SQI DIAGNOSTICS INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations

June 30, 2021

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This Management's Discussion and Analysis ("MD&A") covers the interim financial statements for the three months and nine months ended June 30, 2021 and 2020. The unaudited financial statements and MD&A for these periods can be found on SEDAR at www.sedar.com.

All amounts are expressed in Canadian dollars unless otherwise indicated.

This discussion and analysis were prepared by management using information available as of August 17, 2021.

This document contains forward-looking statements that relate to future events or future performance and reflect our expectations and assumptions regarding our growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect our current beliefs and are based on information currently available to us. In some cases, forward-looking statements can be identified by terminology such as "our goal", "may", "would", "could", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential", "continue", "positioned" or the negative of these terms or other similar expressions concerning matters that are not historical facts. The forward-looking statements in this document include, among others, statements regarding our future operating results, economic performance, product development efforts, and statements in respect of:

- *our requirement for, and our ability to obtain, future funding;*
- *our expected future losses and accumulated deficit levels;*
- *technological advances of competitive products and general market competition;*
- *our expectations regarding the acceptance of our products by the market;*
- *our expectations regarding the progress and the successful and timely completion of the various stages of the regulatory clearance process;*
- *our strategy to develop new products and to enhance the capabilities of existing products;*
- *our strategy with respect to research and development;*
- *our dependence on expanding our customer base;*
- *our ability to obtain a sufficient supply of the components needed for our products;*
- *our ability to respond to legislative changes in the healthcare environment;*
- *our plans to retain and recruit personnel;*
- *our ability to develop and manufacture product to meet customer demands*
- *our plans to correct defects or errors in our systems; and*
- *our strategy with respect to the protection of our intellectual property.*

A number of factors could cause actual events, performance or results, including those in respect of the foregoing items, to differ materially from the events, performance and results discussed in the forward-looking statements. Factors that could cause actual events, performance or results to differ materially from those set forth in the forward-looking statements include, but are not limited to:

- *uncertain future capital needs and additional financing;*
- *history of losses;*
- *market competition;*

- *market acceptance of products;*
- *complex regulatory compliance requirements;*
- *rapidly changing technology and customer requirements;*
- *research and development activities;*
- *marketing and distribution;*
- *reliance on key suppliers;*
- *legislative or regulatory change;*
- *key personnel;*
- *development or manufacturing delays;*
- *unknown defects or errors;*
- *foreign exchange fluctuations;*
- *intellectual property protection; and*
- *volatility of share price and an active market for our shares.*
- *other risks detailed from time-to-time in our ongoing quarterly filings, annual information forms, annual reports and annual filings with applicable securities regulators, and those which are discussed under the heading "Risk Factors".*

Although the forward-looking statements contained in this management discussion and analysis are based on what we consider to be reasonable assumptions based on information currently available to us, there can be no assurance that actual events, performance or results will be consistent with these forward-looking statements, and our assumptions may prove to be incorrect. These forward-looking statements are made as of the date of this document.

COMPANY OVERVIEW

SQI Diagnostics, Inc. is a precision medicine company that discovers, develops and commercializes innovative rapid diagnostic testing for healthcare providers, patients and consumers worldwide. The Company's proprietary advanced diagnostics target organ transplant, autoimmune disease and COVID-19 testing which includes the developmental direct-to-consumer COVID-19 HOME Antibody Test, the RALI-Dx™ IL-6 Severity Triage Test and the RALI-*fast*™ Severity Triage Point-of-Care (POC) Test. SQI's rapid diagnostic tests are intended to be sold to healthcare professionals so that patients can get accurate results and fast effective treatment, and direct to businesses for employee screening to monitor and manage work-force health in the face of surging COVID-19 infections .

Research & Development Activities / Product Pipeline

The COVID-19 HOME Antibody Test measures three antibodies of SARS-CoV-2 in individuals who have been infected with COVID-19, individuals who have been vaccinated or asymptomatic individuals wanting to know if they have been exposed. The test is > 99% accurate with results delivered in 24-48 hours. The Company is working towards an EUA for its COVID-19 HOME Antibody Test and collection kit in the third quarter of calendar year 2021. Should the COVID-19 HOME Antibody Test receive regulatory approval, the test is expected to be available as a direct-to-

consumer product which would allow individuals to avoid travelling to a clinic or hospital to be tested for the presence of the SARS-CoV-2 antibodies.

