August 31, 2022, and 2021.

Sales to Third Parties	Fiscal Years Ended August 31			
	2022 ($)	2022 (%)	2021 ($)	2021 (%)
Medical Segment	31,747,408	88.4	31,101,209	90.2
Industrial Segment	3,576,498	11.6	3,362,611	9.8
Total	**35,323,906**	**100.0**	**34,463,820**	**100.0**

Medical Segment

Under this reportable segment, the Corporation integrated its miniature fiber optic pressure sensor into innovative guidewires designed for interventional cardiology for applications such as FFR and TAVR. The technical advantages of the Corporation's products that aim to ease workflow and improve hemodynamic measurement accuracy are likely to enable it to take a share of the market.

According to management and industry sources'[1] estimate, the global FFR market exceeded US$600 million in 2022 and should exceed US$1 billion annually in the medium term (2025). Physiological measurement is recognized as the standard in the diagnosis of the severity of coronary lesions, which leads to better outcomes for patients.

In interventional cardiology, physiological measurement, performed by FFR or dPR, is an index of the functional gravity of coronary stenoses. It is calculated from pressure measurements taken before and after a narrowing of the arteries during coronary angiography. This approach provides an immediate diagnostic that allows a better assessment of the suitability of the installation of a stent to improve blood circulation in the cardiovascular system.

For the marketing of its products to measure FFR, the Corporation intends to establish various partnerships with distributors in major geographic area. Accordingly, on November 19, 2012, the Corporation entered into a distribution agreement (the "**Distribution Agreement**") with Zeon Medical Inc. ("**Zeon Medical**"), a Japanese-based medical corporation, for the distribution of its coronary arteries products (OptoWire and OptoMonitor) in the territories of, among others, Japan and Taiwan. Zeon Medical is selling the Corporation's coronary arteries products to a large number of hospitals. In the event that the Distribution Agreement is terminated, the Corporation could find alternate distributors, such as a new distributor or a direct sales force, to commercialize its products to existing customers based in such territories. The terms of the Distribution Agreement are as follows:

- US$3 million for the distribution rights for the Corporation's FFR products for, among others, Japan and Taiwan, which includes:
  - US$2 million at signing;
  - US$1 million upon receipt of regulatory approval for the Corporation's FFR products in Japan, which was obtained on October 2, 2014;
  - US$2 million in convertible debentures at signing. On November 16, 2017, the Corporation received a notice of conversion.

[1] The Corporation's FFR market calculations are based on Grand View Research (February 2019).

The Corporation has signed distribution agreements for many countries in Europe and in the Middle East. Additional distribution agreements are being negotiated and should be finalized in 2023 and beyond.

During fiscal year ended August 31, 2019, the Corporation developed the dPR, an algorithm for the diagnosis of coronary artery blockages without the injection of stimulating drugs. The dPR is the Corporation's resting pressure measurement method. It is available via the OptoMonitor and works in combination with the OptoWire. The dPR is marketed in Canada, Japan, the United States and Europe.

The Corporation will continue to develop the OptoWire and OptoMonitor to provide cardiologists with the most effective tools. The development of new versions of the OptoWire and OptoMonitor for physiological measurement remains an important project. The Corporation's OptoWire III and OptoMonitor III have received regulatory clearance for sale in Canada, Japan, the United States and Europe.

The Corporation recently entered the large and rapidly growing structural heart space with its introduction of the SavvyWire as the first and only sensor-guided TAVR solution, designed to support TAVR efficiency and lifetime patient management. This is a unique solution to aortic stenosis, a common and serious valve disease that is often treated through TAVR. This is one of the fastest-growing part of structural cardiology, driven by an aging population and advancements in valve technology and technique that are bringing the procedure to a wider patient population.

The SavvyWire is the first guidewire intended to deliver the aortic valve prosthesis while allowing continuous hemodynamic pressure measurement during the procedure. The Corporation is currently starting the broader commercialization of its proprietary SavvyWire, a product targeting structural heart market, one of the fastest growing segments of interventional cardiology. The SavvyWire, which is developed specifically for TAVR, was approved in Canada in April 2022, and cleared by the FDA for the U.S. market in September 2022.

The Corporation also provides its proprietary sensing technology in the form of highly customizable microscale fiber optic sensors for pressure and temperature, which can be used in a wide range of applications and are designed to be integrated seamlessly into medical devices and life science research environments.

The Corporation's fiber optic sensing technology can be beneficial to a large number of medical applications. The Corporation commercializes such sensing technology through its OEM division, which has various customers and different stages of development. On April 30, 2019, the Corporation entered into the Supply Agreement with Abiomed to supply fiber optic pressure sensors to be integrated in Abiomed's heart pump technology. On February 1, 2022, the Corporation announced a four-year extension to the Supply Agreement, to continue supplying the Corporation's sensor technology for Abiomed's Impella® heart pump through April 2028.

Industrial Segment

Under this reportable segment, the Corporation's technology, expertise, and products can serve several markets including aerospace, nuclear, military, power electronics, geotechnical, and mining.

Aerospace Market - The opportunities in this market are principally related to fuel monitoring systems for aircrafts. A new industrial version of the absolute pressure sensor and the recent addition of a differential pressure sensor are the main products for these applications;

Nuclear Market - The opportunities in this market are related principally to new nuclear technologies to produce energy. The new and recently patented fibre optic differential pressure sensor is the main solution for that market; and

Military and Power Electronics Markets – The opportunities include niche applications in which the Corporation is currently engaged, such as Electromagnetic Interference assessment of electro-pyrotechnic devices and thermal characterization of power electronics devices.

B) Production and Services

Medical Segment

Under this reportable segment, the Corporation devotes extensive efforts to its interventional cardiology applications, such as FFR and TAVR, and physiological measurement activities. In this area, the Corporation develops, manufactures, and markets a comprehensive medical product that is sold through a network of distributors and a direct sales force. Developed by the Corporation, the OptoWire is the first patented nitinol-based optical guidewire for physiological measurement. The OptoWire provides intra-coronary blood pressure measurements with unique, patented optical pressure guidewire technologies. It is immune to adverse effects related to blood contact and allows easy and reliable connectivity that leads to reliable measurements in extended conditions of usage. The OptoWire is also designed to provide cardiologists with a guidewire that provides optimal performance to navigate coronary arteries and cross blockages with ease and safety. Paired with its guidewire, the Corporation has developed the OptoMonitor. The OptoWire and OptoMonitor combination allows its users to consolidate patient information on their hemodynamic system, which is also offered by competitors' products.

Physiological measurement provides an index calculated from the pressure measurements taken before and after the narrowing of arteries during a coronarography. The Corporation has developed the OptoWire for physiological measurement. This second-generation fiber optic pressure guidewire is designed to provide the lowest drift in the industry and excellent lesions access. Initially, the OptoWire measured only FFR, a physiological measurement taken while the patient receives the injection of stimulant drugs.

The OptoWire III is the latest version of OptoWire. The OptoWire III is a modern pressure guidewire designed for contemporary clinical practice to diagnose and confirm results in coronary arteries. The OptoWire III allows navigation through complex anatomies, delivery of a stent without guidewire exchange, choices among different hyperemic and resting indices to assess coronary physiology, and confirmation of treatment with easy and reliable post percutaneous coronary intervention ("**PCI**") measurements. The accuracy of the device, or absence of drift, and the possibility to use a single wire for the full procedure, can cut time and costs from the procedure and provides confidence in the diagnosis with consistent and repeatable measurements. The OptoWire III offers physicians several competitive advantages, including superior steerability, reliability in coronary physiologic assessments, and the ability to use a single guidewire for the entire procedure, saving physicians and staff costs and time.

In 2019, the Corporation pursued the development of the dPR, its algorithm for the diagnosis of coronary artery blockages without the injection of stimulating drugs. The dPR is the Corporation's resting pressure measurement method. It is available via the OptoMonitor and works in combination with the OptoWire.

The dPR is approved in Japan, Canada, Europe, and the United States. Physiological measurement is constantly evolving following the increased use of FFR, the support of solid clinical data and the recommendations of cardiology societies. The option of physiological measurement without hyperemia induced by the injection of heart-stimulating drugs appeared and the Corporation developed its diastolic pressure algorithm to meet this need. Pressure indicators without hyperemia, such as the dPR, are beneficial for some patients because they reduce time, cost, and discomfort during the procedure. The dPR has been integrated into the Picasso system, a next generation hemodynamic system, of Cathmedical in Spain.

The Corporation is currently starting the broader commercialization of its proprietary SavvyWire, a product targeting structural heart market, one of the fastest growing segments of interventional cardiology. The SavvyWire, which is developed specifically for TAVR, was approved in Canada in April 2022, and cleared by the FDA for the U.S. market in September 2022.

On June 7, 2022, the Corporation announced that Dr. Josep Rodés-Cabau at the IUCPQ and Dr. Reda Ibrahim at the MHI performed the first commercial cases with the SavvyWire guidewire in TAVR procedures in Canada. The Corporation conducted a controlled release to a limited number of hospitals in Canada, then moved on recently to a full launch, in this market.

On September 23, 2022, the Corporation announced that Dr. Philippe Genereux, Director of the Structural Heart Program at Morristown Medical Center in New Jersey, and his team, performed the first use of SavvyWire in a TAVR procedure in the United States. Dr. Genereux successfully treated ten (10) consecutive patients with a variety of anatomies and levels of complexity including bicuspid valve, severe vessel tortuosity, horizontal aorta, failed prior surgical valve (valve-in-valve) using both balloon-expandable and self-expandable valves, and balloon valvuloplasty. The SavvyWire allowed his team to optimize its efficiency and workflow, while enhancing accuracy and patient safety. Dr. Genereux's prior work has been instrumental to the advancement and expansion of the TAVR field. The Corporation is conducting a controlled release to a limited number of hospitals in the United States through the end of calendar year 2022, then initiate full launch in early 2023.

Sensors for medical instrumentation measure temperature and pressure. The main features of these sensors are size, strength and the absence of drift during operation. In medical instrumentation, the Corporation markets products as OEM or directly to end users. These products are in the commercial phase.

Industrial Segment

Fiber optic sensors perform well in the presence of electromagnetic fields, radiofrequencies, microwaves, high-intensity magnetic waves or high temperatures, elements that typically disrupt results with conventional sensors.

In the industrial sector, customers' needs are wide-ranging and require measuring various parameters like pressure, temperature, strain, and others. The Corporation is focusing on business opportunities with highest returns and has developed new products to fulfill their specific needs. Amongst others, the new OPP-GD fiber optic differential pressure sensor and the OEC fiber optic extensometer sensors have grabbed the attention of many industries such as aeronautic and energy.

C) Specialized Skill and Knowledge

Medical Segment

Under this reportable segment, the Corporation has a research and development department that includes engineering, testing, and prototyping. This department employs 39 people who work, on a permanent basis, to improve existing products and do research and development for new products. These employees are engineers and optical and software technicians.

Industrial Segment

Under this reportable segment, the Corporation has a research and development department that includes engineering, testing, and prototyping. This department employs 11 people who work, on a permanent basis, to improve existing products and do research and development for new products. These employees are engineers and optical and software technicians.

D) Competitive Conditions

The competitive conditions vary depending on the markets where the Corporation's sensors are used. In general, the products offered by the Corporation have an added value compared with conventional and optical systems typically used in various conditions. The Corporation makes sure it highlights this added value when addressing its target markets.

Medical Segment

In the physiological measurement market, four corporations offer products to measure FFR and dPR (or their equivalent version). These corporations are Abbott, Philips, Boston Scientific Corporation and ACIST. Both Abbott and Philips use electrical sensors in their guidewire to get the blood pressure measurement. ACIST uses fiber optic sensors combined with a microcatheter used over a standard guidewire. The Corporation and Boston Scientific Corporation use optical sensors in their guidewire to get blood pressure measurement. The Corporation's guidewire is instrumented with a pressure sensor. It is different on several aspects, from accuracy and reliability of the sensing technology, mechanical performances, and connectivity of the guidewire. Optical sensing technology aims to provide reliable measurement in the human body. The main geographic markets where the competitive companies are selling their products for physiological measurement are the United States, Canada, Europe, and Japan. Competition is based on technological advantages, brand recognition, customer service, marketing support and price. Over the past years, CT and angiography-based FFR technologies, have emerged with new tools for functional lesion assessment without the need for dedicated pressure wires.

For TAVR, the current global guidewire market is segmented into straight and pre-shaped guidewires and is currently dominated by pre-shaped wires supplied by Boston Scientific Corporation and Medtronic Plc. The Corporation anticipates these companies to continue providing iterative, rather than platform, innovation and one additional entrant to the market sometime in early calendar year 2023. OpSens' entrance into this market is expected to be notable, as no current TAVR guidewire combines the benefits of being pre-shaped with the ability to deliver reliable left-ventricular rapid pacing while accurately measuring real-time hemodynamic pressure.

Industrial Segment

The Corporation's industrial line of fiber optic sensors offers unique advantages over traditional sensors in many industries. For example, traditional sensors need to be shielded and grounded for their safe operation in aircrafts and spaceships. The use of composite materials in the newly developed versions of these flying structures have seriously reduced the natural shielding and grounding capacity provided by the older metallic version of these structures. The Corporation's fiber optic strain and pressure sensors received attention from major players in the aeronautic industry because they do not require any shielding or grounding and because of their ease of deployment. In the Industrial Segment, several companies manufacture conventional and optical sensors to measure strain, temperature, pressure, and other parameters. Competition comes from local corporations as well as international corporations.

E) New Products

Medical Segment

To complement and enhance its offer, the Corporation is constantly developing and offering new products or instruments that complement or improve existing products and instruments. For this reportable segment, the new products to be marketed are new features integrated into the OptoMonitor III to ease physician's workflow and decisions making. New features are being developed for applications such as FFR and TAVR.

The Corporation received clearance to commercialize its physiological measurement products, mostly for FFR and dPR in the United States, Japan, Canada and the EMEA.

The Corporation is currently expanding its medical device business into the structural cardiology space. The new area of focus is aortic stenosis, a common and serious valve disease that is often treated through TAVR. This is one of the fastest growing segments of cardiology. It is driven by an aging population and advancements in valve technology and technique that are bringing the procedure to a wider patient population.

During fiscal year ended August 31, 2022, the Corporation's guidewire for TAVR started to progressively access the market.

The Corporation has designed and developed the SavvyWire, leveraging the same Fidela second-generation optical sensor used in OptoWire and Abiomed's Impella systems. Unlike competitive TAVR guidewires that are just a wire, the SavvyWire is more than a wire and enables the world's first and only sensor-guided TAVR solution. The SavvyWire uniquely provides a 3-in-1 solution for stable aortic valve delivery and positioning, continuous accurate hemodynamic measurement during the procedure, and reliable left ventricular pacing without the need for adjunct devices or venous access.

These key attributes are considered significant benefits to the medical community and have been highly anticipated by physicians who perform TAVR procedures to optimize efficiency and workflow by eliminating products and device exchanges. The Corporation received Health Canada's approval for TAVR procedures in April 2022, completed a limited market release in August 2022, and has over 100 patients served in Canada as of the date of this Annual Information Form.

The Corporation received 510(k) regulatory clearance from the FDA for the SavvyWire in September 2022, and further announced the first use of SavvyWire in a TAVR procedure in the United States with the treatment of ten (10) consecutive patients with a variety of anatomies and levels of complexity including bicuspid valve, severe vessel tortuosity, horizontal aorta, failed prior surgical valve (valve-in-valve) using both balloon-expandable and self-expandable valves, and balloon valvuloplasty. The Corporation is conducting a controlled release to a limited number of hospitals in the United States through the end of calendar year 2022, then initiate full launch in early 2023.

