MedMira Inc.

Condensed Interim Consolidated Financial Statements
For the three months ended October 31, 2020 and October 31, 2019
(Unaudited – Prepared by Management)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ending October 31, 2020

December 24, 2020

Management's responsibility for financial reporting

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

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

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

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

(signed) *Hermes Chan*

Chief Executive Officer

(signed) *Markus Meile*

Chief Financial Officer

Unaudited consolidated statements of financial position
As at October 31, 2020 and July 31, 2020

In Canadian dollars

	Notes	31-Oct-20	31-Jul-20
		$	$
Assets			
Current assets			
Cash		603,257	401,861
Trade and other receivables		1,130,356	207,801
Prepaid expenses		49,952	78,846
Inventories	3	339,481	222,585
Total current assets		2,123,046	911,093
Non-current assets			
Property, plant and equipment		2,437,328	2,484,980
Intangible assets		2	2
Total non-current assets		2,437,330	2,484,982
Total assets		4,560,376	3,396,075
Liabilities			
Current liabilities			
Current portion of debt	8	8,582,234	8,621,084
Trade accounts payable and accrued liabilities		2,441,534	2,314,338
Salaries and benefits payable		1,625,267	1,524,958
Interest payable		1,949,180	1,809,734
Deferred rent		51,285	56,391
Deferred revenue		1,409,594	1,240,890
Provision for royalty	10	101,603	101,603
Current portion of lease liabilities	7	139,157	137,439
Total current liabilities		16,299,854	15,806,437
Long term liabilities			
Long term debt	8	829,535	848,335
Lease liability	7	2,278,165	2,303,653
Total long term liabilities		3,107,700	3,151,988
Total liabilities		19,407,554	18,958,425
Equity			
Share capital	4	63,421,802	63,421,802
Stock based compensation reserve	4	10,252	10,252
Equity reserve	4	13,781,668	13,781,668
Accumulated deficit		(92,060,900)	(92,776,072)
Total shareholders' deficiency		(14,847,178)	(15,562,350)
Total liabilities and equity		4,560,376	3,396,075

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

Approved on behalf of the Board of Directors

(signed) *Hermes Chan*, Director

(signed) Steve Cummings, director

Unaudited consolidated statements of operations and comprehensive loss
For the three months ended October 31, 2020 and October 31, 2019

In Canadian dollars

	Notes	31-Oct-20	31-Oct-19
		$	$
Product			
Product sales	2	1,565,744	89,132
Product cost of sales	3	(203,473)	(17,444)
Gross margin on product		1,362,271	71,688
Services			
Service sales		37,079	-
Service cost of sales		(37,079)	-
Gross maring on services		-	
Operating expenses			
Research and development	12	(61,772)	(35,724)
Sales and marketing		(17,299)	(14,653)
Other direct costs		(231,762)	(98,865)
General and administrative		(168,088)	(205,755)
Total operating expenses		(478,921)	(354,997)
Operating loss		883,350	(283,309)
Non-operating expense			
Financing expense	14	(168,178)	(185,364)
Net and comprehensive loss		715,172	(468,673)
Basic loss per share	5	0.001	(0.001)
Diluted loss per share	5	0.001	(0.001)

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

Unaudited consolidated statements of changes in equity

In Canadian dollars

	Notes	Share capital						
		Common shares	Preferred shares	Warrant reserve	Option reserve	Equity reserve	Accumulated deficit	Shareholders' deficiency
Balance at July 31, 2019		**63,419,302**	**2,500**	**2,726,487**	**19,835**	**11,045,598**	**(90,730,686)**	**(13,516,964)**
Net and comprehensive income		-	-	-	-	-	(468,673)	(468,673)
Expiration of warrants		-	-	(2,726,487)	-	2,726,487		-
Balance at October 31, 2019		**63,419,302**	**2,500**	**-**	**19,835**	**13,772,085**	**(91,199,359)**	**(13,985,637)**
Net and comprehensive loss		-	-	-	-	-	(1,576,713)	(1,576,713)
Expiration of stock options	4	-	-	-	(9,583)	9,583	-	-
Balance at July 31, 2020		**63,419,302**	**2,500**	**-**	**10,252**	**13,781,668**	**(92,776,072)**	**(15,562,350)**
Net and comprehensive income		-	-	-	-	-	715,172	715,172
Balance at October 31, 2020		**63,419,302**	**2,500**	**-**	**10,252**	**13,781,668**	**(92,060,900)**	**(14,847,178)**

