SQI DIAGNOSTICS INC.

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

For the six months ended March 31, 2023

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

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of SQI Diagnostics Inc. (the "Company" or "SQI") is for the three and six months ended March 31, 2023. It is supplemental to, and should be read in conjunction with, the unaudited interim financial statements for the Company for the six months ended March 31, 2023 and 2022 which is available 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 May 30, 2023.

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;*
- *our ability to continue as a going concern;*
- *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, including with respect to the development, viability and commercialization of our* TOR*dx™ and the RALI-fast™ products;*
- *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;*
- *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 is a leader in the science of lung health. We develop and manufacture respiratory health and precision medicine tests that run on SQI's fully automated systems. Our tests have been developed for Rapid Acute Lung Injury testing, donor organ transplant informatics and immunological protein and antibody testing, and to simplify the diagnostic testing process. We're driven to create and market life-saving testing technologies that help more people in more places live longer, healthier lives.

Research and Development Activities / Product Pipeline

As a science-driven company, SQI brings rigor, discipline and data-driven decision-making to every aspect of our work. That is how we developed some of the world's most advanced respiratory testing and organ health technologies, and that will continue to be our focus going forward. Since the start of the COVID-19 pandemic, we are also focused on making and marketing life-saving testing technology that puts health back in people's hands.

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 received approval for an Interim Order from Health Canada for RALI-Dx™ IL-6 Severity Triage Test in the fourth quarter of calendar 2022. The Company will focus on the final development and clinical trials for emergency medicine triage and ICU monitoring primarily for RALI-*fast*™ during the next year owing to the larger broader market applications and better intellectual property position of these product use models.

We also remain focused on our organ transplant pipeline of products. SQI is pioneering an advanced diagnostic test that increases the chance of successful lung transplant by assessing the health of the donor organ before 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 that otherwise would have been rejected; there is currently no other such test. Upon receipt of regulatory approval of the TOR*dx*™ LUNG Test we will scale up our development for other significant transplant market opportunities in the kidney and live transplant sectors.

SQI's clinical research partner at University Health Network (UHN), is a leading force in the technologies to make 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. Upon receipt of FDA market approval for the TOR*dx*™ LUNG Test, SQI intends to leverage its product offering within the EVLP market and directly to transplant hospitals. UHN is considered a world leader in lung transplantation and our TOR*dx*™ LUNG Test a key piece of this new solution. Following clinical trials for the TOR*dx*™ LUNG Test the Company will pursue expanding to similar tests for liver and kidney transplant use models which address larger and growing populations of patients with similar unmet testing needs.

2023 Outlook and Strategic Objectives

In March 2023, the Company underwent a strategic review of its portfolio of products and made the decision to shift product development and commercialization efforts from its laboratory-based tests (RALI-Dx™ IL-6 Severity Triage Test, EXACT COVID-19 Antibody Test) to point-of-care ("POC") tests. Our strategic objective is to focus on our portfolio of point of care products while continuing to keenly manage expenses. We believe this shift in strategy increases our ability to remain a going concern and to ultimately return value to shareholders. We have solicited and received the support of our strategic partners including UHN and believe that we are well-positioned for success given Health Canada's approval of our RALI-Dx product which serves as a proof of concept in addition to shifting market sentiments towards POC products. Please see the "Business Restructuring" section under the Business Highlights for the Quarter section of this MD&A for more information.

Existing Products and Services

Direct-to-Consumer Tests

This segment represents commercial-ready autoimmune tests that are sold to 3rd parties who obtain samples that are tested on our kits. These tests have been approved for use and are a continual source of revenue for the Company. These tests are sold online through the Company's distribution partner, Imaware, in the United States. Typical customers include those interested in testing themselves for diseases such as Celiac and Rheumatoid Arthritis. The Company receives revenue based on the number of tests sold**.**

As of the writing of this MD&A, the Company is actively engaged in discussions to sell the assets – both tangible and intangible – to a potential partner. There are no assurances that the Company will be able to effect a transaction.