In addition, the Corporation has submitted for CE Mark, and anticipates its approval during fiscal year ending August 31, 2023. The Corporation intends to leverage CE Mark, Health Canada approval and FDA clearance to register and conduct initial cases in Europe and Middle East during fiscal year ending August 31, 2023.

Industrial Segment

The Corporation is continuously maintaining its line of products and solutions at the cutting edge of technology to meet the customers' most challenging needs. New products, introduced to the Corporation's portfolio in this reportable segment, including the current pulse generator and the version for the nuclear market, will help the Corporation maintain its leadership position in this area. Commercialization of these new products was launched recently and market response has been positive.

F) Components

Raw material used by the Corporation is mostly electronic and optical parts. The Corporation's supply policy allows access to more than one supplier for a large proportion of its needs. The Corporation has never had significant supply problems in the past and does not foresee supply problems in the near future for any of its reportable segments. Delivery of electronic parts and of a few optical components may occasionally be delayed. To overcome this problem, the Corporation maintains a minimum inventory level for the most strategic parts and components and is also always looking for alternative suppliers for both of its reportable segments. The Corporation does not expect unusual price increases for its raw material in the coming quarters, for both of its reportable segments. For its products for physiological measurement, the Corporation signed supply agreements with key suppliers to minimize the risk of supply interruption.

G) Intangible Properties

i) Patents

Considering the time and investment required to develop new products, the Corporation's first strategic move is to protect its intellectual property. To allow the Corporation to serve its markets, to benefit from freedom of operation and to protect its innovations, it holds, as of the date of this Annual Information Form, 21 patents and filed 4 patent applications covering geographical areas such as Canada, the United States, Europe, Japan, and China. The Corporation's patents expire at various dates through 2036. The Corporation intends to continue to expand its intellectual property position to protect the design and use of its products.

ii) Trademark

The Corporation is the holder of the opSens trademark registered in Canada since May 16, 2006. Such registration will expire on May 16, 2031.

The Corporation is the holder of the OptoWire trademark registered in Japan and the United States and it will expire in 2024 and 2026, respectively. This trademark is registered in Canada since July 13, 2017, and will expire on July 11, 2032.

The Corporation is the holder of the OptoMonitor trademark registered in Japan and the United States and it will expire in 2024 and 2026, respectively. This trademark is registered in Canada since July 11, 2017, and will expire on July 11, 2032.

The Corporation is the holder of the Fidela trademark registered in the European Union that will expire on February 3, 2030, and in the United States that will expire on August 10, 2031.

iii) License

On April 3, 2018, the Corporation announced that the integration of its technology, within the Impella CP® marketed by Abiomed, had been approved by the FDA. This news followed the US$6 million cooperation and development agreement entered into between the Corporation and Abiomed in April 2014 (the "**License Agreement**") in connection with its miniature optical pressure sensor technology for applications in circulatory assist devices. As part of this License Agreement, the Corporation granted Abiomed an exclusive worldwide license to integrate its miniature optical pressure sensor in connection with Abiomed's circulatory assist devices. Under the License Agreement, Abiomed paid the Corporation an aggregate amount of US$6 million. Of that amount, US$1.5 million was paid upon closing, while the balance has been disbursed based on the achievement of certain milestones, such as the meeting of certain performance requirements, the filing of a regulatory application, the obtaining of a regulatory approval and the transfer of manufacturing to Abiomed.

In addition, on August 16, 2010, the Corporation reached an agreement to license its technology in the high-power transformers business to a subsidiary of LumaSense Technologies Inc. of Santa Clara, California, representing the Corporation's exit from that line of business. Such agreement gives exclusive and perpetual rights to use the Corporation's technology in the transformer business.

On November 19, 2012, the Corporation entered into the Distribution Agreement with Zeon Medical for the distribution of its coronary arteries products (OptoWire and OptoMonitor) in the territories of, among others, Japan and Taiwan. Zeon Medical is selling the Corporation's coronary arteries products to a large number of hospitals. In the event that the Distribution Agreement is terminated, the Corporation could find alternate distributors, such as a new distributor or a direct sales force, to commercialize its products to existing customers based in such territories.

iv) Supply Contract

On April 30, 2019, the Corporation announced the conclusion of the Supply Agreement as part of its long-term collaboration with Abiomed for the Impella CP® heart pump. Abiomed awarded the Corporation a five-year contract to supply a critical portion of its heart pump technology. The agreement, with mutual renewal clauses, follows a License Agreement and the Supply Agreement, pursuant to which Abiomed integrates the Corporation's miniature optical pressure sensor into the Impella CP® cardiac pumps. On February 1, 2022, the Corporation announced a four-year extension to the Supply Agreement, to continue supplying the Corporation's sensor technology for Abiomed's Impella® heart pump through April 2028.

Furthermore, the Corporation's fiber optic sensing technology can be beneficial to a large number of medical applications. The Corporation commercializes such sensing technology through its OEM division, which has various customers and different stages of development.

H) Cycles

For the Medical Segment, activities are generally slower in the fourth quarter due to physicians' summer vacations. For the Industrial Segment, activities are generally higher in fall and winter quarters.

I) Economic Dependence

Although the Corporation has numerous clients, a relatively small number of them contributes to a significant percentage of the Corporation's consolidated revenues and the Corporation's business is substantially dependent upon such clients. For the fiscal year ended August 31, 2022, revenues from two clients, namely Zeon Medical and Abiomed represented individually more than 10% of the total revenues of the Corporation.

On November 19, 2012, the Corporation entered into the Distribution Agreement with Zeon Medical for the distribution of its coronary arteries products (OptoWire and OptoMonitor) in the territories of, among others, Japan and Taiwan. Zeon Medical is selling the Corporation's coronary arteries products to a large number of hospitals. In the event that the Distribution Agreement is terminated, the Corporation could find alternate distributors, such as a new distributor or a direct sales force, to commercialize its products to existing customers based in such territories.

Furthermore, the Corporation's fiber optic sensing technology can be beneficial to a large number of medical applications. The Corporation commercializes such sensing technology through its OEM division, which has various customers and various stages of development. On April 30, 2019, the Corporation entered into the Supply Agreement with Abiomed to supply fiber optic pressure sensors to be integrated to Abiomed's heart pump technology. On February 1, 2022, the Corporation announced a four-year extension to the Supply Agreement, to continue supplying the Corporation's sensor technology for Abiomed's Impella® heart pump through April 2028. See section "*Risk Factors - Corporation's Dependence Upon a Limited Number of Clients*" in this Annual Information Form.

J) Changes to contracts

The Corporation does not expect any aspect of its business to be affected by renegotiation or termination of contracts or subcontracts in the fiscal year ending August 31, 2023.

K) Environmental Protection

The Corporation is subject to various federal, provincial, and local environmental and occupational health and safety laws and regulations in Canada where operations in both of its reportable segments are conducted. Such laws and regulations concern notably wastewater, storm water flows and disposal of solid waste. Production facilities occasionally produce small quantities of hazardous waste that is recycled or transferred off-site in accordance with the applicable regulations.

The Corporation complies in all material aspects with Canadian environmental requirements. Investment in capital property and other expenditures are made and incurred in a timely manner to maintain said compliance. These investments made with regards to environmental protection have had no operational or fiscal impact on the expenses in capital property, profit of loss or on the competitive position in both reportable segments of the Corporation during the fiscal year ended August 31, 2022.

L) Employees

As of August 31, 2022, the Corporation counted 294 employees in both reportable segments. Of this number, 272 employees, working for the Medical Segment, are in Canada, Europe, and the United States. All 22 employees working for the Industrial Segment are in Canada.

The Corporation's group of employees is composed of a multidisciplinary team grouping scientific and technical expertise in various fields such as software development, electronics, optics, physics, chemistry, civil engineering, mechanical engineering and geomechanical engineering. The Corporation provides its employees with an environment that is favourable to sustained development of their skills and full achievement of their ambitions. Training and development of the employees are key elements in the Corporation's growth.

Employees of both reportable segments of the Corporation are not unionized. Working conditions, that are periodically revised, are governed by written agreement between, on the one hand, any reportable segments of the Corporation and, on the other hand, their respective employees.

M) Foreign Operations

The proportion of export revenues in consolidated sales should be assessed in relation to business growth in the medical field, especially in physiological measurement.

The following table presents the Corporation's consolidated revenues in both reportable segments by geographic sector for the fiscal years ended August 31, 2022, and 2021.

Revenues per Geographic Sector[(1)]	**Fiscal Years Ended August 31**	
	2022 ($)	**2021 ($)**
United States	14,883,524	12,862,452
Japan	5,993,435	7,277,326
Canada	3,428,461	3,270,982
Other[(2)]	11,018,486	11,053,060
Total	**35,323,906**	**34,463,820**

Notes:

(1) Revenues are attributed to the geographic sector based on the clients' location.

(2) Comprised of revenues generated in countries for which amounts are individually not significant.

N) Lending

The Board of Directors approves the investment policy, and it is primarily focused on the protection of capital while considering the performance and fiscal aspects. The Corporation conducts investment transactions with recognized financial institutions with credit ratings of at least A and higher, in either bonds, money market funds or guaranteed investment certificates.

5.2 Risk Factors

The Corporation operates in industries that contain various risks and uncertainties. The risks and uncertainties listed below are not the only ones to which the Corporation is subject. Additional risks and uncertainties not presently known by the Corporation, or which the Corporation deems to be currently insignificant, may impede the Corporation's performance. The materialization of one of the following risks could harm the Corporation's activities and have significant negative impacts on its financial situation and its operating results. In that case, the Corporation's stock price could be affected.

Risks related to the Corporation

Corporation's Dependence on the Success of the OptoWire, Guidewire Measuring FFR and dPR

In the physiological measurement market, the Corporation is dependent on the success of the OptoWire, its guidewire measuring FFR and dPR, and cannot be certain that it will achieve the broad acceptance necessary to develop, in combination with other Corporation's product, a profitable business. Expected future revenues are primarily derived from sales of the OptoWire. The OptoWire is designed to provide cardiologists with a pressure guidewire to navigate coronary arteries and cross blockages with ease, while also measuring intra-coronary blood pressure. The Corporation expects that sales of its physiological measurement products will account for a significant share of its revenues for the foreseeable future; however, it is difficult to predict the penetration and future growth rate or size of the market for physiological measurement technology. The expansion of the physiological measurement market depends on several factors, such as:

- physicians accepting the benefits of the use of physiological measurement products in conjunction with angiography;
- physician experience with physiological measurement products either used alone or used jointly in a single percutaneous coronary intervention, or PCI;
- the availability of training necessary for proficient use of physiological measurement products, as well as willingness by physicians to participate in such training;
- the additional procedure time required to use physiological measurement products compared to the perceived benefits;
- the perceived risks generally associated with the use of physiological measurement products and procedures, especially its new products and procedures;
- the placement of the physiological measurement products in treatment guidelines published by leading medical organizations;
- the availability of alternative treatments or procedures that are perceived to be or are more effective, safer, easier to use or less costly;
- hospitals' willingness, and having sufficient budgets, to purchase physiological measurement products;
- the size and growth rate of the PCI market in the major geographies in which the Corporation operates;
- the change in the way of obtaining coronary physiology data;
- the availability of adequate reimbursement; and
- the Corporation's success in marketing efforts and publicity regarding physiological measurement technology.

Even if physiological measurement technology gains wide market acceptance, these products may not adequately address market requirements and may not continue to gain market acceptance among physicians, healthcare payors and the medical community due to factors such as:

- the lack of perceived benefit from information related to pressure characteristics of blood around blockages available to the physician;
- the actual and perceived ease of use of the physiological measurement products;
- the quality of the measurements provided by the physiological measurement products;
- the cost, performance, benefits, and reliability of the physiological measurement products relative to competing products and services; and
- the extent and timing of technological advances.

If physiological measurement technology generally, or the physiological measurement products specifically designed to measure FFR and dPR, do not gain wide market acceptance, the Corporation may not be able to achieve its anticipated growth, revenues or profitability and its results of operations would suffer.

Corporation's Dependence's on the Success of the SavvyWire, Guidewire for TAVR Procedure

In the structural heart market, the Corporation is dependent on the success of the SavvyWire. The SavvyWire uniquely provides a 3-in-1 solution for stable aortic valve delivery and positioning, continuous accurate hemodynamic measurement during the procedure, and reliable left ventricular pacing without the need for adjunct devices or venous access. The Corporation cannot be certain that it will gain market acceptance. Expected future revenues are primarily derived from sales of the SavvyWire. The Corporation expects that sales of its structural heart products will account for a significant share of its revenues for the foreseeable future; however, it is difficult to predict the penetration and future growth rate or size of the market. The expansion of the structural heart market depends on several factors, such as:

- physicians accepting the clinical and economical benefits of using a 3-in-1 solution for TAVR procedures;
- physicians' experience with straight and pre-shaped guidewires products used in TAVR procedures;
- the availability of training necessary for proficient use of structural heart guidewire products, as well as willingness by physicians to participate in such training;
- the perceived risks generally associated with the use of new guidewires;
- the availability of alternative treatments or procedures that are perceived to be or are more effective, safer, easier to use or less costly;
- hospitals' willingness, and having sufficient staff and budgets, to buy products for structural heart procedures;
- the size and growth rate of the TAVR market in the major geographies in which the Corporation operates or intends to operate;
- the change in the way hemodynamic data is obtained;
- the availability of adequate reimbursement; and
- the Corporation's success in marketing efforts and publicity regarding the innovative 3-in-1 SavvyWire solution.

Even if the SavvyWire gains wide market acceptance, this product may not adequately address market requirements and may not continue to gain market acceptance among physicians, healthcare payors and the medical community due to factors such as:

- the lack of perceived cost effectiveness of the SavvyWire concept from information available to the physician;
- the actual and perceived ease of use of the TAVR straight and pre-shaped guidewires products;
- the extent and timing of technological advances.

If the SavvyWire does not gain wide market acceptance, the Corporation may not be able to achieve its anticipated growth, revenues or profitability and its results of operations would suffer.

Negative Operating Cash Flow

During fiscal year ended August 31, 2022, the Corporation had a negative cash flow from operating activities, including cash flow from the payment of borrowing costs, of $9,122,948. During the fiscal year ended August 31, 2021, the Corporation had positive cash flow from operating activities, including cash flow from the payment of borrowing costs, of $2,210,643. The Corporation's cash and cash equivalents amounted to $23,816,490 and $38,563,271 as at August 31, 2022, and August 31, 2021, respectively. As at August 31, 2022, the Corporation had a working capital of $30,414,701. The Corporation anticipates it will have negative cash flow from operating activities in future periods until reaching worldwide launch for its TAVR products, which is expected by the end of fiscal year 2023. To the extent that the Corporation has negative operating cash flows in future periods, the Corporation may need to allocate a portion of its existing working capital to fund such negative cash flow.

Delays in Production and Commercialization

Delays in planned product introductions may adversely affect the Corporation and negatively impact future revenues. The Corporation may in the future experience delays in various phases of product development and commercial launch, including during research and development, manufacturing, limited release testing, marketing, and customer education efforts. Any delays in the Corporation's product launches, including in response to the COVID-19 pandemic, may significantly impede its ability to successfully compete in its markets and may reduce its revenues. Factors that may affect the production of the Corporation's products which could result in decreases in profitability include:

- acts of God;
- expiration or termination of leases, contracts, permits or licenses;
- sales price redeterminations;
- future litigation;
- work stoppages or other labor difficulties;
- disputes with suppliers, distributors and subcontractors;
- political risk with offshore suppliers;
- reliance on suppliers with highly technical and not easily replaceable expertise; and
- changes in the market and general economic conditions.