The RALI-Dx™ IL-6 Severity Triage Test and the RALI-*fast*™ IL-6 Severity Triage POC Test each help clinicians identify which patients with SARS-CoV-2 are predicted to have a severe inflammatory response and should or should not be admitted to the hospital. Both tests measure the critical biomarker IL-6 which plays a key role in the cytokine storm phase of the COVID-19 disease. RALI-Dx™ delivers results from the lab in less than an hour while RALI-*fast*™ delivers results at the patient point-of-care in about 15 minutes. The Company currently expects to apply for an Interim Order from Health Canada for RALI-Dx™ IL-6 Severity Triage Test in the third quarter of calendar year 2021and for RALI-*fast*™ in calendar year 2022

In our organ transplant pipeline, SQI is pioneering an advanced diagnostic test that increases the chance of successful lung transplant by assessing the health of the donor organ prior to transplant surgery. The Company's TOR*dx*™ LUNG Test measures inflammation at the molecular level to assess the health of the donor lung, enabling surgeons to transplant healthy lungs which otherwise would have been rejected; there is currently no other such test. Upon receipt of regulatory approval of the TOR*dx*™ LUNG Test, clinical development is planned for diagnostic tests designed to increase the chance of successful kidney and liver transplant.

SQI's clinical research partner at University Health Network (UHN), is increasing the procurement, stabilization and transportation of healthy donor lungs available for transplant by supporting perfusion centers across North America. Implementation of Ex-Vivo Lung Perfusion (EVLP) procedures (FDA approved in 2019) has enabled lung transplant centers to increase the availability of donor lungs for transplant by nearly two-fold at some centers. Upon receipt of FDA market approval for the TOR*dx*™ LUNG Test, SQI intends to leverage its product offering within the EVLP market and direct to transplant hospitals.

Under autoimmune disease testing, SQI has an approved direct-to-consumer Celiac Disease and a Rheumatoid Arthritis (RA) Test that enable users to assess the likelihood of developing disease.

Business Strategy

In order to optimize available human and financial resources, the Company's planned go-to-market strategy for products in development is to leverage its partnership with Azova Inc. (www.azova.com) to the fullest extent possible. We believe our COVID-19 HOME Antibody Test will be a significant driver for our testing business.

Our business strategy is to become a rapid diagnostics leader by maximizing our research and development, our product offerings and our testing services platforms. Our initial revenue streams are focused on advanced diagnostics that target COVID-19 testing, organ transplant, and autoimmune disease. We believe the consumer market is becoming more aware of the importance of having access to convenient, accurate rapid diagnostic healthcare tests. Our strategy includes:

- Successful clinical development completion and regulatory approval of our diagnostic products

- Successful marketing and sales of our DTC and B2B diagnostic tests via strategic business partnerships such as our recent agreement with Azova Inc.
- Expansion of our commercial testing operations in the U.S.
- Upgrading our Toronto manufacturing infrastructure to produce up to 3 million HOME Antibody tests annually
- Acquisition of key talent to build our business
- Potential in-licensing and out-licensing of technologies and products
- Additional development of new diagnostic products through our research and development

Our strategy of merging innovative diagnostics with differentiated health management services will enable us to provide comprehensive support for health care professionals, patients, and consumers across the globe.

Business Highlights During the Quarter

COVID-19 HOME Antibody Test

During the quarter, the Company has been working diligently on its application for pre-EUA for COVID-19 Home Antibody Test with the FDA, with an expectation that submission will be made in the third quarter of calendar year 2021. This resulted in a significant increase in Clinical costs as explained later in this MD&A.

Departure of CEO

Rob Chioini, the previous CEO departed the company in May 2021 and Clive Beddoe, the Chairman of the Board has been appointed as the Company's interim CEO until a permanent CEO is appointed.

Settlement of legal dispute with Customer

The Company agreed to a legal settlement and recovered $407,000 from one of its previous customers that owed approximately $534,000. This amount had been previously written-off and reflected as a bad debt charge in the Company's financial statements.

Financing:

Historically, funding for our business has been done primarily through the issuance of units consisting of common shares and warrants. A significant percentage of the outstanding common shares and warrants of the Company are held by three insiders of the Company who are also Board members and control persons (collectively, the "**Controlling Shareholders**").

During the quarter, the Company raised net proceeds of $3.9 million through the exercise of 19,687,504 common share warrants at an exercise price of $0.20 per share. This cash injection increases the Company's cash runway to fund operations into the fourth quarter of calendar year 2021.