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

Unaudited consolidated statements of cash flows
For the three months ended October 31, 2020 and October 31, 2019

In Canadian dollars

	Notes	31-Oct-20 $	31-Oct-19 $
Cash from operating activities			
Net loss		715,177	(468,673)
Adjustments for:			
Depreciation		52,240	47,226
Interest expense on lease liabilities		30,514	32,119
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(922,551)	23,646
(Increase)/decrease in inventories		(116,896)	2,283
Decrease in prepaid expenses		28,894	542
(Increase)/decrease in trade accounts payable and accrued liabilities		127,188	(7,144)
Increse in other current liabilities		234,649	214,723
Increase in deferred revenue		168,704	14
Net cash used in operating activities		317,919	(155,264)
Cash flow from investing activities		(4,588)	(5,276)
Net cash used in investing activities		(4,588)	(5,276)
Cash flow from financing activities			
Increase in bank indebtedness		-	5,933
Payment of lease liabilities		(54,284)	(52,336)
Proceeds from borrowings		-	146,273
Repayment of borrowings		(57,651)	(28,227)
Net cash from financing activities		(111,935)	71,643
Net increase (decrease) in cash		201,396	(88,897)
Cash at the beginning of the year		401,861	88,897
Cash at the end of the year		603,257	-

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

1. Reporting entity

Nature of operations

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

2. Basis of preparation

a. Statement of compliance

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

The consolidated financial statements were authorized for issue by the Board of Directors on December 24, 2020

b. Going-concern

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

The Company has incurred losses and negative cash flows from operations on a cumulative basis since inception. For the three months ended October 31, 2020, the Company realized a net income of $0.7 million (October 31, 2019 – net loss of $0.5 million), consisting of a net income from operations of $0.9 million (October 31, 2019 – net loss of $0.3 million), and other non-operating losses of $0.2 million (October 31, 2019 - $0.2 million). Negative cash inflows from operations were $0.3 million (October 31,2019 – net outflows of $0.2 million). As at October 31, 2020, the Company had an accumulated deficit of $92.1 million (July 31, 2020 - $92.8million) and a negative working capital position of $14.2 million (July 31, 2020 - $14.9 million). In addition, as at October 31, 2020, $8.6 million of debt was in default. The Company currently has insufficient cash to fund its operations for the next 12 months. In addition to its ongoing working capital requirements, the Company must secure sufficient funding for its research and development programs for existing commitments, including its current portion of debt of approximately $8.6 million. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company's objectives in managing capital are to ensure it can meet its ongoing working capital requirements. The Company must secure sufficient capital to support its capital requirements for research and development programs, existing commitments, including its current portion of debt of approximately $8.7 million, as well as growth opportunities.

Management dedicates significant time to pursuing investment alternatives that will fund the Company's operations and growth opportunities so it can continue as a going concern. Debt arrangements were also ongoing with the Company's major shareholder and other debt holders. Subsequent to the close of the first quarter of fiscal year 2021, the Company, has generated additional revenues from product sales, product development and license fees, which support the Company's on-going operating costs and provide funding for its product development activities. Management continues to work closely with its main investor to support any additional cash requirements if needed, nevertheless there is no assurance that this initiative would be successful.

In Canadian dollars

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

c. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control is achieved when the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there changes to one or more of the three elements of control listed above. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements.

3. Revenue

The Company derives approximately 98% (October 31, 2020 – 93%) of its revenue from three (October 31, 2020 — four) main customers and, for these customers, assesses the recoverability of each account on a regular basis. During the three months ended October 31, 2020, customer 1 accounted for 84% of the Company's revenue, customer 2 accounted for 11% of the revenue and customer 3 accounted for 3%.

	31-Oct-20	**31-Oct-19**
	$	**$**
Product sales	1,565,744	89,132
Service sales	37,079	-
Total revenue	1,602,823	89,132

Service sales are generated from research and development work on a contract for Ritec AG.

In Canadian dollars

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

	31-Oct-20	31-Oct-19
	$	$
North America*	1,559,939	69,378
Latin Amercia and the Caribbean	-	6,515
Europe	38,928	13,239
Asia Pacific	3,956	-
Total revenue	1,602,823	89,132

*For the three months ended October 31, 2020, revenue in North America included sales made in Canada (the Company's country of domicile) of $16,855 (October 31, 2019 - $3,200).