The Corporation and its future collaborators may fail to develop or effectively commercialize products covered by its future collaborations if:

- the Corporation does not achieve its objectives under its collaboration agreements;
- the Corporation or its collaborators are unable to obtain patent protection for the products or proprietary technologies the Corporation develops with its collaborations; or
- the Corporation or its collaborators encounter regulatory hurdles that prevent commercialization of its products.

If the Corporation or its collaborators are unable to develop or commercialize products as planned, or if conflicts arise with its collaborators, the Corporation will be delayed or prevented from developing and commercializing products, which will harm the Corporation and its financial results.

Need for Funding

The Corporation believes that its existing cash and cash equivalents will be sufficient to meet its anticipated cash needs for at least the next 12 months. However, the Corporation may need to obtain additional financing to pursue its growth strategy, to respond to new competitive pressures or to act on opportunities to acquire or invest in complementary businesses, products, or technologies. Failure to raise needed capital could prevent the Corporation from executing its growth strategy. The timing and amount required to the Corporation's working capital and capital expenditure may vary significantly depending on numerous factors, including:

- market acceptance of its products;
- revenues generated by its products;
- the development of new products, including products that reach beyond the Corporation's current coronary and peripheral applications;
- the need to adapt to changing technologies and technical requirements, and the costs related thereto;
- the costs associated with expanding its manufacturing, marketing, sales, and distribution efforts;
- the outcome, timing and cost of seeking and obtaining regulatory approvals from Health Canada, the FDA, and from other comparable foreign authorities, including the potential for such authorities to require that the Corporation perform more nonclinical studies or clinical trials in addition to those the Corporation currently expects or change their requirements on studies that had previously been agreed to;
- the existence and timing of opportunities for expansion, including acquisitions and strategic transactions;
- the costs of operating as a public corporation;
- the impacts of the COVID-19 pandemic; and
- costs and fees associated with defending existing or potential litigation.

While the Corporation's management has been successful in obtaining financing for the Corporation in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation. The Corporation's ability to raise additional funds will depend on financial, economic and market conditions and other factors, over which the Corporation may have no, or limited control. If adequate funds are not available on commercially acceptable terms when needed, the Corporation may be forced to delay, reduce or terminate the development or commercialization of all or part of its research programs or its current or future products, or the Corporation may be unable to take advantage of future business opportunities. Market volatility resulting from the COVID-19 pandemic and the related global economic impact or other factors could also adversely impact the Corporation's ability to access capital as and when needed.

The Corporation cannot guarantee that future financing will be available in sufficient amounts, or on commercially reasonable terms, or at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of holders of the Common Shares, the issuance of additional securities, whether equity or debt, by the Corporation, or the possibility of such issuance, may cause the market price of the Common Shares to decline. The incurrence of indebtedness could result in increased fixed payment obligations and the Corporation may be required to agree to certain restrictive covenants, such as limitations on its ability to incur additional debt, limitations on its ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact the Corporation's ability to conduct its business. The Corporation could also be required to seek funds through arrangements with collaborators or others at an earlier stage than otherwise would be desirable and the Corporation may be required to relinquish rights to its current or any future therapeutics candidates or otherwise agree to terms unfavorable to the Corporation, any of which

may have a material adverse effect on the Corporation's business, operating results and prospects. Further, any additional fundraising efforts may divert the Corporation's management from its day-to-day activities, which may adversely affect the Corporation's ability to develop and commercialize its current or any future products.

In addition, heightened regulatory scrutiny could have a negative impact on the Corporation's ability to raise capital. The Corporation's business activities rely on developing laws and regulations in multiple jurisdictions. It is impossible to determine the extent of the impact of new laws, regulations or initiatives that may be proposed, or whether these proposals will become law. The regulatory uncertainty surrounding the Corporation's current, or any future products may adversely affect the Corporation's business and operations, including without limitation, the Corporation's ability to raise additional capital.

Lost of Suppliers and Increase in Inventory Costs

The loss of any of the Corporation's sole-source suppliers or an increase in the price of inventory supplied to it could have an adverse effect on the Corporation's financial condition and results of operations. The Corporation purchases certain supplies used in its manufacturing processes from single sources due to quality considerations, costs or constraints resulting from regulatory requirements. Agreements with certain suppliers are terminable by either party upon short notice and the Corporation has periodically been advised by some suppliers that to reduce their potential product liability exposure, they may terminate sales of products to customers that manufacture implantable medical devices, and the Corporation may not be able to establish additional or replacement suppliers for certain components or materials quickly. In addition, the Corporation may lose a sole-source supplier due to, among other things, the acquisition of such a supplier by a competitor (which may cause the supplier to stop selling its products to it), the bankruptcy of such a supplier or the impacts of the COVID-19 pandemic, which may cause the supplier to cease operations. A reduction or interruption by a sole-source supplier of the supply of materials or key components used in the manufacturing of the Corporation's products or an increase in the price of those materials or components could adversely affect the Corporation's financial condition and results of operations. For more details concerning the Corporation's suppliers, see section "*Description of the Business – Economic Dependence"* in this Annual Information Form.

Profitability

The Corporation has a limited operating history and cannot assure you that it achieves and sustains profitability in future periods. The Corporation was incorporated in 2006 and has been profitable, on a full-year basis, only in 2010. Net losses for fiscal years ended August 31, 2022, and 2021 were $11,378,230 and $1,150,428, respectively. To the extent that the Corporation can increase revenues, it expects its operating expenses will also increase as the Corporation will expand to meet anticipated growing demand for its products and will devote resources to its sales, marketing and research and development activities. If the Corporation is unable to reduce its operating expenses, the Corporation may not achieve profitability. Additionally, expenses will fluctuate as the Corporation makes future investments in research and development, selling and marketing and general and administrative activities, including because of new product introductions. This will cause the Corporation to experience variability in its reported earnings and losses in future periods. You should not rely on the Corporation's operating results for any prior quarterly or annual period as an indication of its future operating performance.

Public Health Crisis and Business Interruption Risk

Public health crises, pandemics and epidemics could have a material adverse effect on the global economy, which could cause fluctuations in the market price of the Common Shares. The COVID-

19 pandemic could affect the Corporation's ability to conduct its operations and may result in temporary shortages of personnel. Such an outbreak, if uncontrolled, could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows, including lost revenue and ability to obtain financing on favourable terms, if any. The ultimate extent of the impact of the COVID-19 pandemic on the Corporation's business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19 or any other such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread. These factors are beyond the Corporation's control, and may adversely affect the Corporation, its customers and its suppliers or cause disruptions to their and the Corporation's businesses and may impact their ability to supply the Corporation or the Corporation's ability to supply them.

Many industries, including the medical industry, are impacted by volatile market conditions in response to the widespread outbreak of epidemics, pandemics, or other health crises. Some of the key impacts of these conditions include devaluations and high volatility in global equity, commodity, foreign exchange and medical and industrial markets and a lack of market confidence and liquidity. Financial institutions and large corporations may be forced into bankruptcy or need to be rescued by government authorities. Access to financing may also be negatively impacted by future liquidity crises throughout the world. These factors may impact the Corporation's ability to obtain equity or debt financing and, where available, to obtain such financing on terms favourable to the Corporation. Increased levels of volatility and market turmoil could have a material adverse impact on the Corporation's operations and planned growth and the trading price of the securities of the Corporation may be adversely affected.

Furthermore, the Corporation is aware that the pandemic has made the physical presence of health-care professionals in labs more challenging. Therefore, it is harder for healthcare professionals to use the Corporation's products. In the context of the COVID-19 pandemic, the Corporation has developed virtual tools and continues to do so in order to allow healthcare professionals in delivering high quality services. The full extent and impact of the COVID-19 is yet to be confirmed on the physical and virtual presence of healthcare professionals in labs.

Since the Corporation is considered to be an "essential service", its operations in Québec have not been subject to mandatory business closures and, accordingly, disruptions to its business as a result of COVID-19 have been limited thus far. However, the COVID-19 pandemic continues to rapidly evolve and the extent to which it may impact the Corporation's business will depend on future developments that are highly uncertain, such as the geographic spread and duration of the outbreak, travel restrictions and other public health measures, business closures or business disruptions, and the availability and effectiveness of treatments for the disease.

The Corporation cannot presently predict the scope and severity of any potential business shutdowns or disruptions related to COVID-19 nor the impact of the vaccines that are now accessible or will be made accessible in Canada, the United States and in other countries, but if the Corporation or any of the third parties with whom the Corporation engage were to experience shutdowns or other business disruptions, the Corporation's ability to conduct its business in the manner and on the timelines presently planned could be materially and negatively impacted. If the COVID-19 outbreak continues or increases in severity and results in expanded or prolonged travel, commercial or other similar restrictions, the Corporation could experience supply, logistics or other disruptions, which could have a negative impact on its ability to conduct research and development (including clinical trials) or commercialize products. As a result of the COVID-19 pandemic, the Corporation may experience disruptions that could severely impact its business and clinical trials, including:

- interruption of key clinical trial activities;

- interruption or delays in the operations of regulatory authorities, which may in turn impact approval timelines;

- interruption or delays in the operations of its suppliers of components or raw materials, contract research organizations and other third parties as a result of staffing shortages, production slowdowns or stoppages, or other similar disruptions caused by the pandemic;

- ability to raise additional capital to finance its business plans on attractive terms due to market conditions and volatility; and

- limitations in resources, including its employees, that may be restricted due to sickness, requirements to avoid contact with large groups of people or limitations on movement or access to its facility as a result of government-imposed "shelter in place" or other reasons affecting access and ability to work.

Worldwide Economic and Social Instability

The health of the global economy, the credit markets and the financial services industry in particular, as well as the stability of the society's social fabric, may affect the Corporation's business. For example, the credit and financial markets may be adversely affected by the current conflict between Russia and Ukraine and measures taken in response thereto. If credit markets are not favorable, it might be impossible to raise additional financing when needed or on favorable terms. The Corporation's customers may experience financial difficulties or be unable to borrow money to fund their operations, which may adversely impact their ability to purchase our products or to pay for our products on a timely basis, if at all. In addition, adverse economic conditions, such as recent supply chain disruptions and labor shortages and persistent inflation, have impacted, and may continue to adversely impact the Corporation suppliers' ability to provide the manufacturers with materials and components, which may negatively impact the Corporation's business. These economic conditions make it more difficult for us to accurately forecast and plan the Corporation's future business activities.

International Operations

The risks inherent in the Corporation's international operations may adversely impact its revenues, results of operations and financial condition. The Corporation anticipates it will derive a sizable portion of its revenues from operations in the United States, Japan and Europe. As the Corporation expands internationally, it will need to retain and train its distributors, hire, train and retain qualified personnel for its direct sales efforts and train other personnel in countries where language, cultural or regulatory impediments may exist. The Corporation cannot ensure that distributors, physicians, regulators, or other government agencies outside Canada will accept its products, services, and business practices. Current or future trade, social and environmental regulations or political issues could restrict the supply of resources used in production or increase its costs. Compliance with such regulations is costly. Any failure to comply with applicable legal and regulatory obligations could impact the Corporation in a variety of ways that include, but are not limited to, significant criminal, civil and administrative penalties, including imprisonment of individuals, fines and penalties, denial of export privileges, seizure of shipments and restrictions on certain business activities. Failure to comply with applicable legal and regulatory obligations could result in the disruption of the Corporation's manufacturing, shipping, and sales activities. The Corporation's international sales operations expose it and its representatives, agents, and distributors to risks inherent in operating in foreign jurisdictions, including:

- the Corporation's ability to obtain, and the costs associated with obtaining export licenses and other required export or import licenses or approvals;

- changes in duties and tariffs, taxes, trade restrictions, license obligations and other non-tariff barriers to trade;
- burdens of complying with a wide variety of foreign laws and regulations related to healthcare products;
- costs of localizing product and service offerings for foreign markets;
- business practices favouring local companies;
- longer payment cycles and difficulties collecting receivables through foreign legal systems;
- difficulties in enforcing or defending agreements and intellectual property rights;
- differing local product preferences, including because of differing reimbursement practices;
- fluctuations in foreign currency exchange rates and their impact on the Corporation's operating results; and
- changes in foreign political or economic conditions in response to, among other things, the COVID-19 pandemic or the current conflict between Ukraine and Russia.

The Corporation cannot ensure that one or more of these factors will not harm the Corporation. Inability to expand the Corporation's international operations would adversely impact its revenues, results of operations and financial condition.

International Market and Foreign Currency

Instability in international markets or foreign currency fluctuations could adversely affect the Corporation's results of operations. Physiological measurement products will be marketed in many countries, with its largest geographic markets being Japan, Europe, and the United States. As a result, the Corporation faces currency and other risks associated with its international sales. The Corporation is exposed to foreign currency exchange rate fluctuations due to transactions denominated primarily in United States dollars and Euros, which may potentially reduce the Canadian dollars the Corporation receives for sales denominated in any of these foreign currencies and/or increase the Canadian dollars the Corporation reports as expenses in these currencies, thereby affecting its reported consolidated revenues, profit margins and results of operations. Fluctuations between the currencies in which the Corporation does business will cause foreign currency transaction gains and losses. The Corporation cannot predict the effects of currency exchange rate fluctuations upon its future operating results because of the number of currencies involved, the variability of currency exposures and the volatility of currency exchange rates.

In addition to foreign currency exchange rate fluctuations, there are a number of additional risks associated with the Corporation's international operations, including those related to:

- the imposition of or increase in import or export duties, surtaxes, tariffs, or customs duties;
- the imposition of import or export quotas or other trade restrictions;
- foreign tax laws and potential increased costs associated with overlapping tax structures;
- compliance with import/export laws;
- longer accounts receivable cycles in certain foreign countries, whether due to cultural, economic, or other factors;
- changes in medical reimbursement programs and regulatory requirements in international markets in which the Corporation operates; and
- economic and political instability in foreign countries, including in response to the COVID-19 pandemic and concerns over excessive levels of sovereign debt and budget

deficits in countries where the Corporation markets its products that could result in an inability to pay or timely pay outstanding payables.

Key Personnel

The Corporation's success is dependent on the ability, expertise, judgment, discretion and good faith of its key personnel, namely its President and Chief Executive Officer and its Vice-President Technology. The loss of the services of one or more of such key personnel could have a material adverse effect on the Corporation. Also, changes in the relationship between the Corporation and its employees may have a material adverse effect on the Corporation's business, results of operations and financial condition.

Although the Corporation enters into employment agreements with all members of its staff, such employment agreements do not guarantee their retention. The Corporation also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Corporation. In addition, the Corporation believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel. The Corporation enters into agreements with its scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. Should key academic and scientific personnel including employees or collaborative partners who work on the development of the Corporation's research activities leave, the Corporation's current and future development may be delayed or adversely affected. Notwithstanding these arrangements, the Corporation faces significant competition for these types of personnel rom other companies, research and academic institutions, government entities and other organizations. The Corporation cannot predict its success in hiring or retaining the personnel it requires for continued growth. The Corporation's success is also dependent on its ability to recruit, retain and motivate qualified scientific, clinical, manufacturing and commercialization personnel. The Corporation may not be able to attract and retain these personnel on acceptable terms given the competition among numerous medical-devices companies for similar personnel.