Financial Highlights for the Quarter

Revenues for this quarter remained consistent with the same quarter last year at $296,000, which continues to be lower than pre-pandemic levels.

Major operating expenses include R&D including Clinical expenses which are at increased levels as the company prepares to submit a pre-EUA application for its COVID-19 Home Antibody Test and RALI-*fast* to the FDA, with an expectation to complete the submission of the COVID-19 Home Antibody Test in the third quarter of calendar year 2021.

Corporate & General Expenses were in a net credit position due to a partial recovery of an outstanding customer balance from prior years against which a reserve had been taken, and because of the reversal of stock option expense related to the CEO upon his departure from the company.

SELECTED FINANCIAL INFORMATION

Quarterly Metrics and Analysis

The table below summarizes quarterly financial information for the three months and nine months ended June 30, 2021.

	Three months ended June 30, 2021 (000s)	Three months ended June 30, 2020 (000s)	Nine months ended June 30, 2021 (000s)	Nine months ended June 30, 2020 (000s)
Revenue	$296	$296	$774	$772
Net Loss	$(658)	$(1,473)	$(7,957)	$(5,756)
Net Loss Per Share	$(0.00)	$(0.01)	$(0.02)	$(0.02)
Weighted Average Shares	346,521	277,149	330,340	253,688

One-time Adjustments during the Quarter:

During the quarter, the company had several one-time adjustments that may distort the quarterly trend of its operating results. One-time adjustments in the financial statements include:

- Partial recovery ($407,000) of an outstanding customer balance ($534,000) which had been previously written-off and reflected as a bad debt charge.
- Recognition of approximately $550,000 of salary expense obligation related to the exit of the former CEO, per his employment contract. This balance will be reduced as payments are made each month, over a one-year period, with the full obligation being extinguished by May 2022.
- Stock option expense recorded since August 2020, was reversed in the amount of $2,473,000, upon the departure of the former CEO. The stock options had not vested and therefore were not exercisable.

The net impact of the above one-time adjustments is a net credit to Corporate & General expense in the amount of $2,330,000.

Revenues

Three months:

During the three-month period ended June 30, 2021, the Company recorded revenue from the sale of custom kits, as well as service revenue to our biopharma and diagnostic customers. The table below summarizes revenue by category.

	Three months ended June 30, 2021 (000s)	Three months ended June 30, 2020 (000s)	Nine months ended June 30, 2021 (000s)	Nine months ended June 30, 2020 (000s)
Product Sales - Kits	$ 138	$ 168	$ 392	$ 430
Product Sales - Platform	$ -	$ 98	$ -	$ 98
Service Revenue	$ 158	$ 30	$ 382	$ 244
Total	$ 296	$ 296	$ 774	$ 772

Product Sales – Kits & Platform

During Q3 2021, product revenues comprised of sales from a combination of different kits (including Rheumatoid Arthritis and Celiac) which was fairly consistent with Q3 2020. Additionally, in the third quarter of 2020, in preparation for commercial and parallel testing in the US, a sale of a sqid-X® system to the University of Buffalo was completed.

Service Revenue

Service revenue in Q3 2021 compared to Q3 2020 has increased due to growth in the Life sciences sector, with a majority of the sales in this quarter coming from a re-established customer.

Year-to-date total revenues are consistent with the equivalent period from prior year and the decline in kits and platform sales were offset by an increase in service revenue.

Net Loss

Three months:

For the quarter ended June 30, 2021, the Company recorded a net loss of $658,000 ($0.00 net loss per share) as compared to a net loss of $1,473,000 ($0.01 net loss per share) as of June 30, 2020.

The net loss is lower in Q3 2021, due to the partial recovery of an outstanding customer balance ($407,000) against which a reserve had been set up in a prior year. In addition, there was a reversal of the previously recognized stock option expense to record the forfeiture of stock options for the former CEO, ($2,473,000) upon his departure from the company. A portion of the of the expense reversed ($477,000) was originally recorded in fiscal year 2020 and the remainder of ($1,996,000) in the current fiscal year.