4. Inventories

As at October 31, 2020, there were no valuation allowances against inventory (July 31, 2020 - $nil).

During the three months ended October 31, 2019, inventory valued at $189,417 was expensed as product cost of sales (October 31, 2019 - $14,168), which included write-downs of inventory as a result of net realizable value being lower than cost of $6,177 (October 31, 2019 – $1,346). No inventory write-downs recognized in previous years were reversed during the current year.

	31-Oct-20	31-Jul-20
	$	$
Raw materials and consumables	200,854	195,146
Work in process	101,021	26,940
Finished goods	37,606	499
Total inventories	339,481	222,585

5. Capital and other components of equity

a. Authorized

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

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

In Canadian dollars

b. Share capital issued

	Number of		Value of		
	Common shares	Preferred shares	Common shares $	Preferred shares $	Total share capital $
Balance at July 31, 2020	**658,364,320**	**5,000,000**	**63,419,302**	**2,500**	**63,421,802**
Issued for cash	-	-	-	-	-
Share issuance costs	-	-	-	-	-
Balance at October 31, 2020	**658,364,320**	**5,000,000**	**63,419,302**	**2,500**	**63,421,802**

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

The Series A preferred shares had a stated capital of $2,500 at October 31, 2020 (July 31, 2020 - $2,500).

c. Stock based compensation

The Company has established a stock option plan for its employees, officers, and directors. All options vest immediately upon issue and the Company is authorized to issue up to a maximum of 13,000,000 options upon approval by shareholders. Options that have been issued and remain outstanding are exercisable into an equivalent of 600,000 common shares (July 31, 2020 – 600,000) at an exercise price of $0.05. The options expire on January 31, 2021. All options outstanding at October 31, 2020 were exercisable.

The total options outstanding are shown below.

	Number	Weighted average exercise price $	Share-based payment reserve $
Options outstanding July 31, 2020	600,000	0.05	10,252
Options outstanding October 31, 2020	**600,000**		**10,252**

The following table summarized information about the options outstanding and exercisable at October 31, 2020:

Number outstanding and exercisable	Weighted average exercise price per share $	Weighted average remaining contractual life (years)
600,000	0.05	0.25

In Canadian dollars

d. Equity Reserve

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

	Equity Reserve
	$
Balance at July 31, 2020	13,781,668
Balance at October 31, 2020	**13,781,668**

6. Earnings (Loss) per share

	for the three months ended	
	31-Oct-19	**31-Oct-18**
	$	**$**
Net income (loss) attributable to common shareholders	715,172	(468,673)
Issued common shares	658,364,320	658,364,320
Weighted average number of common shares	658,364,320	658,364,320
Basic earnings (loss) per share	0.001	(0.001)
Diluted earnings (loss) per share	0.001	(0.001)

The diluted weighted average number of common shares outstanding is the same as the basic weighted average number of common shares outstanding for the three months ended October 31, 2020, as the exercise of options would be anti-dilutive.

In Canadian dollars

7. Lease liability

	Building
	$
at July 31, 2020	2,441,092
Interest expense	30,514
Less: Lease payments	(54,284)
at October 31, 2020	2,417,322
Less: Current portion	(139,157)
	2,278,165

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

		Lease Liability	Finance Charge
		$	$
Year ending October 31,	2021	139,158	120,336
	2022	146,114	113,379
	2023	154,424	106,078
	2024	172,311	98,276
	2025	180,889	89,698

In Canadian dollars

8. Loans and borrowings

a. Loans

	31-Oct-20		31-Jul-20	
	Carrying value	Contract value	Carrying value	Contract value
	$	$	$	$
Short term loans	2,421,398	2,421,398	2,457,831	2,457,831
Loan 1	1,054,167	1,054,167	1,054,167	1,054,167
Loan 2	1,300,000	1,300,000	1,300,000	1,300,000
Loan 3	219,669	219,669	222,086	222,086
Loan 4	581,480	581,480	587,880	587,880
Loan 5	218,055	218,055	220,455	220,455
Canada emergency business account	30,000	30,000	40,000	40,000
ACOA loans	473,610	473,610	473,610	473,610
Nova Scotia government loan 1	3,016,000	3,016,000	3,016,000	3,016,000
Nova Scotia government loan 2	97,390	97,390	97,390	97,390
Total loan principal	**9,411,769**	**9,411,769**	**9,469,419**	**9,469,419**
Long term portion of principal	829,535		848,335	
Current portion payable of principal	8,582,234		8,621,084	