Labour Relations

While the Corporation has good relations with its employees, there can be no assurance that it will be able to maintain positive relationships with its employees. In addition, relations between the Corporation and its employees may be impacted by regulatory or governmental changes introduced by the relevant authorities in whose jurisdictions the Corporation carries on business as well as by the COVID-19 pandemic. Adverse changes in such legislation or in the relationship between the Corporation and its employees could have a material adverse impact on the Corporation's business, results of operations and financial condition.

Employees, Contractors and Consultants Misconduct

The Corporation is exposed to the risk that its employees, independent contractors, and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Corporation that violates:

- government regulations;
- manufacturing standards;
- federal and provincial healthcare fraud and abuse laws and regulations; or
- laws that require the true, complete, and accurate reporting of financial information or data.

It is not always possible for the Corporation to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Corporation to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Corporation from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Corporation, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Corporation's operations, any of which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Corporation's Dependence Upon a Limited Number of Clients

Although the Corporation has numerous clients, a relatively small number of them contribute a significant percentage of the Corporation's consolidated revenues. For fiscal year ended August 31, 2022, revenues from two clients, namely Zeon Medical and Abiomed represented individually more than 10% of the total revenues of the Corporation. The Corporation believes that the degree of dependence will diminish as its sales progress. However, if these clients reduce current or expected purchases, this could have unfavourable impacts on the Corporation's activities, revenues, financial position, and operating results.

Corporation's Dependence Upon a Limited Number of Products

The Corporation's current revenues are dependent on a limited number of products. The loss of a sole source of revenue, for any reason, could have a material adverse effect on the Corporation's business, financial condition, and results of operations. In addition, each of these products faces competition and the ability to grow the market and the Corporation market share may be limited.

Expected Time Frames

The Corporation may not achieve its projected development goals in the announced and expected time frames. From time to time, the Corporation sets goals for and makes public statements regarding expectations for and timing of accomplishment of objectives material to its success, such as expected results, anticipated regulatory submission and approval dates, and timing of product launch. The actual timing of these events can vary due to factors such as uncertainties inherent to regulatory approval processes, and delays in achieving manufacturing or marketing arrangements sufficient to commercialize products. There can be no assurance the Corporation will make regulatory submissions or receive regulatory approvals as planned, or that the Corporation will be able to adhere to its current schedule for the commercialization of the SavvyWire in 2023, or future product candidates the Corporation may develop. If the Corporation fails to achieve one or more of these milestones as planned, the price of its Common Shares may likely be adversely affected.

Damage to the Corporation's Facilities and Systems

If the Corporation's facilities or systems are damaged or destroyed, it may experience delays that could negatively impact its revenues or have other adverse effects. The Corporation's facilities may be affected by natural or man-made disasters. If one of its facilities were affected by a disaster, the Corporation would be forced to rely on third-party manufacturers or to shift production to another manufacturing facility. In such an event, the Corporation would face significant delays in manufacturing which would prevent it from being able to sell its products. In addition, the Corporation's insurance may not be sufficient to cover all the potential losses and may not continue to be available to it on acceptable terms, or at all. Furthermore, although its computer and communications systems are protected through physical and software safeguards, they are still

vulnerable to fire, storm, flood, power loss, earthquakes, telecommunications failures, physical or software break-ins, software viruses and similar events, and any failure of these systems to perform for any reason and for any period of time could adversely impact the Corporation's ability to operate.

Insurance Coverage

Although the Corporation maintains insurance to protect against certain risks in such amounts the Corporation consider reasonable, the Corporation's insurance will not cover all the potential risks associated with the Corporation's medical and industrial operations and the risks generally associated with being a publicly traded corporation. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. The Corporation may suffer a material adverse effect on its activities**,** results of operations, cash flows and financial condition as a result of losses related to any event that is not covered, or adequately covered, by its insurance policies.

Costs of Operating as a Public Corporation

As a public Corporation, the Corporation will incur significant legal, accounting and other expenses and is subject to various securities rules and regulations, which impose various requirements on the Corporation, including the requirement to establish and maintain effective disclosure and financial controls and corporate governance practices. The Corporation's management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased the Corporation's legal and financial compliance costs and have made some activities more time-consuming and costly.

IT Hardware and Software Malfunctions

Any defects or malfunctions in the computer hardware or software the Corporation utilizes in its products could cause severe performance failures in such products, which would harm its reputation and adversely affect its results of operations and financial condition. The Corporation's existing and new products depend and will depend on the continuous, effective, and reliable operation of computer hardware and software. Any defect, malfunction or other failing in the computer hardware or software utilized by the Corporation's products, including products it develops in the future, could result in inaccurate readings, misinterpretations of data, or other performance failures that could render the Corporation's products unreliable or ineffective and could lead to decreased confidence in its products, damage to its reputation, reduction in its sales and product liability claims, the occurrence of any of which could have a material adverse effect on the Corporation's results of operations and financial condition. Although the Corporation updates the computer software utilized in its products on a regular basis, there can be no guarantee that defects do not or will not in the future exist or that unforeseen malfunctions, whether within the Corporation's control or otherwise, will not occur.

IT Systems Security

Any threat to computer security could cause harm to the Corporation. The Corporation relies on secure and adequate operations of information technology systems in the conduct of its activities. Access to and the security of the information technology systems are critical to the Corporation's operations. These systems are subject to disruption, damage, or failure from a variety of sources, including, but not limited to, cable cuts; damage to physical plants; natural disasters; terrorism; fire; power loss; hacking, cyber-attacks, and other information security breaches; non-compliance by third party service providers; computer viruses; vandalism and theft. The Corporation's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information

technology systems and software. The systems that are in place may not be enough to guard against loss of data due to the rapidly evolving cyber threats.

The Corporation may be required to increasingly invest in better systems, software, and use of consultants to periodically review and adequately adapt and respond to dynamic cyber risks or to investigate and remediate any security vulnerabilities. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. Failures in the Corporation's information technology systems could translate into operational delays, compromising, loss or disclosure of confidential, proprietary, personal, or sensitive information and third-party data, or destruction or corruption of data. Accordingly, any failure of information systems or a component of information systems could adversely impact the Corporation's reputation, business, financial condition, and results of operations, as well as compliance with its contractual obligations, compliance with applicable laws, and potential litigation and regulatory enforcement proceedings. Information technology systems failures could also materially adversely affect the effectiveness of the Corporation's internal controls over financial reporting.

Growth Management

If the Corporation fails to properly manage its anticipated growth, the Corporation could suffer. Rapid growth of the Corporation is likely to place a significant strain on its managerial, operational, and financial resources and systems. To execute the Corporation's anticipated growth successfully, it must attract and retain qualified personnel and manage and train them effectively. The Corporation anticipates hiring additional distributors and personnel to assist in the commercialization of its current products and in the development of future products. The Corporation will be dependent on its personnel and third parties to effectively market and sell its products to an increasing number of customers. It will also depend on its personnel to develop and manufacture the anticipated increased volumes of its existing products, as well as new products and product enhancements. Further, the Corporation anticipated growth will place additional strain on its suppliers resulting in increased needs to carefully monitor for quality assurance. Any failure by the Corporation to manage its growth effectively could have an adverse effect on its ability to achieve its development and commercialization goals.

Anti-Corruption and Anti-Bribery Laws

The Corporation's activities are governed by, and involve interactions with, various levels of government in numerous countries. The Corporation is required to comply with anti-corruption, anti-bribery and sanctions laws, including the *Corruption of Foreign Public Officials Act* (Canada), as well as similar laws in the countries in which the Corporation or its contractual counterparties conducts business. There has been a general increase in the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment of companies convicted of violating these laws. The Corporation may be found liable for violations, by not only its employees, but also by its third-party agents. Measures adopted by the Corporation to mitigate these risks may not always be effective in ensuring that the Corporation, its employees or third-party agents will comply strictly with such laws. If the Corporation is subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Corporation which could result in a material adverse effect on the Corporation's reputation, financial performance and results of operations. If the Corporation chooses to operate in additional foreign jurisdictions in the future, it may become subject to additional anti-corruption, anti-bribery and sanctions laws in such jurisdictions.

Non-Competition Agreements

The Corporation generally enters into non-competition agreements as part of employment agreements with certain directors and members of the senior management. These agreements generally prohibit the Corporation's directors and senior managers, if they cease to work for the Corporation, from competing directly with the Corporation or working for the Corporation competitors or clients for a limited period. The Corporation may be unable to enforce these agreements under the laws of the jurisdictions in which directors and senior managers work and it may be difficult to restrict the Corporation's competitors from benefitting from the expertise developed by the Corporation's former directors and senior managers while working for the Corporation.

Processes and Products Quality

Quality problems with the processes and products could harm the Corporation's reputation for producing high-quality products and diminish its competitive advantage, sales, and market share. The manufacturing of physiological measurement products is a highly rigorous and complex process, due in part to strict regulatory requirements. Any failure to manufacture physiological measurement products in accordance with product specifications could result in increased costs, lost revenues, field corrective actions, customer dissatisfaction or voluntary product recalls, any of which could harm the Corporation's profitability and commercial reputation. Problems may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures and problems with raw materials. Quality is extremely important to the Corporation and its customers due to the serious and costly consequences of product failure. The Corporation's quality certifications are critical to the marketing success of its products. If the Corporation fails to meet these standards, its reputation could be damaged, it could lose customers, and its revenue and results of operations could decline. Aside from specific customer standards, the Corporation's success generally depends on its ability to manufacture, to exact tolerances, precision-engineered components, subassemblies, and finished devices from multiple materials. If the components fail to meet these standards or fail to adapt to evolving standards, the Corporation's reputation as a manufacturer of high-quality devices will be harmed, its competitive advantage could be damaged, and it could lose customers and market share.

Damage to the Corporation's Reputation

The Corporation does not have perfect control over its image on social media and other web applications. As a result of social media and other web-based applications, companies today are at much greater risk of losing control over how they are perceived. Damage to the Corporation's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although the Corporation places a great emphasis on protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and may act as an impediment to the Corporation's overall ability to advance its projects, thereby having a material adverse impact on the Corporation's business, financial condition, or results of operations.

Forward-Looking Statements

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Risks Related to the Industry

Competition in the Medical Device Industry

The medical device industry is intensely competitive. The Corporation's competitors include large, well-established medical-devices companies, and academic and research institutions developing products for the same indications the Corporation is targeting and competitors with existing marketed instruments. The Corporation's future customers will consider many factors when choosing suppliers, including product reliability, clinical outcomes, product availability, inventory consignment, price and product services provided by the manufacturer, and market share can shift as a result of technological innovation and other business factors.

The Corporation's competitors are larger companies which have significantly greater resources and broader product offerings than the Corporation, and it anticipates that in the coming years, other technologies or corporations could enter the physiological measurement market. One of these risks is the change in the way coronary physiology data are obtained. In addition, the Corporation expects that competition will intensify with the increased use of strategies such as consigned inventory, preferential pricing and bundling of products, and the Corporation anticipates increasing price competition as a result of managed care, consolidation among healthcare providers, increased competition, and declining reimbursement rates. Product introductions or enhancements by competitors which have advanced technology, better features or lower pricing may make the Corporation's products or proposed products obsolete or less competitive. As a result, the Corporation will be required to devote continued efforts and financial resources to bring its products under development to market, enhance its existing products and develop new products for the medical marketplace. If the Corporation fails to develop new products, enhance existing products, or compete effectively, the Corporation's financial condition and results of operations will be adversely affected.

Reimbursement Practices and Alternate Therapies

Cost containment pressures and domestic and foreign legislative or administrative reforms resulting in restrictive reimbursement practices of third-party payors or preferences for alternate therapies could decrease the demand for products purchased by the Corporation's customers, the prices which they are willing to pay for those products and the number of procedures using its devices. Physiological measurement products will be purchased principally by healthcare providers that typically bill various third-party payors, such as governmental, private insurance plans and managed-care plans, for the healthcare services provided to their patients. The ability of customers to obtain appropriate reimbursement for their services and the products they provide from government and third-party payors is critical to the success of medical technology companies. The availability of reimbursement affects which products customers purchase and the prices they are willing to pay. Reimbursement varies from country to country and can significantly impact the acceptance of new technology. After the Corporation develops a promising new product, it may find limited demand for the product unless reimbursement approval is obtained from private and governmental third-party payors.

Major third-party payors for healthcare provider services continue to work to contain healthcare costs. The introduction of cost containment incentives, combined with closer scrutiny of healthcare expenditures by both private health insurers and employers, has resulted in increased discounts and contractual adjustments to healthcare provider charges for services performed and in the shifting of services between inpatient and outpatient settings. Initiatives to limit the growth of healthcare costs, including price regulation, are also underway in several countries in which the Corporation will do business. Implementation of healthcare reforms in the United States and in significant overseas markets such as Germany, Japan and other countries may limit the price or the level at which

reimbursement is provided for the Corporation's products and adversely affect both its pricing flexibility and the demand for its products. Healthcare providers may respond to such cost-containment pressures by substituting lower-cost products or other therapies for the Corporation's products.

Third-Party Distributors

If the third-party distributors the Corporation relies on to market and sell its products are not successful, the Corporation may be unable to increase or maintain its level of revenues. A portion of its revenue will be generated by third-party distributors, especially in international markets. If these distributors cease or limit operations or experience a disruption of their business operations, or are not successful in selling the Corporation's products, it may be unable to increase or maintain its level of revenues, and any such developments could negatively affect its international sales strategy. Over the long term, the Corporation intends to grow its business internationally, and to do so, it will need to attract additional distributors to expand the territories in which the Corporation does not directly sell its products. The Corporation's distributors may not commit the necessary resources to market and sell its products. If current or future distributors do not continue to distribute the Corporation's products or do not perform adequately or if the Corporation is unable to locate distributors in particular geographic areas, it may not realize revenue growth internationally.

Suppliers

If the Corporation or its suppliers fail to comply with applicable regulatory and quality management system requirements, manufacturing of its products could be negatively impacted, and sales of could suffer. The Corporation's manufacturing practices must follow regulatory bodies and quality system regulations, which govern the facility, methods, control procedures, and records of the design, manufacture, packaging, labelling, storage, shipping, installations, and servicing of its products intended for human use. The Corporation is also subject to similar state and foreign requirements and licenses, including the FDA Quality System Regulation, the Medical Device Directive (93/42/EEC), the Medical Device Regulation (2017/745) and the ISO 13485 Quality Management System standards applicable to medical devices. In addition, the Corporation must engage in regulatory reporting in the case of potential patient safety risks and make available its manufacturing facility, procedures, and records for periodic inspections and audits by governmental agencies. If the Corporation fails to comply with these regulations and standards, its operations could be disrupted and its manufacturing interrupted, and it may be subject to enforcement actions if its corrective actions are not adequate to ensure compliance.

Increase in Healthcare Cost

Consolidation in the healthcare industry could lead to demands for price concessions or limit or eliminate the Corporation's ability to sell to certain of its significant market segments. The cost of healthcare has risen significantly over the past decade and numerous initiatives and reforms initiated by legislators, regulators, and third-party payors to curb these costs have resulted in a consolidation trend in the medical device industry as well as among the Corporation's future customers, including healthcare providers. This, in turn, has resulted in greater pricing pressures and limitations on the Corporation's ability to sell to important market segments, as group purchasing organizations, independent delivery networks and large single accounts. The Corporation expects that market demand, government regulation, third-party reimbursement policies and societal pressures will continue to change the worldwide healthcare industry, resulting in further business consolidations and alliances which may exert further downward pressure on the prices of its products and adversely impact the Corporation's financial condition and results of operations.