Business Strategy

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, organ transplant and autoimmune disease. We believe the consumer market wants access to convenient, accurate rapid diagnostic healthcare tests. The organ transplant business represents a growing opportunity for the Company. Our development and marketing strategy includes:

- Successful clinical development completion and regulatory approval of our diagnostic products
- Establish clinical partnerships in the U.S. to support clinical programs leading to a future FDA filing of our TORdx LUNG™ organ assessment assay targeted for 2024
- Complete the development of RALI-*fast* (the point of care version of RALI-Dx test) and initiate clinical trials for use in either the Emergency Department or ICU, or both as resources permit.
- Acquisition of key talent to build our business
- Potential in-licensing and out-licensing of lung health technologies and products such as our partnership with Owlstone Medical
- Additional development of new products that complement our offerings through research and development

Our strategy of merging innovative diagnostics with differentiated health management services help us to comprehensively support health care professionals, patients, and consumers across the globe.

We are committed to improving the quality of our external communications and sharpening our messaging to clarify our mission and are focused on the timely and transparent communication of product announcements, company hires, partnerships and other material information relating to the Company.

Business Highlights for the Quarter

Business Restructuring

In March 2023, after a careful review of our product portfolio and addressable markets, the Company made a strategic decision to restructure its operations. Therefore, we have decided to concentrate our efforts on POC products based on shifting market trends from laboratory-based towards POC testing. We believe that having a leaner organization will expedite our path to profitability. Consequently, the Company reduced its workforce by approximately sixty five percent. There is no change in ownership and the Board believes that the existing Management team will continue to be the nucleus that drives SQI towards ultimate profitability. This restructuring positions us to better leverage and align our core competencies with the realities of the marketplace. During the coming months, we plan to communicate the benefits of this restructuring including providing high level milestones regarding our keystone products.

As mentioned above, as part of the restructuring to focus on POC products, the company will no longer focus on laboratory-based technology for the RALI-Dx and TOR-*dx* LUNG products. Consequently, an impairment charge of $1,335,000 has been recorded, to reduce the value of the equipment and intangible assets to their estimated net realizable amounts.

As part of its restructuring efforts and due to a significant reduction in customer demand for its COVID-19 testing products, the Company made the decision to exit the COVID-19 testing business. As a result, the Company has recorded an impairment charge of $475,000 to write-off all of its remaining inventory and all intangible assets acquired as part of the PBI transaction which closed in the second quarter of fiscal 2022.

Summary of the Restructuring:

- Strategic pivot to focus on high margin products with large addressable markets.
- Optimize R&D and Manufacturing by leveraging the expertise of our external partners.
- Optimize organizational costs including headcount.

Based on the above summary, we anticipate cash operating expenses to be reduced by over 50% of its pre-restructuring trailing twelve months average.

Increase and Extension of Pivot Credit Facility and Deferral of Certain Interest Payments

During the quarter, the maturity date of the Company's $7,500,000 secured credit facility (the "Credit Facility") with Pivot Financial ("Pivot") was extended to February 3, 2023, from January 31, 2023 and subsequently to February 28,2023 from February 3, 2023, and subsequently to April 30, 2023 from February 28, 2023. In connection with the amendments of the Credit Facility, the Lenders were paid amendment fees totaling $100,000. Also, during the quarter, Pivot increased its portion of the Credit Facility from $3.75 million to $4.25 million in order to provide additional liquidity for working capital and general corporate purposes. The Company in turn provided Pivot with 10 million warrants at an exercise price of $.05 and a maturity of one year.

Subsequent to the quarter ended March 31, 2023, the Company and the insider holders of $2.09 million principal amount of the 2020 Debentures (as defined below) agreed to temporarily defer all of the interest payments under the 2020 Debentures until at least July 31, 2023, after which the insider holders of the 2020 Debentures shall have the right to demand payment for all accrued and unpaid interest payments. All other terms of 2020 Debentures remain unchanged.

Subsequent to the quarter ended March 31, 2023, the Company and Pivot agreed to extend the maturity date of the Credit Facility from April 30, 2023 to July 31, 2023, with all of the other terms of the Credit Facility remaining unchanged. In connection with this extension the Lenders were paid an amendment fee of $ nil.