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

	Repayment required
	$
Fiscal year 2021	8,582,234
Fiscal year 2022	799,535
Fiscal year 2023	30,000
Total	9,411,769

Short term loans

The Company has six short term loans with related parties. These loans are utilized by the Company for short term working capital requirements. The loans have an interest rate of 5% per year. As of October 31, 2020 the loans are all in default due to non-payment.

Loan 1

Loan established October 31, 2012, bearing 5% interest with monthly interest only payments until November 30, 2013, followed by monthly principal payments and accrued interest for five additional years ending November 30, 2018. The loan is secured by interest on intellectual property and on the step-up technology. The loan was in default on October 31, 2020 due to non-payment of principal and interest and thus has been classified as a current liability.

Loan 2

Loan established July 31, 2012, bearing 5% interest with monthly interest payments were due until April 30, 2016, followed by equal monthly principal payments and accrued interest for four additional years ending July 31, 2020. The loan was in default on October 31, 2020 due to non-payment of principal and interest and thus has been classified as a current liability.

Loan 3

Loan was established on July 31, 2016, bearing 5% interest with the Company's Chief Financial Officer. The loan was renegotiated on January 21, 2017 and is now fully payable on or before October 1, 2019. The loan was in default on October 31, 2020 due to non-payment of principal and interest and thus has been classified as a current liability.

Loan 4

Loan was established on November 6, 2019 with MedMira Holding AG. The loan bears 5% interest and is due on December 1, 2021.

Loan 5

Loan was established on May 15, 2020 with MedMira Holding AG. The loan bears 5% interest and is due on May 31, 2020.

Canada Emergency Business Account (CEBA)

The Company received a loan of CAD$40,000 from Bank of Montreal which is fully secured by the Government of Canada. This Relief Line of Credit was the governments direct response to support Canadian companies during the COVID-19 situation. This loan carries an interest rate of 0% per annum to be repaid in full by the December 31, 2022. This loan may be extended from January 1, 2023 to December 31, 2025 in which case this loan carries an interest of 5%. If this loan is repaid before December 31, 2022 the Company is entitled to a credit in the amount of 25% equal to $10,000.

Atlantic Canada Opportunities Agency (ACOA) loans

Loans established on October 31, 2012, bearing no interest with monthly principal payments of $3,747 until July 31, 2013, followed by monthly principal payments of $24,234 for five additional years ending July 31, 2018. The loan was renegotiated in July 2014, bearing no interest with a monthly principal payment of $24,234 in August 2014 followed by 40 monthly principal payments of $27,800 starting on February 1, 2015 and one monthly principal payment of $26,975 at the end of the loan. The loan is secured by all present and subsequently acquired personal property, excepting consumer goods. The loan was in default on October 31, 2020 due to non-payment of principal and interest and thus has been classified as a current liability.

Nova Scotia government loan 1

The loan was established in August 2015, bearing interest based on the Province of Nova Scotia's five year cost of funds, plus five hundred basis points. Monthly interest payments are due until August 31, 2018. Starting on September 1, 2016, thirteen monthly principal payments of $120,000 are due followed by ten monthly principal payments of $135,000 starting on October 1, 2017 and one monthly principal payment of $106,000 on August 1, 2018. The loan is secured by first interest on intellectual property and on the Maple Bio sensor technology. The loan was in default on October 31, 20209 due to non-payment of principal and interest and thus has been classified as a current liability.

In Canadian dollars

Nova Scotia government loan 2

Loan established September 14, 2012, bearing no interest with the balance due by August 31, 2018. The loan is secured by first interest on intellectual property and on the Maple Bio sensor technology. The loan was in default on October 31, 2020 due to non-payment of principal and interest and thus has been classified as a current liability.