Relationships with Physicians and Healthcare Professionals

Success of the OptoWire depends upon strong relationships with physicians and other healthcare professionals. If the Corporation fails to build working relationships with physicians and other healthcare professionals, many of its products may not be developed and marketed in line with the needs and expectations of the professionals who support its products. The research, development, marketing, and sales of many of its new and improved products is dependent upon the Corporation maintaining working relationships with physicians as well as other healthcare professionals, who are becoming increasingly instrumental in making purchasing decisions for its products. The Corporation relies on these professionals to provide it with considerable knowledge and experience regarding its products and the marketing and sale of its products. Physicians also assist the Corporation as researchers, marketing consultants, product consultants, inventors, and as public speakers. If the Corporation is unable to maintain its strong relationships with these professionals and to continue receive their advice and input, development and marketing and sales of its products could suffer, which could have a material adverse effect on its financial condition and results of operations. The Corporation's relationships with physicians and other healthcare professionals and other providers that use its products are regulated under various laws. In addition, the Corporation has in place and is continuously improving its internal business integrity and compliance program and policies. Failure to comply with the United States federal antikickback law or similar state or foreign law could result in criminal or civil penalties.

Product Recalls and Voluntary Market Withdrawals

The Corporation's products may, in the future, be subject to product recalls or voluntary market withdrawals that could harm its reputation, business, and financial results. Local and foreign governmental authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture that could affect patient safety. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found or suspected. A government-mandated recall or voluntary recall by the Corporation or one of its distributors could occur because of component failures, manufacturing errors, design, labelling defects, or other issues. Recalls, which include corrections as well as removals, of any of the Corporation's products would divert managerial and financial resources and could have an adverse effect on its financial condition, harm its reputation with customers, and reduce its ability to achieve expected revenues.

Product Safety

Unexpected safety or efficacy concerns can arise with respect to the Corporation's marketed and commercialized products, whether or not scientifically justified, leading to product recalls, withdrawals, post-approval requirements, labelling revisions, withdrawal of regulatory approvals for the affected products, issuance of safety alerts or other safety notices, required labelling changes, or declining sales, as well as product liability, consumer fraud and/or other claims. If product safety issues present a public health risk, products in the field may be subject to seizure or injunctive action preventing their distribution. This could have a material adverse effect on the Corporation business, financial condition and results of operations.

Medical Regulations

The Corporation is required to comply with medical device reporting ("**MDR**") requirements and must report certain malfunctions, deaths, and serious injuries associated with its products, which can result in voluntary corrective actions or agency enforcement actions. Under the MDR requirements, medical device manufacturers are required to submit information to regulatory bodies when they receive a report or become aware that a device has, or may have caused or, contributed to a death or serious

injury or has or may have a malfunction that would likely cause or contribute to death or serious injury if the malfunction were to recur. All manufacturers placing medical devices on the market are legally bound to report any serious or potentially serious incidents involving devices they produce or sell to the competent authority in those jurisdictions the incident occurred. If this were to happen to the Corporation, the relevant competent authority would file an initial report, and there would then be a further inspection or assessment if there were issues. This would be conducted either by the competent authority or it could require that British Standards Institution, as the notified body, carry out the inspection or assessment.

Malfunctions of the Corporation's products could result in future voluntary corrective actions, such as recalls, including corrections, or customer notifications, or agency action, such as inspection or enforcement actions. If malfunctions do occur, the Corporation cannot guarantee it will be able to correct the malfunctions adequately or prevent further malfunctions, in which case it may need to cease manufacture and distribution of the affected devices, initiate voluntary recalls, and redesign the devices; nor can it ensure that regulatory authorities will not take actions against the Corporation, such as ordering recalls, imposing fines, or seizing the affected devices. If someone is harmed by a malfunction or by product mishandling, the Corporation may be subject to product liability claims. Any corrective action, whether voluntary or involuntary, as well as defending itself in a lawsuit, will require the dedication of time and capital, distract management from operating the business, and may harm the Corporation's reputation and financial results.

Domestic and Foreign Medical Device Regulation

The Corporation is subject to stringent domestic and foreign medical device regulations and any adverse regulatory action may materially adversely affect its financial condition and business operations. The Corporation's products, development activities and manufacturing processes are subject to extensive and rigorous regulation by numerous government agencies. To varying degrees, each of these agencies monitors and enforces the Corporation's compliance with laws and regulations governing the development, testing, manufacturing, labelling, marketing, and distribution of its medical devices.

The process of obtaining marketing approval or clearance from these government agencies for new products, or for enhancements or modifications to existing products, could:

- take a significant amount of time;
- require the expenditure of substantial resources;
- involve rigorous pre-clinical and clinical testing, as well as increased post-market surveillance; and
- involve modifications, repairs or replacements of the Corporation's products, and result in limitations on the indicated uses of its products.

The Corporation cannot be certain it will receive required approval or clearance from government agencies for new products or modifications to existing products on a timely basis. Failure to receive approval or clearance for significant new products or modifications to existing products on a timely basis could have a material adverse effect on the Corporation's financial condition and results of operations.

Foreign governmental regulations have become increasingly stringent and more common, and the Corporation may become subject to even more rigorous regulation by foreign governmental authorities in the future. Penalties for a corporation's noncompliance with foreign governmental regulation could be severe, including revocation or suspension of a corporation's business license and criminal sanctions. Any domestic or foreign governmental medical device law or regulation

imposed in the future may have a material adverse effect on the Corporation's financial condition and business operations.

Regulatory Clearance and Approval

Modifications to the Corporation's products may require submission of new regulatory filings. If a modification is implemented to address a safety concern, the Corporation may also initiate a recall or cease distribution of the affected device. In addition, if the modified devices require the submission of a new regulatory filing and the Corporation distributes such modified devices without obtaining regulatory clearances or approvals, the Corporation may be required to recall or cease distributing the devices. Regulatory bodies can review a manufacturer's decision not to submit a modification and may disagree. Regulatory bodies can also, on their own initiatives, determine that clearances or approvals are required. The Corporation may make additional modifications in the future that it believes do not or will not require clearance or approval. If the Corporation begins manufacture and distribution of the modified devices and regulatory bodies later disagree, the Corporation could be required to submit a new regulatory filing for the modifications, the Corporation could also be required to recall the distributed modified devices and to stop distribution of the modified devices, which could have an adverse effect on its business. If the regulatory bodies do not clear or approve the modified devices, the Corporation may need to redesign the devices, which could also harm its business. When a device is marketed without a required clearance or approval, the regulatory bodies have the authority to bring an enforcement action, including injunction, seizure, and criminal prosecution. Regulatory bodies consider such additional actions generally when there is a serious risk to public health or safety and the Corporation's corrective and preventive actions are inadequate to address the regulatory bodies' concerns.

Delays for Regulatory Clearance and Approvals

If the Corporation fails to obtain or maintain, or experiences significant delays in obtaining, regulatory clearances or approvals for its products or product enhancements, the Corporation's ability to commercially distribute and market its products could suffer. The Corporation's products are subject to rigorous regulation by federal, provincial, state, and foreign governmental authorities. The Corporation's failure to comply with such regulations or to make adequate, timely corrections, could lead to the imposition of injunctions, suspensions or loss of marketing clearances or approvals, product recalls, manufacturing cessation, termination of distribution, product seizures, civil penalties, or some combination of such actions. The process of obtaining regulatory authorizations to market a medical device can be costly and time consuming, and there can be no assurance that such authorizations will be granted on a timely basis, if at all. If regulatory clearance or approvals are received, additional delays may occur related to manufacturing, distribution, or product labelling.

Clinical Trials

Physiological measurement procedures and the cardiovascular field in general are continually the subject of clinical trials conducted by the Corporation's competitors or other third parties, the results of which may be unfavorable, or perceived as unfavorable by the market, and could have a material adverse effect on the Corporation's financial condition and results of operations. Unfavorable or inconsistent clinical data from existing or future clinical trials conducted by the Corporation, by its competitors or by third parties, or the market's perception of this clinical data, may adversely impact its ability to obtain product approvals, the size of the markets in which the Corporation participates, its position in, and share of, the markets in which the Corporation participates and the Corporation's financial condition and results of operations.

New Products

The Corporation's clinical trials may not yield results that will enable the Corporation to obtain regulatory approval for its current or future product candidates. The Corporation will only receive regulatory approval for a product candidate if it can demonstrate in carefully designed and conducted clinical trials that the product candidate is safe and effective. The Corporation does not know whether its current, or any future clinical trials, will demonstrate sufficient safety and efficacy to obtain the requisite regulatory approvals or if they will result in marketable products. If clinical trials for a product candidate are unsuccessful, the Corporation will be unable to commercialize such product candidate. If one or more of the clinical trials is delayed, the Corporation may be unable to meet its anticipated development or commercialization timelines. Either circumstance could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Innovation and Enhancements

Failure to innovate may adversely impact the Corporation's competitive position and may adversely impact its ability to drive price increases for its products and its product revenues. The Corporation's future success will depend upon its ability to innovate and introduce enhancements to its existing products to address the marketplace's changing needs. The Corporation also relies on product enhancements to attempt to drive price increases for its products in its markets. Frequently, product development programs require assessments to be made of future clinical needs and commercial feasibility, which are difficult to predict. Customers may forego purchases of its products and purchase its competitors' products as a result of delays in introduction of its new products and enhancements, failure to choose correctly among technical alternatives or failure to offer innovative products or enhancements at competitive prices and in a timely manner. Any delays in product releases may negatively affect the Corporation.

Rapid Technological Changes

The medical device market is intensely competitive and is characterized by extensive research and development and rapid technological change. There can be no assurance that developments by others will not render the proposed products or technologies non-competitive, or that the Corporation will keep pace with technological developments. Competitors have developed or are developing technologies that could be the basis for competitive products. Some of these products have an entirely different approach or means of accomplishing the desired result as compared with products develop by the Corporation and could be more effective and less costly than the products developed by the Corporation. In addition, alternative forms of medical treatment may be competitive with the Corporation's products. Major shifts in industry market share have occurred in connection with product problems, physician advisories and safety alerts, reflecting the importance of product quality in the medical device industry, and any quality problems with the Corporation's processes, goods, and services could harm its reputation for producing high-quality products and erode its competitive advantage, sales, and potential market share.

Inadequate Risk Management Policies

The Corporation operates in a rapidly changing industry. Accordingly, the Corporation's risk management policies and procedures may not be fully effective at identifying, monitoring and managing the Corporation's risks. Some of the Corporation's risk evaluation methods depend upon information provided by third parties regarding markets, clients or other matters that are otherwise inaccessible to the Corporation. In some cases, however, that information may not be accurate, complete, or up to date. The Corporation risk management policies, procedures, techniques and processes may not be effective at identifying all the risks the Corporation is exposed to or at enabling the Corporation to mitigate the risks identified. In addition, when the Corporation introduces new

products or begins to operate in industries in which it has limited history of fraud loss, the Corporation may be less able to forecast and reserve accurately for new risks. If the Corporation's risk management policies and processes are ineffective, the Corporation may suffer large financial losses and may be subject to civil and criminal liability, and there could be an adverse effects on its business, financial condition and results of operations.

Intellectual Property Rights

The patent positions of physiological measurement products are often complex and uncertain. If the Corporation is unable to protect its intellectual property effectively, its financial condition and results of operations could be adversely affected. Patents and other proprietary rights are essential to the Corporation and its ability to compete effectively with other companies is dependent upon the proprietary nature of its technologies. The Corporation also relies upon trade secrets, know-how, continuing technological innovations and licensing opportunities to develop, maintain and strengthen its competitive position. The Corporation seeks to protect these, in part, through confidentiality agreements with certain employees, consultants and other parties. The Corporation pursues a policy of generally obtaining patent protection in both Canada and in key foreign countries for patentable subject matter in its proprietary devices and attempt to review third-party patents and patent applications to the extent publicly available to develop an effective patent strategy, avoid infringement of third-party patents, and monitor the patent claims of others.

The Corporation currently owns numerous Canadian and foreign patents and has patent applications pending. The Corporation cannot be certain that any pending or future patent applications will result in issued patents, that any current or future patents issued will not be challenged, invalidated or circumvented or that the rights granted thereunder will provide a competitive advantage to it or prevent competitors from entering markets which the Corporation currently serves. In addition, the Corporation may have to take legal action in the future to protect its trade secrets or know-how or to defend itself against claimed infringement of the rights of others. Any legal action of that type could be costly and time consuming to the Corporation despite insurance policies owned by the Corporation, and it cannot be certain of the outcome. The invalidation of key patents or proprietary rights which the Corporation owns or an unsuccessful outcome in lawsuits to protect its intellectual property could have a material adverse effect on its financial condition and results of operations.

If the Corporation encounters delays in its development or clinical trials, the period of time during which the Corporation could market its product candidates under patent protection would be reduced. Thus, the Corporation's competitors may be able to circumvent its patents by developing similar or alternative technologies or products in a non-infringing manner.

Pending Patent Applications

There can be no assurance that the pending patent applications will result in issued patents in Canada, the United States, or foreign jurisdictions in which such applications are pending. Even if patents are issued for any of these applications, there can be no assurance that a third party will not challenge their validity or enforceability, or that the Corporation will obtain sufficient claim scope or term in those patents to prevent a third party from competing successfully with the Corporation's product candidates.

Litigation

Future patent litigation could be costly and disruptive to the Corporation and may have an adverse effect on its financial condition and results of operations. The Corporation operates in an industry that is susceptible to significant patent litigation and, in recent years, it has been common for companies in the medical device field to aggressively challenge the rights of other companies to

prevent the marketing of new devices. Companies that obtain patents for products or processes that are necessary for or are useful to the development of its products may bring legal actions against the corporation claiming infringement. Defending intellectual property litigation is expensive and complex and outcomes are difficult to predict. Any pending or future patent litigation may result in significant royalty or other payments or injunctions that can prevent the sale of products and may cause a significant diversion of the efforts of the Corporation's technical and management personnel. While the Corporation intends to defend any such lawsuits vigorously, it cannot be certain it will be successful. In the event the Corporation's right to market any of its products is successfully challenged or if the Corporation fails to obtain a required license or is unable to design around a patent, the Corporation's financial condition and results of operations could be materially adversely affected.

The Corporation is also subject to litigation arising in the normal course of business and may be involved in legal disputes or matters with other parties, including governments and their agencies, regulators and members of the Corporation's own workforce, which may result in litigation. The causes of potential litigation cannot be known and may arise from, among other things, business activities, employment matters, including compensation issues, health and safety laws and regulations, tax matters, volatility in the Corporation's stock price, failure to comply with disclosure obligations or labour disruptions. Regulatory and government agencies may initiate investigations relating to the enforcement of applicable laws or regulations and the Corporation may incur expenses in defending them and be subject to fines or penalties in case of any violation and could face damage to its reputation in the case of recurring workplace incidents resulting in an injury or fatality for which the Corporation is found responsible. The results and costs of litigation and investigations cannot be predicted with certainty. If the Corporation is unable to resolve these disputes or matters favourably, this may have a material adverse impact on the Corporation's financial performance, cash flows and results of operations.

Moreover, even if resolved in the Corporation's favor, litigation or other legal proceedings may cause the Corporation to incur significant expenses and could distract the Corporation's technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the market price of the Corporation's Common Shares. Such litigation or proceedings could substantially increase the Corporation' operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. The Corporation may not have sufficient financial or other resources to adequately conduct such litigation or proceedings.