Financial Highlights for the Quarter

Revenues were $254,000 during the Company's second quarter of fiscal 2023 compared to $5,604,000 during the same quarter in the previous year. The decrease in revenue is attributable primarily to the PCR testing business which the Company acquired in the second quarter of fiscal 2022 and which generated significant higher revenue while COVID-19 testing was quite robust and encouraged by various governmental agencies and businesses. PCR testing revenue accounted for $154,000 or approximately 60% of total revenues in the second quarter of fiscal 2023 compared to 5,493,000 or approximately 98% in the second quarter of fiscal 2022.

Corporate & General expenses during the Company's second quarter of fiscal 2023 of $984,000 were lower as compared to the previous year's quarter of $2,382,000. The reduction in Corporate & General expenses is primarily due to a decrease of $108,000 in salaries and wages, a decrease in professional fees of $534,000 including legal fees of $365,000, a decrease in transition costs of $281,000 associated with the PBI transaction, a decrease in financing fees of $362,000 also associated with the PBI transaction, and lower stock-based compensation of $205,000 due to the elimination of certain milestone options.

Research and Development costs declined by $2,328,000 to $436,000 in the second quarter of 2023 from $2,764,000 in the second quarter of 2022. Research and Development expenses declined due to lower salaries

and wages of $582,000, lower laboratory costs of $320,000 and lower stock-based compensation of $122,000, a SRED credit of $240,000 and a FedDev Ontario government loan grant of $741,000 that has been recognized to offset previous Research and Development expenditures for accounting purposes.

SELECTED FINANCIAL INFORMATION

Quarterly Metrics and Analysis

The table below summarizes quarterly financial information for the three and six months ended March 31, 2023.

	Three months ended March 31, 2023 (000s)	Three months ended March 31, 2022 (000s)	Six months ended March 31, 2023 (000s)	Six months ended March 31, 2022 (000s)
Revenue	$254	$5,604	$606	$5,663
Net Loss	$(3,546)	$(2,600)	$(6,646)	$(6,035)
Net Loss per share	$(0.01)	$(0.01)	$(0.02)	$(0.02)
Weighted Average Shares	406,246	391,549	401,871	385,784

Revenues

During the three and six-month periods ended March 31, 2023, the Company recorded revenue from the sale of COVID-19 PCR testing kits, as well as service revenue to our diagnostic customers. The table below summarizes revenue by category.

	Three months ended March 31, 2023 (000s)	Three months ended March 31, 2022 (000s)	Six months ended March 31, 2023 (000s)	Six months ended March 31, 2022 (000s)
Product Sales - COVID-19 PCR Kits	$226	$5,493	$560	$5,493
Product Sales - Kits	-	$54	-	$70
Service Revenue	$28	$57	$46	$100
Total Revenues	$254	$5,604	$606	$5,663

Three months:

Product Sales – PCR Kits

The Company generated PCR testing revenue of $226,000 in the second quarter of 2023 compared to $5,493,000 in the second quarter of 2022. The significant reduction in revenue primarily due to the proliferation of lower costs antigen tests and relaxed restrictions by businesses regarding COVID-19 testing.

Product Sales – Kits

Product sales were nil during the second quarter of 2023 compared to product sales of $54,000 in the same period in 2022. The reduction is product sales in the second quarter of 2023 was due to Management's decision to terminate a customer in order to focus on higher margin products.

Service Revenue

Service revenues were lower in the second quarter of 2023 compared to the same period in 2022 primarily due to the decision to cease business with one of the Company's customers and to the termination of a service agreement with on of its customers.

Net Loss

For the quarter ended March 31, 2023, the Company recorded a net loss of $3,546,000 ($0.01 net loss per share) as compared to a net loss of $2,600,000 ($0.01 net loss per share) in the quarter ended March 31, 2022.