Operating Expenses

Three months:

Research and development expenses include salaries and benefits for R&D staff, consulting fees, supplies and laboratory operating expenses. R&D expenses for the three months ended June 30, 2021, were $2,026,000 compared to $787,000 for the same period last year. R&D costs increased significantly due to higher compensation costs and clinical development and regulatory work for FDA EUA submissions for our COVID-19 tests. In the current period, Clinical costs were $395,000 compared to $100,000 in the corresponding period last year. In addition to higher variable compensation in Q3 2021, in Q3 2020, a number of R&D employees were furloughed in the beginning of the quarter and were brought back towards the end, thereby reducing the salaries expense. In Q3 2020, SQI also received a SRED credit of $140,000 which further reduced these expenses. For 2021, the estimated SRED credit is approximately $133,000 and is expected to be received by Q4 2021.

Corporate and general expenses, including stock-based compensation, totaled $(1,467,000) for the three months ended June 30, 2021, compared to $569,000 for the three months ended June 30, 2020. The reduction in expense for Q3 2021, as mentioned above, is due to partial recovery of an outstanding customer receivable and reversal of stock option expense recognized previously for the former CEO.

Sales and marketing expenses, excluding stock-based compensation, totaled $216,000 for the three months ended June 30, 2021 as compared to $161,000 for the three months ended June 30, 2020. Sales and Marketing expenses were higher in the current quarter compared to the same quarter last year due to increased compensation costs pertaining to the sales team. Travel & marketing costs continue to remain at low levels due to travel restrictions imposed by COVID-19.

Liquidity and Balance Sheet

Management expects further investments in our planned R&D programs, Clinical & Regulatory programs, product development and commercialization efforts for its pipeline of custom consumable kits, new products and platforms, and sales and marketing initiatives for the remainder of calendar 2021.

The Company believes it has sufficient capital to operate and execute its business plan through the next quarter. Factors that will affect our future anticipated cash requirements include, but are not limited to, the infrastructure development for a US sales network, our clinical development and research activities and the regulatory decisions by the FDA and Health Canada.

Operating activities for the quarter ended June 30, 2021, were financed by cash on hand.

As of June 30, 2021, current assets were $6,394,000 including $5,008,000 of cash compared to 5,388,000 of current assets which included $4,320,000 of cash as of June 30, 2020. As of June 30, 2021, the Company had a $4,092,000 working capital surplus compared to a surplus of $3,975,000 as of June 30, 2020. The higher working capital surplus in Q3 2021 is due to the partial recovery of an outstanding customer balance ($407,000) which pertained to sales made in prior years,

a deposit made on equipment and additional investments in platform inventory in anticipation of commercialization of the home antibody test.

Cash used in investing activities for the three months ended June 30, 2021, was $86,000 as compared to $55,000 for the three months ended June 30, 2020. Cash used in investing activities was spent to acquire lab equipment and develop the Company's website.

Effective May 21, 2021, Rob Chioini, the CEO, was no longer employed with the company. As part of his employment contract, he will continue to be paid for a period of one year until May 2022. The entire obligation was expensed during the quarter at approximately $550,000. His departure reflects forfeiture of the stock options granted to him, which had a vesting period of 36 months and were not exercisable. Therefore, stock options expense recognized during his employment approximating $2,473,000 was reversed during the quarter.

The Company has a principal amount of approximately $2.5 million in long-term debentures with an interest rate of 10% and maturity of approximately four years.

Subsequent to the Quarter

The Company signed a distribution agreement with Azova Inc. to sell and distribute SQI's COVID-19 HOME Antibody Test to its customer base of airlines, wholesale clubs, retail pharmacies, grocery chains, US state and international governments, school districts and universities, and consumers where the test is authorized for distribution through AZOVA's state-of-the-art online digital health platform.

Furthermore, the company acquired an additional kit plate printer in order to expand its manufacturing capacity in Toronto.

As disclosed in the quarter, the FDA indicated it would defer its review of SQI's submission of the RALI-Dx™ IL-6 Severity Triage Test. The agency cited a high volume of EUA requests and its prioritization of EUA reviews according to factors including the public health need for the product and shortages of critical devices during the pandemic. However, the FDA has encouraged SQI to submit an application under a non-EUA regulatory pathway.

Outstanding Capital Stock

As of the date of this MD&A, there were 362,530,239 common shares issued and outstanding.