Sales, Marketing and Distribution Capabilities

The Corporation would not be able to successfully commercialize product candidates if the Corporation was unable to create sales, marketing, and distribution capabilities or make adequate arrangements with third parties, including entering into collaborations with partners, for such purposes. In order to commercialize its product candidates successfully, the Corporation could, on a product-by-product basis, either develop internal sales, marketing and distribution capabilities or make arrangements with third parties, including entering into collaborations with partners, to perform some or all of these services. The Corporation currently has limited marketing capabilities and sales force. To the extent that the Corporation internally develops a sales force, the cost of establishing and maintaining a sales force would be substantial and may exceed its cost effectiveness. In addition, in marketing its products, the Corporation is likely to compete with many companies that currently have extensive and well-funded marketing and sales operations. Despite marketing and sales efforts, the Corporation may be unable to compete successfully against these companies. The Corporation may not be able to do so on favourable terms. The Corporation could rely on third parties to market

and sell its products in certain territories, rather than establishing an internal sales force. When the Corporation contracts with third parties, including entering collaborations with partners, for the sale and marketing of its products, revenues depend upon the efforts of these third parties, which may not be successful. If the Corporation fails to establish successful marketing and sales capabilities or to make arrangements with third parties for such purposes, the Corporation's business, financial condition, results of operations and prospects will be materially adversely affected.

Conflicts of Interest

Some of the directors and officers of the Corporation are engaged as directors or officers of other corporations involved in the medical and industrial sectors. Such engagement could result in conflicts of interest. Any decision taken by these directors and officers and involving the Corporation will be in conformity with their duties and obligations to act fairly and in good faith with the Corporation and these other corporations. Moreover, these directors and officers will declare their interests and refrain from voting on any issue which could give rise to a conflict of interest.

Cybersecurity and Privacy

The Corporation's information systems and any third-party service providers and vendors are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and to quantify and cannot be fully mitigated because of the rapidly evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The Corporation's operations depend, in part, on how well networks, equipment, information technology ("**IT**") systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if the Corporation is unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity incident could materially increase. Any of these and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Corporation's reputation and results of operations.

The Corporation may collect and store certain personal information about customers and/or patients and is responsible for protecting such information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. In addition, theft of data is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such privacy breach or theft could have a material adverse effect on the Corporation's business, financial condition and results of operations.

In addition, there are a number of laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the privacy rules under various legislation governing personal health information protect medical records and other personal health information by limiting their use and disclosure of health information to the minimum level reasonably necessary to accomplish the intended purpose. If the Corporation were found to be in violation of the privacy or security rules under such legislation protecting the confidentiality of medical patient's health information, the Corporation could be subject to sanctions and civil or criminal penalties, which could increase its liabilities, harm its reputation and have a material adverse effect on the Corporation's business, financial condition and results of operations

Environmental Regulation

The Corporation's operations are subject to environmental regulations that mandate, among other things, the maintenance of air and water quality standards. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which could include stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Corporation may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Financial Risks

Share Price

The market price of securities of many companies experiences wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. Indeed, the Common Shares do not necessarily trade at prices determined by reference to the underlying value of the Corporation business and cannot be predicted. The market price of the Common Shares may be subject to significant fluctuations in response to variations in quarterly operating results and other factors. In addition, securities markets have experienced significant price and volume fluctuations from time to time in recent years, and even more so since the beginning of the COVID-19 pandemic, that are often unrelated or disproportionately related to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Common Shares.

Payment of Dividends

The Corporation has not declared or paid any dividends on its Common Shares. The Corporation currently intends to reinvest future earnings to finance its growth and the development of its business. As a result, the Corporation does not intend to pay dividends in the foreseeable future. The payment of dividends in the future will be dependent on the Corporation's earnings, financial condition and such other factors as the Board of Directors considers appropriate. Until the time that the Corporation does pay dividends, which the Corporation may never do, the Corporation's shareholders will not be able to receive a return on their Common Shares unless they sell them.

Speculative Nature of Investment Risk

An investment in the securities of the Corporation carries a high degree of risk and should be considered as a speculative investment. The Corporation has no history of earnings and limited operating history.

Market Risk for the Common Shares

The Common Shares' market price may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including, but not limited to, the following:

- actual or anticipated fluctuations in the Corporation's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industries in which the Corporation operates;
- addition or departure of the Corporation's executive officers and other key personnel;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or the Corporation's competitors;
- fluctuations to the costs of vital production materials and services;
- announcements of technological innovations;
- new commercial products or patents or the development of proprietary rights by the Corporation or by others or any litigation relating to these rights;
- changes in global financial markets and global economies and general market conditions, such as interest rates and product price volatility;
- impacts from pandemics or other major global events such as the COVID-19 pandemic and the conflict between Ukraine and Russia;
- news reports relating to trends, concerns, technological or competitive developments;
- regulatory changes and other related issues in the Corporation's industries or target markets; and
- regulatory developments regarding the products or more generally in the Corporation's industries.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities. Accordingly, the Common Shares' market price may decline, even if the Corporation's operating results and underlying asset values do not fluctuate. These factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. The Corporation cannot assure that the Common Shares' market price will not experience significant fluctuations in the future. Consequently, the Corporation's operations could be adversely affected, and the Common Shares' trading price might be materially adversely affected.

Global Financial Conditions

In recent years, global financial markets have experienced increased volatility and global financial conditions have been subject to increased instability, resulting in a profound impact on the global economy. Many industries are impacted by these market conditions. Some of the key impacts of financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. These factors may impact the Corporation's ability to obtain equity or debt financing and, if available, to obtain such financing on terms favourable to the Corporation. If these increased levels of volatility and market instability continue, the Corporation's operations and planned growth could be adversely impacted and the Corporation's securities trading price may be adversely affected.

The Corporation's business is influenced by a variety of economic and business conditions (including inflation, interest rates, exchange rates and access to debt and capital markets), as well as by monetary and regulatory policies. Deterioration in economic conditions, increases in interest rates, or decreases in consumer demand, and/or decreases in investment demand could have an adverse impact on the Corporation's financial performance and condition, cash flows and growth prospects.

Increase in Interest Rates

Increases in interest rates, both domestically and internationally, could negatively affect the Corporation cost of financing its operations and investments. Adverse credit market conditions could limit the Corporation's ability to raise debt that may be needed to fund the Corporation's operations. The Corporation's ability to maintain its current credit facility and its ability to issue or borrow long-term debt and raise financing may be critical to the success of the Corporation business. The Corporation's ability to conduct operations could be materially and adversely impacted, should these ,or other adverse conditions affect the Corporation's sources of liquidity.

Inflation

Global markets have recently experienced increased rates of inflation. Inflation itself, as well as certain governmental efforts to combat inflation, may have significant negative effects on any economy, in which the Corporation does business. Past governmental efforts to curb inflation also involved other more drastic economic measures. Any future economic measures to curb inflation could be expected to have similar adverse effects on the level of economic activity in the market, which the Corporation does business in and, in turn, on the Corporation's operations.

Catastrophic Events, Natural Disasters, Severe Weather

The Corporation's business may be negatively impacted to varying degrees by a number of events which are beyond its control, including cyber-attacks, unauthorized access, energy blackouts, pandemics, terrorist attacks, acts of war, earthquakes, hurricanes, tornados, fires, floods, ice storms or other natural or manmade catastrophes. While the Corporation engages in emergency preparedness, including business continuity planning, to mitigate risks, such events can evolve very rapidly, and their impacts can be difficult to predict. As such, there can be no assurance that, in the event of such a catastrophe, the Corporation's operations and ability to carry on business will not be disrupted. The occurrence of such events may not release the Corporation from performing its obligations to third parties.

Shareholder Activism

In recent years, publicly traded companies have been increasingly subject to demands from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurances that activist shareholders will not publicly advocate for the Corporation to make certain corporate governance changes or engage in certain corporate actions. Responding to challenges from activist shareholders, such as proxy contests, media campaigns or other activities, could be costly and time consuming, and could have an adverse effect on the Corporation's reputation and divert the attention and resources of the Corporation's management and Board of Directors, which could have an adverse effect on the Corporation's business and results of operations. Even if the Corporation does undertake such corporate governance changes or corporate actions, activist shareholders may continue to promote or attempt to effect further changes and may attempt to acquire control of the Corporation to implement such changes. If shareholder activists seeking to increase short-term shareholder value are elected to the Board of Directors, this could adversely affect the Corporation's business and future operations. Additionally, shareholder activism could create uncertainty about the Corporation's future strategic direction, resulting in loss of future business opportunities, which could adversely affect the Corporation's business, future operations, profitability and ability to attract and retain qualified personnel.

Dilution

Additional financing may be needed to continue funding the development and operation of the Corporation's business and the Corporation may require the issuance of additional securities. The issuance of additional securities and the exercise of Common Share purchase warrants, options and other convertible securities, as applicable, will result in dilution of the equity interests of any persons who are or may become holders of Common Shares.

Public Corporation Obligations

The Corporation must comply with the obligations of a publicly traded corporation. As a publicly listed corporate entity, the Corporation is subject to evolving rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSX, and the International Accounting Standards Board, which govern corporate governance and public disclosure regulations. These rules and regulations continue to evolve in scope and complexity creating many new requirements, which increase compliance costs and the risk of non-compliance. The failure to comply with any of these laws, individually or in the aggregate, could have a material adverse effect on the Corporation, which could cause a significant decline in the Corporation's stock price. The Corporation's efforts to comply with these rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from financing, development, operations and, eventually, revenue-generating activities.

Estimates, Judgments and Assumptions

The preparation of the Corporation's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the Corporation's disclosures. The Corporation cannot provide assurance that its estimates, judgments and assumptions are accurate or adequate, which could have a material adverse effect on the Corporation's results of operations, financial condition, and cash flows.

Securities Industry Analyst Research Reports

The trading market for the Common Shares relies in part on the research and reports that securities analysts and other third parties choose to publish about the Corporation. The Corporation does not control these analyses or other third parties. The price of the Common Shares could decline if one or more securities analysts downgrade the Common Shares or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about the Corporation or cease publishing reports about the Corporation. If one or more analysts cease coverage of the Corporation or fail to regularly publish reports on the Corporation, the Corporation could lose visibility in the financial markets, which in turn could cause the Common Shares price or trading volume to decline.

Bankruptcy, Liquidation or Reorganization

In the event of a bankruptcy, liquidation or reorganization of the Corporation, holders of certain of its indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the Corporation before any assets are made available for distribution to the shareholders. The Common Shares will be effectively subordinated to most of the other indebtedness and liabilities of the Corporation.

Taxes and Tax Audits

The Corporation is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest and penalties, which would negatively affect the Corporation's financial condition and operating results. Changes in tax rules and regulations or in the interpretation of tax rules and regulations by the courts or the tax authorities may also have a substantial negative impact on the Corporation's business.

6. DIVIDENDS AND DIVIDEND POLICY

During the three most recently completed fiscal years, and as of the date of this Annual Information Form, the Corporation has not declared or paid any dividends on its issued and outstanding Common Shares. The payment of dividends in the future will be dependent on the Corporation's earnings, financial condition and such other factors that the Board of Directors may deem relevant at such time. However, the Corporation's current policy is to reinvest future earnings to finance its growth and the development of its business. As a result, the Corporation does not intend to pay dividends in the foreseeable future.

7. GENERAL DESCRIPTION OF THE CAPITAL STRUCTURE

7.1 Common Shares

*The following description of the Corporation's share capital summarizes certain provisions contained in the Corporation's articles and by-laws. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Corporation's articles and by-laws, which have been filed under the Corporation's profile on SEDAR at **www.sedar.com**.*

The Corporation's authorized capital consists of an unlimited number of Common Shares without par value. As of August 31, 2022, and as of the date of this Annual Information Form, 108,835,039 and 108,884,312 Common Shares were issued and outstanding as fully paid and non-assessable.

Each Common Share gives its holder the right to one vote and the right to receive notice of and attend all shareholders meetings of the Corporation. The Common Shares give their holders the right to receive, for each fiscal year of the Corporation, a dividend, when declared, in the amount and according to the terms the Board of Directors determines at its discretion. In the event of the voluntary or forced winding up of the Corporation, or a distribution of its assets for any reason whatsoever, the Common Shares give their holders the right to receive the remaining assets of the Corporation.

The Common Shares do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Common Shares, all of which rank equally as to all benefits which might accrue to the holders of the Common Shares.

7.2 Stock Options

As at August 31, 2022, an aggregate number of 7,646,125 stock options were outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 7,646,125 Common Shares as follows:

Date of Grant	Number of Stock Options	Number of Vested Stock Options	Exercise Price	Expiry Date
2017-11-14	40,000	40,000	$1.25	2022-11-13
2018-01-06	78,750	78,750	$1.13	2023-01-05
2018-04-11	258,750	233,750	$0.84	2023-04-10
2018-07-11	113,750	113,750	$0.90	2023-07-10
2018-08-29	11,250	11,250	$0.83	2023-08-28
2018-11-27	82,500	61,875	$0.80	2023-11-26
2019-01-21	98,750	63,750	$0.88	2024-01-20
2019-03-01	1,200,000	932,500	$0.80	2024-02-29
2019-04-10	288,875	244,156	$0.76	2024-04-09
2019-07-10	85,000	74,063	$0.88	2024-07-09
2019-08-28	25,000	18,750	$0.84	2024-08-27
2019-11-13	82,500	41,250	$0.89	2024-11-12
2020-01-20	255,000	230,000	$0.85	2025-01-19
2020-04-08	306,750	178,375	$0.55	2025-04-07
2020-07-14	26,250	13,125	$0.70	2025-07-13
2020-08-20	121,250	60,625	$0.77	2025-08-19
2020-11-18	250,000	62,500	$1.01	2025-11-17
2021-01-12	283,750	70,938	$1.43	2026-01-11
2021-02-25	75,000	18,750	$1.75	2026-02-24
2021-03-11	100,000	25,000	$1.63	2026-03-10
2021-04-13	437,500	191,875	$1.71	2026-04-12
2021-07-12	376,250	94,063	$2.16	2026-07-11
2021-08-26	232,500	58,125	$2.59	2026-08-25
2021-09-08	100,000	100,000	$2.81	2026-09-07
2021-11-22	430,750	100,000	$3.56	2026-11-21
2022-01-25	561,000	310,000	$2.08	2027-01-24
2022-02-04	200,000	-	$2.08	2027-02-03
2022-04-12	472,500	-	$1.75	2027-04-11
2022-07-13	910,000	-	$2.42	2027-07-12
2022-08-25	142,500	-	$2.64	2027-08-24

For further details about the stock options granted by the Corporation as of August 31, 2022, reference is made to note 12 to the Corporation's consolidated financial statements for the last fiscal year ended August 31, 2022, which are available on SEDAR at **www.sedar.com**.

Between September 1, 2022, and up to the date of this Annual Information Form, 648,000 stock options were granted, 49,273 stock options were exercised, 6,250 stock options expired, and 247,188 stock options were cancelled. As a result, and as of the date of this Annual Information Form, an aggregate number of 7,991,414 stock options issued by the Corporation were outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 7,914,414 Common Shares.

The Board of Directors may grant stock options to employees, officers, or directors of the Corporation or one of its subsidiaries and to consultants in accordance with the "*OpSens inc. 2019 Restated Stock Option Plan*" (the "**Plan**"), as adopted by the Board of Directors on November 13, 2019. For the full text of the Plan, reference is made to Schedule "B" of the Corporation's management proxy circular dated December 4, 2019, prepared in connection with the annual general meeting of shareholders held on January 21, 2020, which is available under the Corporation's profile on SEDAR at **www.sedar.com**.