The net loss was higher in the second quarter of 2023 compared to the corresponding quarter in the previous year mainly due significantly lower revenue and associated margin from the COVID-19 PCR testing business, inventory write-down of $475,000, impairment losses totalling $1,335,000 and higher interest costs of $535,000 offset by lower expenses in several areas including $1,398,000 in Corporate and General and $2,328,000 in R&D expenses. Corporate and General expenses declined due to primarily of lower professional fees of $534,000, lower financing fees of $362,000 and lower transition costs associated with the PBI acquisition of $281,000. R&D expenses decline due to lower salaries and wages of $582,000, lower laboratory costs of $320,000 and lower stock-based compensation of $122,000, a SRED credit of $240,000 and a FedDev Ontario government loan grant $741,000 that has been recognized to offset previous Research and Development expenditures for accounting purposes.

Six months:

Product Sales – PCR Kits

The Company generated PCR testing revenue of $560,000 in the first half of 2023 compared to $5,493,000 in the first half of 2022. The significant reduction in revenue to due primarily to the proliferation of lower costs antigen tests and relaxed restrictions by businesses regarding COVID-19 testing.

Product Sales – Kits

Product sales were $ nil during the first half of 2023 compared to product sales of $70,000 in the same period in 2022. The reduction in product sales in the second quarter of 2023 was due to Management's decision to terminate a customer in order to focus on higher margin products.

Service Revenue

Service revenues were lower in the first half of 2023 compared to the same period in 2022 primarily due to the decision to cease business with one of the Company's customers and to the termination of a service agreement with on of its customers.

Net Loss

For the first half ended March 31, 2023, the Company recorded a net loss of $6,646,000 ($0.02 net loss per share) as compared to a net loss of $6,031,000 ($0.02 net loss per share) in the first half ended March 31, 2022.

The net loss in the first half of 2023 was essentially the same as the net loss in the same prior year as significantly lower revenue and associated margin from the COVID-19 PCR testing business were offset by lower expenses in Corporate and General and R&D. Corporate and General expenses declined due to primarily of lower professional fees, lower financing fees and lower transition costs associated with the PBI acquisition. R&D expenses decline due to lower salaries and wages, lower laboratory costs and lower stock-based compensation.

Liquidity and Balance Sheet

Management expects further investments in our planned Clinical and Regulatory programs, product development and commercialization efforts for our pipeline of custom consumable kits, new products, and sales and marketing initiatives as it transitions from an R&D organization to a commercial one.

The Company continues to seek ways of obtaining capital to operate and execute its business plan and is consistently engaging with investment bankers and other intermediaries to assist with funding. In the absence of external funding the Company's three controlling shareholders and current Board members who collectively owns about 75% of the outstanding shares have historically funded the business. However, there are no assurances that these shareholders will continue to provide funding beyond the exercise of warrants as indicated in the sequent events section later in this MD&A. Factors that will affect our future anticipated cash requirements include but are not limited to the following: the pace of our clinical development and research activities for its keystone products.

As of the writing of this MD&A, the Company has not received any viable term sheets from potential sources of financing and management does not currently believe that the Company will have sufficient cash to continue operations as currently conducted beyond June 15, 2023, without successfully raising additional equity and/or debt capital. The Company's working capital deficit and recent losses and the material uncertainties associated therewith cast significant doubt regarding the Company's ability to continue as a going concern. The Company will announce additional details relating to any new financing or financings, if any, in due course in the event that it is successful in negotiating and entering into definitive documentation relating to same.

Operating activities for the quarter ended March 31, 2023 were financed by cash raised through a private placement offering in December 2022, cash provided by an increase in the Pivot loan completed in March 2023, cash provided by the interest-free FedDev Ontario loan and also by cash generated from the PCR testing business.

As of March 31, 2023, current assets were $1,399,000 including $553,000 of cash compared to $5,322.000 of current assets that included $1,336,000 of cash as of March 31, 2022. As of March 31, 2023, the Company had a $9,771,000 working capital deficit compared to a deficit of $5,382,000 as of March 31, 2022.

Cash used in investing activities for the quarter ended March 31, 2023, was $nil as compared to $6,765,000 for the quarter ended March 31, 2022. Cash used for investing was for the purchase of property plant and equipment in the amount of $572,000 for the purchase of equipment and $6,193,000 in respect of the PBI acquisition.