9. Capital management and financial risks

a. Capital management

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

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

	31-Oct-19	31-Jul-20
	$	$
Total debt	9,411,769	9,469,419
Less: Cash	(603,257)	(401,861)
Net debt	**8,808,512**	**9,067,558**
Shareholders' deficiency	(14,847,178)	(15,562,350)
Total capital	**(6,038,666)**	**(6,494,792)**

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

b. Foreign currency risk

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

In Canadian dollars

	31-Oct-20	31-Jul-20
	US$	US$
Cash	51,147	290,438
Trade and other receivables	820,957	115,723
Prepaids	398	25,253
Accounts payable and accrued liabilities	1,441,863	1,803,226
Royalty provision	75,800	75,800
Debt	94,656	94,656

A one percent change in the US dollar exchange rate would result in approximately a $24,848 (July 31, 2020 - $12,210) impact on the statement of financial position and consolidated statement of operations.

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

	CHF	CHF
Cash	366,391	7,041
Trade and other receivables	3,873	3,329
Accounts payable and accrued liabilities	1,108,381	559,151
Debt	2,218,160	2,218,160

A one percent change in the US dollar exchange rate would result in approximately a $36,968 (July 31, 2020 - $21,297) impact on the statement of financial position and consolidated statement of operations.

c. Interest rate risk

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

d. Credit risk

The Company exposed to credit risk in relation to its trade accounts receivable. To mitigate such risk, the Corporation continuously monitors the financial condition of its customers and reviews the credit history or worthiness of each new customer. The Company mitigates this risk by requiring a 100% down payment prior to shipment for new customers or distributors or 50% down payment on most orders at the time of purchase, and the remaining 50% prior to shipment for long standing costumers with a long standing credit history.

The Company establishes an allowance for doubtful accounts based on specific credit risk of its customers by examining such factors as the number of overdue days of the customers' balance outstanding as well as the customers' collection history. Since 98% of the Company's sales are with three international companies there is no significant concentration of credit risk.

Age of receivable that are past due but not impaired

120 +	**$0**
Total	**$0**

In Canadian dollars

Trade and other receivables include amounts that are past due as at October 31, 2020 for which the Company has not recognized an allowance for doubtful accounts because there has not been a significant change in credit quality of the customer and the amounts are still considered recoverable.

e. Liquidity risk

Liquidity risk represents the possibility that the Company may not be able to gather sufficient cash resources, when required and under reasonable conditions, to meet its financial obligations. As at October 31,2020, the Company does not have sufficient cash to meet all of its current liabilities.

The Company also continues to have an ongoing need for substantial capital resources to research and develop, commercialize and manufacture its products and technologies. The Company is not yet receiving a significant ongoing revenue stream, nor can it be certain that it will receive significant revenue before additional cash is required. As a result, there can be no assurance that the Company will have sufficient capital to fund its ongoing operations, develop or commercialize its products without future financing.

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

For the three months ended October 31, 2019	**Total**	**Less than 1 year**	**1 to 3 years**	**4 to 5 years**	**After 5 years**
	$	**$**	**$**	**$**	**$**
Debt	9,411,769	8,582,234	829,535	-	-
Accounts payable and accrued liabilities	7,476,860	7,476,860	-	-	-
Lease liabilities	2,417,322	139,157	472,855	371,830	1,433,480
Royalty provision	101,603	101,603	-	-	-
Total debt	**19,407,554**	**16,299,854**	**1,302,390**	**371,830**	**1,433,480**

For the year ended July 31, 2020	**Total**	**Less than 1 year**	**1 to 3 years**	**4 to 5 years**	**After 5 years**
	$	**$**	**$**	**$**	**$**
Debt	9,469,419	8,621,084	848,335	-	-
Accounts payable and accrued liabilities	6,946,311	6,946,311	-	-	-
Lease liabliities	2,441,092	137,439	465,025	366,244	1,472,384
Royalty provision	101,603	101,603	-	-	-
Total debt	**18,958,425**	**15,806,437**	**1,313,360**	**366,244**	**1,472,384**

The payments noted above do not include interest payments.

10. Royalty provision

During March 2015, the Company entered into a royalty agreement with MedMira Holding AG whereby MedMira Holding AG would receive a 10% royalty on all future US sales of the Reveal G4 product for a five year period commencing on the day the first full payment and delivery of at least CAD $100,000 worth of product. In exchange, MedMira Holding AG provided the Company with $270,000 to fund costs required to complete the product development and obtain US Food and Drug Administration (FDA) pre-market approval. At the inception of the arrangement, the Company's best estimate of the value of the provision was zero and as MedMira Holding AG is the controlling shareholder of the Company, the $270,000 was recorded in equity (Note 8). As at October 31, 2020, the Company's best estimate of the fair value of the provision was $101,603 (July 31, 2020 - $101,603), which is recorded in royalty provision and the change in fair value of the provision recorded in financing expense in profit or loss.