8. MARKET FOR SECURITIES

8.1 Market

The Common Shares have been listed on the TSXV on October 17, 2006, under the trading symbol "OPS" and on the OTCQX on March 31, 2015, under the trading symbol "OPSSF." On February 28, 2017, the Corporation announced final receipt of the approval of the listing of its Common Shares on the TSX. The Common Shares commenced trading on the TSX under the symbol "OPS" on March 1, 2017, at the opening of the market. The Common Shares were voluntarily delisted from the TSXV prior to the commencement of trading on March 1, 2017.

8.2 Trading Price and Volume

The following table sets forth the price range and trading volume of the Common Shares on the TSX (as reported by **www.money.tmx.com**) for the fiscal year ended August 31, 2022, and up to the date of this Annual Information Form.

Months	High ($)[(1)]	Low ($)[(2)]	Trading Volume[(3)]
September 2021	3.50	2.52	844,674
October 2021	3.26	2.76	3,032,858
November 2021	3.74	2.93	2,518,164
December 2021	3.625	3.04	4,771,022
January 2022	3.09	1.83	2,094,625
February 2022	2.38	1.75	4,938,816
March 2022	2.07	1.76	3,155,417
April 2022	2.55	1.57	3,958,783
May 2022	2.17	1.55	4,492,357
June 2022	2.46	1.94	1,686,312
July 2022	2.56	2.10	1,174,226
August 2022	3.04	2.38	848,474
September 2022	3.22	2.43	2,534,679
October 2022	2.74	2.16	1,324,357
November 1 to November 21, 2022	2.60	2.20	2,177,271

Notes:

(1) Includes intra-day high prices.
(2) Includes intra-day low prices.
(3) Total volume traded in the relevant period.

9. PRIOR SALES

The following table summarizes details of the outstanding securities that are not listed or quoted on a marketplace that were issued by the Corporation during the fiscal year ended August 31, 2022, and up to the date of this Annual Information Form.

Issue Date	Number and Class of Securities	Issue Price or Exercise Price per Security
2021-09-08	100,000 stock options	$1.01
2021-11-22	467,750 stock options	$3.56
2022-01-25	561,000 stock options	$2.08
2022-02-04	200,000 stock options	$2.08
2022-04-12	487,000 stock options	$1.75
2022-07-13	910,000 stock options	$2.42
2022-08-25	142,500 stock options	$2.64

10. ESCROWED SECURITIES

As of August 31, 2022, to the Corporation's knowledge, there were no securities of the Corporation that were held in escrow nor subject to a contractual restriction on transfers.

11. DIRECTORS AND OFFICERS

Pursuant to the Articles of Amalgamation of the Corporation dated October 4, 2006, the Board of Directors shall consist of a minimum of three (3) and a maximum of ten (10) directors. The directors of the Corporation are elected annually by the shareholders at the annual general meeting of shareholders. Each director so elected shall hold office until the next annual general meeting of the shareholders of the Corporation unless the director resigns or the director's office becomes vacant by death, removal or other cause.

11.1 Name, Occupation and Security Holding

The following table contains certain information on the Corporation's current directors and executive officers as of the date of this Annual Information Form.

Alan Milinazzo **Massachusetts, United States** Director of the Corporation and Executive Chairman of the Board of Directors since March 2019 President and Director of OpSens Medical since January 2020	Mr. Alan Milinazzo currently serves as the Americas' Regional Managing Partner for the Healthcare and Life Science practice at Heidrick & Struggles, one of the foremost executive search and consulting firms globally since June 2016. Prior to joining Heidrick & Struggles, he was Chief Executive Officer of InspireMD, a pioneer in embolic prevention systems (EPS) for coronary and vascular applications, from June 2013 to May 2016. He previously served as President and Chief Executive Officer of Orthofix International N.V., a $600 million publicly traded global orthopedic and spine company, and as General Manager of Medtronic, Inc.'s coronary and peripheral vascular businesses, where he was instrumental in the development and commercialization of several key products including the company's first coronary drug-coated stent platform, Endeavor. Mr. Milinazzo also spent 12 years with Boston Scientific in multiple global sales and marketing leadership roles during a period of unprecedented top line growth in the cardiology franchise. Mr. Milinazzo currently serves as the Executive chair Board of Directors of the Corporation. Prior directorships include Flexion Therapeutics where he served as Chair of the Compensation Committee (Nasdaq: FLXN acquired by Pacira). CasMed (Nasdaq CASM, acquired by Edwards Life Science), Nasdaq LDR Spine (Nasdaq LDRH acquired by Zimmer-Biomet), Medpace (acquired by PE sponsor Cinven), HET Systems (acquired by Covidien), LumenR (acquired by Boston Scientific), and The Musculoskeletal Transplant Foundation. Mr. Milinazzo earned a bachelor's degree, cum laude, from Boston College. While in college, he interned at the White House, the US House of Representatives, and the John F. Kennedy Library.

Lori Chmura **Georgia, United States** Director of the Corporation since September 2021 Member of the Audit Committee	Mrs. Lori Chmura is currently President and Chief Executive Officer of Soundbite, a privately held medical device company since September 2020. Prior to Soundbite, Mrs. Chmura led Dune Medical Devices, a privately held company in the women's health space, as Chief Executive Officer, from January 2016 exiting with a sale to Dilon Technologies in April 2020. Prior to Dune Medical, She has held roles in senior leadership in several blue chip medical device companies such as Johnson and Johnson, Covidien, and Medtronic as well as with Datascope Cardiac Assist. Mrs. Chmura began her career as a Critical Care Registered Nurse, working in critical care, trauma, and emergency medicine. These experiences established a strong foundation of expertise in the clinical implications of technology on patients and within the healthcare system. Mrs. Chmura is a champion of change management, a transformational leader, and passionate about delivering growth. She has led numerous Women's leadership initiatives and currently serves on the ADVAMED Women's Executive Network Board and is Past President-Elect of the Atlanta Chapter board for the Healthcare Businesswomen's Association. She was the 2018 the SEMDA Women of the Year, and a finalist for the 2018 Healthcare Hero's award for Healthcare Innovation. She holds a BSN from Southern Connecticut State University, and is expecting an MBA from Duke University in Spring of 2024.
Gaétan Duplain **Province of Québec, Canada** Director of the Corporation since October 2006 Director of OpSens Solutions since December 2007 President of OpSens Solutions since September 2015	Mr. Gaétan Duplain is President of OpSens Solutions since September 2015. He is also a Director of the Corporation since October 2006. From October 2006 to September 2015, he was Vice-President, Oil and Gas of the Corporation. His primary responsibilities are to oversee OpSens Solutions' activities by orienting the main lines of commercial and intellectual property development, planning the work, and seeing to the implementation of the Corporation's action plan. In May 1994, he cofounded FISO Technologies Inc., a corporation specializing in the manufacturing of fiber optic sensors, for which he acted as Vice-President from July 1994 to August 2003. With this corporation, Mr. Duplain acquired experience in high-tech business development and strategic planning. He obtained a bachelor's degree in Physical Engineering from *Université Laval* in May 1985 and a master's degree in Optics and Laser from the same university in May 1986.

Denis M. Sirois **Province of Québec, Canada** Director of the Corporation since October 2006 Chair of the Nomination Committee Member of the Audit Committee Member of the Human Resources and Compensation Committee	Mr. Denis M. Sirois is President and CEO of Telesystem Energy Ltd. since January 2017, a clean technology company which has developed the world's most efficient and reliable river hydrokinetic system producing renewable, baseload power. Mr. Sirois also acts as Vice President – Investments of Telesystem Ltd. since March 2006. Telesystem Ltd. is a technology-focused family office with long-term value creation and innovation as core principles. Telesystem Ltd. has invested over US$1.3B globally in venture opportunities of all stages and have concluded more than US$22 billion in transactions since inception. Mr. Sirois has over 20 years of experience in corporate finance, mergers and acquisitions and private equity. Mr. Sirois currently sits on the board of directors of Telesystem Ltd (and affiliates), Telesystem Energy Ltd, Northstar Earth and Space Inc., journal *Le Devoir Inc*. and the Corporation.
Denis Harrington **Minnesota, United States** Director of the Corporation since January 2015 Chair of the Human Resources and Compensation Committee Member of the Nomination Committee	Mr. Denis Harrington is the owner of Denis L. Harrington Consulting, LLC, a management and strategy consulting firm he established in December 2012 after nearly 30 years of successful leadership roles in the United States Army and the medical device industry. Mr. Harrington presently serves as President and CEO of VentureMed Group, Inc, an early-commercial stage, medical device company focused on interventional vessel preparation catheter technologies. He is also an executive consultant and director for two additional medical device companies. He has previously served as CEO for BridgePoint Medical Inc. ("**BridgePoint**") and NexGen Medical Company LLC, successfully leading BridgePoint from its development stage through commercialization and to successful acquisition by Boston Scientific Corporation ("**BSC**") in October 2012. He came to BridgePoint from BSC where he spent 18 years. His last role at BSC was as Senior Vice-President of United States Cardiology, Rhythm and Vascular Sales – managing over 1800 people and $3 billion in revenue. Mr. Harrington is a graduate of the United States Military Academy at West Point.

Jean Lavigueur, CPA **Province of Québec, Canada** Director of the Corporation since January 2012 Chair of the Audit Committee	Mr. Jean Lavigueur is Chief Financial Officer of Coveo Solutions Inc. (TSX:CVO), a software as a service leader in the field of enterprise search engines since April 2006. Before Coveo Solutions Inc., he co-founded and served as Chief Financial Officer of Taleo Corporation (NASDAQ: TLEO), a software as a service provider of talent management solutions, from 1999 until 2005. Prior to Taleo Corporation, Mr. Lavigueur served as Chief Financial Officer of Baan Supply Chain Solutions ("**BAAN**"), a software provider of enterprise resource planning, from 1996 until 1999, and as Chief Financial Officer of Berclain Group Inc., a supply chain management solutions vendor acquired by BAAN, from 1991 until 1996. Prior to his employment with Berclain Group Inc. Mr. Lavigueur worked in the audit and tax divisions of Coopers & Lybrand (now PricewaterhouseCoopers LLP), a public accounting firm. He was a member of the board of directors and of the Audit Committee of Wanted Technologies Corporation (TSXV:WAN), a software as a service vendor that provided real-time market intelligence data for the recruitment market and was the Chairman of its Special Committee of Independent Directors when the corporation was sold and privatized in 2015. He was a member of the board of directors of iPerceptions Inc. (TSXV:IPE), a web-focused Voice of Customer analytics provider, and was Chairman of its Audit Committee and of its Special Committee of Independent Directors when the corporation was sold and privatized in 2012. Mr. Lavigueur was also a member of the board of directors of Cossette Inc. (TSX: KOS), one of the largest advertising and communications corporation in Canada, and was the Chairman of its Audit Committee and of its Special Committee of Independent Directors when the corporation was sold and privatized in 2009. He is also currently a member of the board of directors of Vention Inc., a manufacturing automation solution provider. Mr. Lavigueur holds a Bachelor's degree in Business Administration from *Université Laval*. He is a member of the Order of Chartered Professional Accountants of Québec.

James Patrick Mackin **Georgia, United States** Director of the Corporation since September 2016 Member of the Human Resources and Compensation Committee Member of the Nomination Committee	Mr. James Patrick Mackin is President, Chief Executive Officer and Chairman of Artivion, Inc. (NYSE:AORT) ("**Artivion**") since September 2014, a leading cardiac and vascular surgery company focused on technologies to treat patients with aortic disease. Artivion markets and sells products in more than 80 countries worldwide. Before joining Artivion, from August 2007 to July 2014, he was President of the Cardiac Rhythm Disease Management Division, the largest business at Medtronic, Inc. (NYSE:MDT) ("**Medtronic**"). From 2004 to 2006, also at Medtronic, he held the positions of Vice President, Vascular, Western Europe, where he launched the Corporation's first drug-eluding stent called "Endeavour", and from 2002 to 2004, he was Vice President and General Manager, of the Endovascular Business Unit. Prior to joining Medtronic, from 1996 to 2002, Mr. Mackin worked at Genzyme, Inc., serving as Senior Vice President and General Manager for the Cardiovascular Surgery Business Unit and as Director of Sales, Surgical Products division. From 1991 to 1996, Mr. Mackin held various sales and marketing roles at Deknatel/Snowden-Pencer, Inc. From 1988 to 1991 he was an officer in the U.S. Army. Mr. Mackin received an MBA from the Kellogg School of Management at Northwestern University and is a graduate of the United States Military Academy at West Point.
Louis Laflamme, CPA **Province of Québec, Canada** Director of the Corporation since January 2013 President and Chief Executive Officer of the Corporation Interim Chief Financial Officer of the Corporation effective December 9, 2022 Director of OpSens Solutions since January 2013 Director of OpSens Medical since January 2020	Mr. Louis Laflamme is President, Chief Executive Officer and Director of the Corporation since January 2013. His primary mandate is to see to the operational management of the Corporation. He has been Chief Financial Officer and Corporate Secretary of the Corporation from November 2005 to December 2012. He is also a member of the board of directors of SiliCycle and Icentia. From March 2005 to November 2005, he held the position of Director, Finance and Administration for DEQ Systems Corp., a corporation specialized in the manufacturing and distribution of electronic systems. From July 2002 to February 2005, Mr. Laflamme held various positions in the administrative department including the position of Vice President Finance of TGN Biotech Inc., a corporation specializing in research and development in biotechnology. From January 2002 to July 2002, Mr. Laflamme also acted as Corporate Controller at St-Raymond Forest Products Ltd, a corporation involved in the manufacturing of veneers. From October 1998 to December 2001, he was Senior Auditor in the assurance and advisory department for Samson Bélair / Deloitte & Touche (SENC). He is a member of the *Ordre des comptables professionnels agréés du Québec*. He holds a bachelor's degree in Business Administration from *Université Laval* obtained in May 1998.

Robin Villeneuve, CPA **Province of Québec, Canada** Chief Financial Officer and Corporate Secretary of the Corporation from June 2017 to December 9, 2022 Director of OpSens Solutions from June 2017 to December 9, 2022 Director of OpSens Medical from January 2020 to December 9, 2022	Mr. Robin Villeneuve is Chief Financial Officer and Corporate Secretary of the Corporation since June 2017. His principal tasks consist in defining and executing the financial strategy of the Corporation towards the shareholders and the financial community as well as in the operational activities. Mr. Villeneuve served as Chief Financial Officer for Federal Fleet Services Inc., a private maritime company, from March 2016 to May 2017. Prior to that, he worked as Chief Financial Officer for seven years at Virginia Mines Inc., a company listed on the Toronto Stock Exchange. He was part of the team that oversaw and successfully negotiated the sale of Virginia Mines to Osisko Gold Royalties Ltd. He previously held several strategic financial positions for AbitibiBowater Inc. now known as Produits Forestiers Résolu Inc. Mr. Villeneuve was also a director of Harfang Exploration Inc. (TSXV:HAR) until April 2022. Mr. Villeneuve began his career and completed his initial training with PricewaterhouseCoopers LLP. He holds a bachelor's degree in Business Administration from *Université Laval* obtained in 1992, is a member of the *Ordre des comptables professionnels agrees du Québec* and is also a certified corporate director.
Brad Davis **Minnesota, United States** Chief Commercial Officer of the Corporation since February 2022	Mr. Brad Davis is Chief Commercial Officer of the Corporation since February 2022. Mr. Davis formerly served as Vice President, Global Marketing and Health Care Economics & Reimbursement at Cardiovascular Systems, Inc. ("**CSI**"). During his nearly seven-year tenure at CSI, the company tripled coronary atherectomy revenue and grew peripheral atherectomy revenue faster than market to achieve U.S. atherectomy market share leadership, while simultaneously expanding into new product categories. Prior to CSI, Mr. Davis held numerous commercial roles of increasing responsibility at Guidant and Boston Scientific from 2000 to 2014. Mr. Davis holds an MBA in Marketing and Strategic Management from the Kelley School of Business, Indiana University, and a BS in Business Administration from the University of Kansas.