The following tables describe the securities that have been issued that are convertible under certain conditions into common shares: The Company had the following warrants outstanding as at the date of this MD&A:

Number of Warrants (000s)	Exercise Price	Maturity
1,388	$0.21	March 10, 2022
26,018	$0.20	December 20, 2022 – August 24, 2023
12,344	$0.17	July 12, 2024
32,300	$0.13	September 25 and October 22, 2024
622	$0.085	February 20,2025
44,444	$0.12	February 14, 2025, and March 5, 2025
117,116		

The Company had the following stock options outstanding under its stock option plan of the date of this MD&A:

Number of Options (000s)	Range of Exercise Prices	Weighted average time to maturity
1,373	$ 0.07 - 0.14	3.53 years
8,963	$ 0.15 - 0.22	2.66 years
1,562	$ 0.23 - 0.30	9.03 years
11,898		

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

The significant accounting policies that management believes are the most critical in fully understanding and evaluating the reported financial results are included in the interim financial statements for the quarter ended June 30, 2021. Refer to the interim financial statements for the quarter ended June 30, 2021 for discussion on accounting policies and estimates that are most important in assessing, understanding and evaluating the Company's interim consolidated financial statements. Changes in these estimates and assumptions could have a material impact on the Company's interim consolidated financial statements.

Risk Factors

An investment in our common shares involves a number of risks. In addition to the other information contained in this Management Discussion and Analysis, including our consolidated financial statements and related notes for the quarter ended June 30, 2021, investors should give careful consideration to the following risk factors. Any of the matters highlighted in these risk factors could

have a material adverse effect on our business, results of operations and financial condition, causing an investor to lose all, or part of their investment.

The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are not aware of or focussed upon, or that we currently deem to be immaterial, may also impair our business operations and cause the trading price of our common shares to decline.

Risks Related to Pandemics, Epidemics or outbreak of infectious diseases

The economic effects of a pandemic, epidemic or outbreak of an infectious disease could adversely affect our operations or the market price of our common shares.

Public health crises such as pandemics, epidemics or similar outbreaks could adversely impact our operations or the market price of our common shares. In December 2019, a novel strain of coronavirus ("COVID-19") was reported to have surfaced in Wuhan, China and has reached multiple other countries, resulting in government-imposed quarantines, travel restrictions, school closures and other significant restrictions on business operations imposed by governmental authorities in North America, Europe and worldwide. On January 30, 2020, the World Health Organization declared the outbreak of the COVID-19 a "Public Health Emergency of International Concern." On January 31, 2020, U.S. Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the U.S. to aid the U.S. healthcare community in responding to COVID-19, and on March 11, 2020, the World Health Organization characterized the outbreak as a "pandemic". The extent to which the COVID-19 impacts our operations or market price of our common shares will depend on future developments, which are highly uncertain and cannot be predicted with confidence, either internationally or within the U.S. or Canada, including the duration of the outbreak, new information that may emerge concerning the severity of the COVID-19 and the actions to contain the virus or treat its impact, among others. COVID-19, however, has already resulted in significant volatility in the world and the national trading markets.

The spread of COVID-19 may impact our operations, including a sustained delay in returning to the number of lung transplants performed pre-COVID-19. Our existing and potential customers such as Biopharma companies may redirect resources away from current research and or product development priorities to COVID-19. The spread of an infectious disease, including COVID-19, may also result in the inability of our suppliers to deliver components or raw materials on a timely basis or at all. The significant spread of COVID-19 within the U.S. and Canada resulted in a widespread health crisis and has had adverse effect on the national economies generally, the markets that we serve, our operations and the market price of our common shares.

Impact of COVID-19 on Our Results:

During the quarter, the Company's sales were adversely impacted by COVID-19 due to restrictions currently in place at certain customer sites. It is anticipated that revenues may continue to be adversely impacted for the remainder of the calendar 2021 until these restrictions are lifted and operations return to normal. The Company has experienced delays from its suppliers due to supply chain disruptions as demands for certain input supplies have risen for COVID-related uses.

During the quarter ended June 30, 2021, the Company participated in the Canada Employment Wage Subsidy and Biotalent Student Work Placement program, where payments of $268,000 and $16,000 were received under these programs respectively to partially offset employee wages during the period.

Risks Related to Intellectual Property

Intellectual Property Protection

Our commercial success depends, in part, upon our ability to protect our intellectual property and proprietary technologies. We rely on patent protection, where appropriate and available, as well as a combination of copyright, trade secret and trademark laws, and nondisclosure, confidentiality and other contractual restrictions to protect our proprietary technology. However, these legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep any competitive advantage. Our pending Canadian, U.S. and foreign patent applications may not issue as patents or may not issue in a form that will be sufficient to protect our proprietary technology and gain or keep our competitive advantage.