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 three years from the date hereof (the "2020 Debentures"), a principal amount of $4.05 million in long-term debentures with an interest rate of 8% and maturity of less than four years from the date hereof and a $8.0 million credit facility that comes due on July 30, 2023**.** The Company is in the process of identifying potential new sources of financing that could be used to repay the Company's outstanding indebtedness under the Credit Facility; however, there can be no assurances as to whether it will be successful in doing so nor can there be certainty with respect to the terms of any such new financing or financings. The Company will announce additional details relating to any new financing or financings in due course in the event that it is successful in negotiating and entering into definitive documentation relating to same.

Subsequent to the Quarter

Funding via exercise of Warrants by Insiders & Controlling Shareholders

The Company has been actively seeking funding with the help of a financial advisor since September 2022 but have been unsuccessful to date. Therefore, the Insiders who are also controlling shareholders have agreed to sell shares into the secondary market and use the proceeds from such sale to exercise warrants as a way of funding the Company. To date, this process has resulted in gross proceeds of approximately $290,000.

Stock option grants to the Executive team

Given the decline in the Company's stock price and the corresponding reduction in value of existing stock options, the Board has awarded new option grants representing a reduction in exercise prices as well as modified vesting periods to senior executives as a retention tool. All milestone options have been cancelled and will be replaced with time-based vesting periods.

Outstanding Capital Stock

As of the date of this MD&A, there were 407,170,550 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	Exercise Price	Maturity
22,154	$0.20	August 24, 2023
12,344	$0.17	July 12, 2024
32,300	$0.13	September 25, 2024 and October 22, 2024
622	$0.085	February 20,2025
45,944	$0.12	February 14, 2025 and March 5, 2025
26,933	$0.25	November 1, 2026 to November 8, 2026
11,111	$0.09	December 1, 2026 and December 16, 2026
10,000	$0.05	March 20,2024
161,408		

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

Number of Options	Range of Exercise Prices	Weighted average time to maturity
12,534	$ 0.01 – 0.06	5.16 years
3,457	$ 0.07 – 0.14	6.82 years
10,701	$ 0.15 – 0.22	2.88 years
1,057	$ 0.23 – 0.30	7.91 years
27,749		

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 audited financial statements for the year ended September 30, 2022. Refer to the interim financial statements for the quarter ended March 31, 2023, 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

There are a number of risk factors that could impact the Company's ability to successfully execute its key strategies and may materially affect future events, performance, or results. For a comprehensive discussion on the risks faced by the Company, please refer to the Company's MD&A for the year ended September 30, 2022. The risks and uncertainties described therein and herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, could have a material adverse effect on the Company. If any of such risks occur, the Company's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

Liquidity and Going Concern Risk

The major risks affecting the Company as at the date of this MD&A is liquidity and going concern risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities, including the Credit Facility with Pivot. The Company's ability to continue as a going concern is dependent upon

the Company's ability to raise additional capital through equity and/or debt financings and achieve profitable operations.

While management considers that the preparation of its financial statements under the going concern basis is appropriate, there is significant doubt about the Company's ability to continue as a going concern as the Company has a working capital deficit of $9,771,000 as at March 31, 2023 and for the three month period ended March 31, 2023 the Company incurred a net loss of $3,546,000, which included impairment charges of $475,000 related to the discontinuance of its COVID-19 PCR testing business and $1,335,000 related to the exit from its lab-based testing platform. The Company's ability to continue as a going concern is dependent upon the Company's ability to raise additional capital through equity and/or debt financings and achieve profitable operations.

The Company continues to pursue commercial sales, strategic partnering activities and funding opportunities including from the sale of assets from discontinued operations, however, no assurances can be given that it will be successful in generating revenues or raising additional investment capital to generate sufficient cash flows to continue as a going concern and there is significant doubt about the Company's ability to continue as a going concern without achieving such revenue or financing in the near term. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

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

PCR: Polymerase Chain Reaction

TripleLock: Is a qPCR testing platform in a 96-well plate format, leveraging shelf-stable, lyophilized chemistry that enables quick and accurate testing for defined DNA or RNA targets.