As of the date of this Annual Information Form, as a group, the Corporation's current directors and executive officers beneficially owned, directly, or indirectly, an aggregate of 5,511,913 Common Shares representing 5.06% of the Corporation's outstanding Common Shares.

11.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the members of the Board of Directors and based on the information provided by the directors or executive officers of the Corporation, none of these persons: is, as at the date of this Annual Information Form, or was within ten years before this date, a director, chief executive officer or chief financial officer of any corporation, including the Corporation, which has been subject to one of the following orders:

(i) a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, while the person was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, and issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the person exercised these duties.

To the knowledge of the members of the Board of Directors and based on the information provided by the directors or executive officers of the Corporation or shareholders holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, none of these persons

(a) is, as at the date of this Annual Information Form or has been within the ten (10) years before this date, a director or executive officer of any corporation, including the Corporation, that, while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten (10) years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer, or shareholder; and

(c) has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security's regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Notwithstanding the above, Mr. Denis M. Sirois was a Director of CJL Capital Inc., a corporation whose securities were suspended from trading effective September 12, 2012, and transferred to NEX thereafter for failure to complete a qualifying transaction within 24 months of listing on the TSXV and which securities were suspended from trading effective May 21, 2014, for failure to file its annual consolidated financial statements for the financial period ending December 31, 2013. Effective at the close of business on September 10, 2015, CJL Capital Inc. was delisted from the NEX for failure to pay its quarterly listing maintenance fee.

11.3 Conflicts of Interests

Certain of the Corporation's directors and officers serve or may agree to serve as directors or officers of other reporting companies that may compete with the Corporation in some respects or may hold significant shareholdings in the Corporation or other companies that compete with the Corporation and, to the extent that such other companies may have conflicting interests, the directors of the Corporation may have a conflict of interest.

In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms and such director will not participate in negotiating and concluding terms of any proposed transaction. Under the QBCA, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time. See section "*Risk Factors*" in this Annual Information Form.

12. AUDIT COMMITTEE

12.1 The Audit Committee's Charter

The Audit Committee's charter describes the duties, responsibilities and skills required of its members as well as the terms of their nomination and dismissal and their relationship with the Board of Directors. The charter is attached to this Annual Information Form as Schedule "A".

12.2 Composition of the Audit Committee

As of the date of this Annual Information Form, the Audit Committee is made up of the following individuals:

Name	Independent	Financially Literate
Jean Lavigueur (Chair)	Yes	Yes
Lori Chmura	Yes	Yes
Denis M. Sirois	Yes	Yes

12.3 Relevant Education and Experience

All the members of the Audit Committee have the financial skills necessary to understand the accounting principles used by the Corporation in preparing its financial statements as well as the ability to assess the general application of such accounting principles. The members of the Audit Committee also have relevant experience in analyzing and evaluating financial statements that presents a level of complexity of accounting issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities. The members of the Audit Committee also understand the internal controls and procedures respecting the disclosure of financial information. For the relevant education and experience of the current members of the Audit Committee, see section "*Directors and Officers – Name, Occupation and Security Holding*" in this Annual Information Form.

12.4 Audit Committee Oversight

During the Corporation's fiscal year ended August 31, 2022, there was no recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board of Directors.

12.5 Reliance on Certain Exemptions

Since the beginning of the Corporation's fiscal year ended August 31, 2022, the Corporation has not relied on the exemption provided in section 2.4, 3.2, 3.4 and 3.5 of *Regulation 52-110 respecting Audit Committees* or on any exemption granted by the securities authority under Part 8 of this regulation.

12.6 Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies or procedures with respect to the awarding of contracts for non-audit services. However, the Audit Committee approves, from time to time, the expenses that were incurred in connection with non-audit-related services contracts.

12.7 External Auditor Service Fees

For the fiscal years ended August 31, 2021, and August 31, 2022, the following external auditor service fees were invoiced to the Corporation by Deloitte LLP ("**Deloitte**"):

	2021 ($)	**2022 ($)**
Audit Fees	277,531[(1)]	292,977
Audit-Related Fees[(2)]	12,358	7,490
Tax Fees[(3)]	8,870	-
Total	298,759	300,467

Notes:

(1) These fees include audit fees, the fees associated with quarterly reviews, as well as the fees associated with the preparation and review of the financial information required in the short form prospectus, the final version of which was filed on February 19, 2021, which is available under the Corporation's profile on SEDAR at **www.sedar.com**. For more details concerning the short form prospectus, see section "*Three-Year History – Fiscal Year Ended August 31, 2021 - Bought Deal Public Offering of Common Shares*" in this Annual Information Form.

(2) These fees were incurred for insurance and related services that are reasonably related to the performance of the audit or review of the financial statements and are not reported under audit fees.

(3) These fees were incurred for government subsidy consultation and other tax consultation.

13. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Since the beginning of the fiscal year ended August 31, 2022, and up to the date of this Annual Information Form, there was no legal proceedings outstanding or regulatory actions pending involving the Corporation or any of its properties or to which the Corporation is a party or to which its properties are subject, nor to the knowledge of the Corporation are any such legal proceedings contemplated or such regulatory actions threatened, as of the date hereof, which could become material to a purchaser of securities of the Corporation.

Since the beginning of the fiscal year ended August 31, 2022, and up to the date of this Annual Information Form: (i) the Corporation has not been the subject of penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority; (ii) the Corporation has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority; and (iii) no penalties or sanctions has been imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision.

14. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, with the exception of what is provided herein, no director, executive officer, or person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of outstanding voting securities of the Corporation, or an associate or affiliate of any of the foregoing, have had any material interest, direct or indirect, in any transaction within the three most recently completed fiscal years or during the current fiscal year prior to the date of this Annual Information Form that has materially affected or is reasonably expected to materially affect the Corporation or its subsidiaries.

15. TRANSFER AGENT AND REGISTRAR

The Corporation's transfer agent and registrar is TSX Trust Company ("**TSX Trust**"). The register of transfers of the Common Shares is held at TSX Trust's offices located in its place of business at 1700-1190 Canadiens-de-Montréal Avenue, Montréal, Québec, H3B 0G7.

16. MATERIAL CONTRACTS

The following lists any contract material to the Corporation that was entered into outside the normal course of business during the most recently completed fiscal year or before the last fiscal year that is still in effect:

a) the Supply Agreement dated April 19, 2019, entered into between the Corporation and Abiomed;

b) the Distribution Agreement dated November 19, 2012, entered into between the Corporation and Zeon Medical;

c) the License Agreement dated April 14, 2014, entered into between the Corporation and Abiomed; and

d) the Amendment #1 dated January 13, 2022, to the Supply Agreement dated April 19, 2019, entered into between the Corporation and Abiomed.

17. INTERESTS OF EXPERTS

Deloitte LLP, located at 801 Grande Allée West, Suite 350, Québec, Québec, G1S 4Z4, acts as the external auditor of the Corporation. Deloitte LLP is independent with respect to the Corporation within the meaning of the *Code of Ethics of the Ordre des comptables professionnels agréés du Québec*.

18. ADDITIONAL INFORMATION

Additional information regarding the Corporation, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation's management proxy circular dated December 8, 2021, prepared in connection with the most recent annual general meeting of shareholders held on January 18, 2022, which is available under the Corporation's profile on SEDAR at **www.sedar.com**.

Also, additional financial information regarding the Corporation is provided in the audited annual financial statements and the management's discussion and analysis of the Corporation for the fiscal year ended August 31, 2022, which are available under the Corporation's profile on SEDAR at **www.sedar.com**.

Additional information regarding the Corporation is also available under its profile on SEDAR at **www.sedar.com** and on the Corporation's web site at **www.OpSens.com**.

SCHEDULE "A"

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The Audit Committee is a committee of the Corporation's Board of Directors. The primary role of the Audit Committee is to help the Board of Directors to fulfill its responsibilities with respect to financial information and controls toward the shareholders of the Corporation and the financial community. The external auditors report directly to the Audit Committee. The primary duties and responsibilities of the Audit Committee are as follows:

- to ensure the integrity of the Corporation's financial statements, and to review all financial reports and financial information provided by the Corporation to any government authority or issued to the public as well as all other relevant document;

- to recommend the nomination of external auditors and to review and assess their efficiency, to ensure their competence and independence, and to maintain open line of communication between the external auditors, financial operations management, executive officers, and the Board of Directors of the Corporation;

- to act as an objective, outside party to oversee the methods of preparing the financial information, the application of internal controls and of rules respecting business management and financial risk, and compliance with legal, ethical, and regulatory requirements;

- to encourage the continuous improvement and observance, at all levels, of the practices, methods, and policies of the Corporation.

II. COMPOSITION

The Audit Committee, including its Chairman, is made up of at least three directors of the Corporation, none of which may be Corporation employees, executive officers or "control persons" as defined hereinbelow. The Board of Directors must ensure that all members are "financially literate" as defined hereinbelow. The members of the Audit Committee are nominated by the Board of Directors, at the annual meeting of the Board of Directors following the Annual Meeting, for the next year or until their successors are nominated or elected. The Board of Directors may dismiss a member of the Audit Committee by resolution at any time, at its discretion. Unless the Chairman is nominated by the entire Board of Directors, the members of the Audit Committee may appoint the Chairman by majority vote of all members of the Audit Committee.

III. DUTIES AND RESPONSIBILITIES

1. The Audit Committee is responsible for the following:

    a) To review the audited annual consolidated financial statements and to recommend them to the Board of Directors for approval.

    b) To review with the Corporation's financial operations management and external auditors the financial statements, management's discussion & analysis and any other documents relating to the financial results before they are filed with regulatory agencies and reported.

c) To review any document that contains the audited annual consolidated financial statements or includes them by reference, such as prospectuses, press releases announcing financial results and interim results before they are reported.

d) To amend or add to the Corporation's security policies from time to time. The Audit Committee reports to the Board of Directors annually on the relevance of the instructions in effect for management of the Corporation's security programs.

2. In fulfilling its mandate, the Audit Committee is required:

a) To see to the implementation of internal control measures and processes enabling the Chief Executive Officer and Chief Financial Officer to certify the financial statements and any other information document required under securities legislation.

b) To recommend external auditors to the Board of Directors, to evaluate their independence and effectiveness, and to approve the audit fees and any other remuneration paid to the external auditors.

c) To oversee relations between management and the external auditors, including the review of any letter of recommendation or any other external auditor's report, to discuss any significant difference of opinion or disagreement between management and the external auditors and to see that they are resolved.

d) To review annually all significant relations between the Corporation and the external auditors to evaluate the external auditors' independence and discuss this with them, and to report to the Board of Directors.

e) To review the performance of the external auditors and to approve any proposal for replacement when circumstances so warrant. To examine, with management, the reasons for retaining the services of other firms.

f) To meet periodically with the external auditors, without management in attendance, to discuss the main risks, internal controls and any approach undertaken by management to control these risks, and to discuss the accuracy and completeness of the financial statements. Specific attention should be paid to the capability of internal controls to detect any payment, transaction or method that may be deemed illegal or otherwise inappropriate.

g) To see to the availability of the external auditors in accordance with the needs of the Audit Committee and the Board of Directors. To ensure that the external auditors report directly to the Audit Committee and that they answer to the Board of Directors and the Audit Committee as auditor representatives towards whom the auditors are ultimately responsible.

h) To oversee the work of the external auditors retained for the preparation and issuance of an auditor's report or for other audit, review, or certification services.

i) To review and approve the policies regarding the hiring of employees or former employees of external auditors, past or present.

j) To review the external audit program and fees.

k) To review the external auditor's report on the audited annual financial statements.

l) To review the problems identified during the audit and, if applicable, the limitations and restrictions imposed by management or any significant accounting issue for which management requests a second opinion.

m) To review the observations, both positive and negative, made by the external auditors during their audit.

n) To review with management and the external auditors the Corporation's main accounting policies, the impact of other applicable accounting policies, and the forecasts and decisions of management that may have a significant impact on the financial results.

o) To review new accounting issues and their potential impact on the financial information of the Corporation.

p) To review and approve any request for consultation with external auditors and to be informed of any request from management for non-audit services and the fees related thereto.

q) To review with management, the external auditors and legal counsel any legal proceedings or claim, including tax assessments, that could have a significant impact on the Corporation's financial position and financial performance, and to ensure that they are disclosed in an appropriate manner.

r) To review the conclusions of the external auditor's evaluation of the internal control system as well as management's response.

s) To review with management the manner of ensuring and verifying the security of the Corporation's assets (including intellectual property) and information systems, the competence of the personnel holding key positions, and improvement projects.

t) To review management's code of conduct and compliance with corporate governance policies.

u) To review annually the legal requirements, the requirements of regulatory authorities, and the impact of any breach of these requirements on the financial information reported and on the Corporation's reputation.

v) To receive periodic reports on the nature and scope of compliance with security policies. The Board of Directors must be informed of any non-compliance having significant consequences, and of the corrective measures and schedule proposed for remedying it.

w) To review with management the accuracy and timeliness of the filings with regulatory authorities.

x) To review the Corporation's business plans periodically.

y) To review the annual audit program of the Corporation's external auditors.

z) To review annually the Corporation's general insurance coverage to ensure sufficient protection of the Corporation's assets, including without limitation, directors and officers' liability insurance and coverage of key personnel.

aa) To conduct any other task required by the Corporation's articles and any relevant securities policy or regulation.

bb) To implement methods to:

(i) receive and analyze complaints addressed to the Corporation in respect of audit, internal control, or accounting matters; and
(ii) receive any confidential and anonymous observation from Corporation employees with respect to audit or accounting issues subject to security.

3. The Audit Committee may retain the services of external legal counsel or other counsel, communicate directly and independently with them, and pay their fees.

4. The Audit Committee reviews the Charter of the Audit Committee annually and recommends any amendment it deems appropriate to the Board of Directors.

IV. SECRETARY

The Secretary of the Audit Committee is nominated by the Chairman.

V. MEETINGS

1. The Audit Committee meets on the dates, at the times and in the places determined by the Audit Committee, at least four times a year. The Audit Committee meets with management and the external auditors separately at least once a year.

2. The members may meet in person, by telephone or by videoconference.

3. A written resolution signed by all members of the Audit Committee has the same value as one adopted at a meeting of the Audit Committee.

4. Meetings of the Audit Committee will be held from time to time, as decided by the Audit Committee or the Audit Committee Chairman, upon 48 hours' notice to all Audit Committee members. A quorum of Audit Committee members may waive the notice period.

5. A meeting of the Audit Committee may be called by any member of the Audit Committee or by the external auditors. The external auditors receive notice of all meetings of the Audit Committee.

6. The minutes of each Audit Committee meeting are tabled at the first meeting of the Board of Directors following such Audit Committee meeting.

VI. QUORUM

A majority of members constitutes quorum at any Audit Committee meeting.

VII. DEFINITIONS

Under *Regulation 52-110 respecting Audit Committees*:

"**Financially literate individual**" means "an individual who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements."

"**Control person**" means "any person who holds or is part of a group of persons who hold, a sufficient number of Corporation securities to enable him to exercise significant control over the Corporation or more than 20% of the Corporation's outstanding voting shares, unless it is obvious that the holder of these securities cannot exercise significant control over the Corporation."