We may be involved in litigation or other proceedings to protect or enforce our patents and proprietary rights, to determine the scope, coverage and validity of others' proprietary rights, or to defend against third party claims of intellectual property infringement, and the cost to the Company of any litigation or other proceedings, even if resolved in our favour, could be substantial.

Risks Related to Our Common Shares

Volatility of Share Price

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. As a result, the market price of our common shares at any given point in time may not accurately reflect the long-term value of the Company.

Active Market

There can be no assurance that an active market for the common shares will develop or be sustained. If an active public market for the common shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Dividends

To date, we have not paid any dividends and do not expect to do so in the foreseeable future. We currently intend to retain all future earnings for the operation and expansion of our business.

Management seeks to mitigate these risks, and others, primarily by retaining experienced employees and advisors who have expertise in the scientific, medical, business, regulatory, manufacturing and

operational disciplines of automated platform integration and immunoassay diagnostic test development.

The Company is exposed to market risks related to changes in interest rates and foreign currency exchange rates, which could adversely affect the value of our current assets and liabilities. We do not believe that the results of operations or cash flows would be affected to any significant degree by a sudden change in market interest rates relative to our cash investment, due to the prime-interest-rate-based nature of the investment.

We have not entered into any forward currency contracts or other financial derivatives to hedge foreign exchange risk. We are subject to foreign exchange rate changes that could have a material effect on future operating results or cash flows.

Management will continue to review the Company's financial needs and to seek additional capital as required from sources that may include equity financing, debt financing, collaborative projects and licensing arrangements; however, there can be no assurance that such additional funding will be available or if available, whether acceptable terms can be obtained. To date, we have mitigated our financing risks through the on-going financial support of three key insider shareholders who are also control persons of the Company, have invested significantly in the success of the Company.

Disclosure Controls and Procedures, and Internal Control Over Financial Reporting

The accompanying interim financial statements have been prepared by management in accordance with International Financial Reporting Standards. For quarterly reporting periods, the Company's interim financial statements are approved by the Audit Committee and the Board of Directors. For annual reporting periods, the Company's financial statements are approved by the Board of Directors upon recommendation by the Audit Committee. The integrity and objectivity of all financial statements are the responsibility of management. In addition, management is responsible for all other information in this report and for ensuring that this information is consistent, where appropriate, with the information contained in the interim financial statements.

In support of this responsibility, management maintains a system of internal controls to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets.

In particular, the CEO and CFO or his designate are responsible for establishing and maintaining disclosure controls and procedures ("DC&Ps") and internal controls over financial reporting ("ICFRs") for the Company, and have:

(a) designed such DC&Ps, or caused them to be designed under supervision, to provide reasonable assurance that material information is made known during the period in which the annual and quarterly filings are being prepared;

(b) designed such ICFRs, or caused them to be designed under supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS;

(c) evaluated the design and effectiveness of the Company's DC&Ps as of June 30, 2021;

(d) have concluded that a material design weakness in the ICFRs may exist in terms of the inadequate segregation of certain duties, which is typical of development stage companies; mitigating factors, including dual-payment authorization policies and transparent internal financial transaction reporting processes, serve to minimize the risk that such design weakness could result in a material misstatement of results for the three-month period ended June 30, 2021; and

(e) have concluded that, other than the item described above in sub-point (d), there are no additional material design weaknesses in the DC&Ps or ICFRs, and that the effectiveness of the DC&Ps is sufficient to expect the prevention or detection of material misstatements of results.

The interim financial statements include amounts that are based on the best estimates and judgments of management. The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The Board of Directors exercises this responsibility principally through the Audit Committee. The Audit Committee consists of three directors, all of whom are not involved in the daily operations of the Company and one of whom is independent. The Audit Committee meets with management and the external auditors to satisfy itself that management's responsibilities are properly discharged and to review the interim financial statements prior to their presentation to the Board of Directors for approval.

Glossary of Terms:

Biomarker: Biological molecules, the presence or absence of which can be used to detect or monitor a state of disease or can be used to test the efficacy or safety of a drug in development

Multiplex(ing): to obtain multiple results from one single biological sample to save time, cost and development of multiple tests

R&D: Research and development

sqidlite™: Our bench-top diagnostic system – fully automated bench top microarray processing system

sqid-X™: sqid-**X**™ System – semi-automated bench-top platform that incorporates all of SQI's technology with the exception of automated fluidics handling