In Canadian dollars

During July 2016, the Company entered into a royalty agreement with MedMira Holding AG whereby MedMira Holding AG would receive a 10% royalty on all future sales of the hepatitis C (HCV) portion of the approved Multiplo HIV/HCV test commencing on the day of the first full delivery and payment of CAD $10,000 worth of product. In exchange, MedMira Holding AG provided the Company with $200,000 to fund costs required to complete product development and obtain FDA pre-market approval. At the inception of the arrangement, the Company's best estimate of the fair value of the provision was zero and as MedMira Holding AG is the controlling shareholder of the Company, the $200,000 was recorded in equity reserve. As at October 31, 2020, the Company's best estimate of the fair value of the provision was zero. Management's fair value estimate was based on changes made during the FY2017 product commercialization prioritization process which placed the Multiplo HIV/HCV project on hold until further notice.

During October 2016, the Company entered into a royalty agreement with Ritec AG whereby Ritec AG would receive a 12.5% royalty on all future sales of the approved Reveal G4 CLIA-waived product commencing on the day of the first full delivery and payment of CAD $10,000 worth of product. In exchange, Ritec AG provided the Company with $1,310,100 to fund costs required to complete the product development, clinical trials and obtain FDA approval. At the inception of the arrangement, the Company's best estimate of the fair value of the provision was zero and as Ritec AG is owned by a shareholder of MedMira Holding AG who is the controlling shareholder of the Company, the $1,310,100 was recorded in equity reserve. At October 31, 2020, the Company's best estimate of the fair value of the provision was zero.

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

	Provision for royalty
	$
Balance at July 31, 2020	101,603
	-
Balance at October 31, 2020	101,603

11. Related parties

The following transactions occurred with related parties during the three months ended October 31, 2020:

- Short term loans totalling $11,346 were repaid to employees (July 31, 2020 - $125,939)
- A product development agreement worth $723,000 was received from Ritec AG (July 31, 2020 - $0)

The following balances with related parties were outstanding at October 31, 2020:

- Accounts payable totalling $1,054,241 was due to officers (July 31, 2020 - $1,027,970).
- A loan term loan totalling $219,669 was due to the Chief Financial Officer (July 31, 2020 - $222,087).
- A royalty provision was owed to MedMira Holding AG of $101,063 (July 31, 2020 - $101,063).
- Short term loans totalling $50,000 were owed to employees (July 31, 2020 - $61,346)
- Short term loans totalling $1,744,440 are owed to Ritec AG (July 31, 2020 - $1,763,640)

In Canadian dollars

- Short term loans totalling $263,533 were owed to one officer (July 31, 2020 - $265,420)
- Short term loans totalling $363,425 were owed to MedMira Holding AG (July 31, 2020 - $367,425)
- Long term loans totalling $799,535 were owed to MedMira Holding AG (July 31, 2020 - $808,335)

12. Research and development

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

	31-Oct-20	31-Oct-19
	$	$
Research and development expenses	(83,313)	(35,724)
Less: research and development expenses allocated to cost of sales	21,541	-
Net research and development expense	**(61,772)**	**(35,724)**

13. Expenses by nature

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

	for the three months ended	
	31-Oct-20	31-Oct-19
	$	$
Change in inventory	(189,417)	(13,153)
Employee benefits	(304,033)	(238,049)
Depreciation	(52,240)	(47,226)
Distribution	(16,865)	(1,212)
Facility	(64,804)	(9,390)
Professional services	(31,018)	(18,983)
Lab supplies	(62,830)	(5,768)
Other expenses	(58,123)	(22,930)
Exchange gains (losses)	59,857	(15,730)
Finance costs	(178,178)	(185,364)
Gain on Canada Ermegency Business account loan	10,000	
	(887,651)	**(557,805)**

14. Financing expense

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

	31-Oct-20	31-Oct-19
	$	$
Finance costs	(178,178)	(185,364)
Gain on Emergency Business account loan	10,000	-
Total financing expense	**(168,178)**	**(185,364)**