November 12, 2014

MANAGEMENT'S DISCUSSION & ANALYSIS
(All figures are expressed in thousands of Canadian dollars)

This Management's Discussion & Analysis ("MD&A") for the nine months ended September 30, 2014 has been prepared to help investors understand the financial performance of the Company in the broader context of the Company's strategic direction, the risks and opportunities as understood by management, and the key success factors that are relevant to the Company's performance. Management has prepared this document in conjunction with its broader responsibilities for the accuracy and reliability of the financial statements, as well as the development and maintenance of appropriate information systems and internal controls to ensure that the financial information is complete and reliable. The Finance and Audit Committee of the Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

This discussion should be read in conjunction with the Condensed Interim Financial Statements of the Company, and the notes thereto, for the nine months ended September 30, 2014 (the "Condensed Interim Financial Statements") and the Audited Annual Financial Statements of the Company, and the notes thereto for the years ended December 31, 2013 and 2012 (the "Annual Financial Statements"), as well as management's discussion and analysis for the year ended December 31, 2013.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking information within the meaning of securities law. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements regarding our future financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. These statements are based on certain factors and assumptions regarding, among other things, expected growth, results of operations, performance and business prospects and opportunities. While we consider these assumptions to be reasonable based on information currently available to us, they may prove to be incorrect. Forward looking-information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what we currently expect. These factors include, among other things, the availability of funds and resources to pursue development projects, the successful and timely completion of clinical studies, and the ability of Spectral Diagnostics Inc. to take advantage of business opportunities, the granting of necessary approvals by regulatory authorities as well as general economic, market and business conditions. For more exhaustive information on these risks and uncertainties you should refer to our most recently filed annual information form which is available at www.sedar.com. Forward-looking information contained in this MD&A is based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS

The Company's management maintains a system of disclosure controls and procedures to provide reasonable assurance that material information is made known, and has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"), applicable to the preparation of interim financial statements, including IAS 34 "Interim Financial Reporting". There has been no change during the Company's most recent interim period in the internal controls over financial reporting.

The accounting policies applied in these Condensed Interim Financial Statements are based on IFRS effective for the nine months ended September 30, 2014, as issued and outstanding as of November 12, 2014, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's Condensed Interim Financial Statements for the nine months ended September 30, 2014 could result in restatement of these financial statements, including the transition adjustments recognized on the change-over to IFRS.

Dr. Paul M. Walker, Chief Executive Officer, and Mr. Anthony Businskas, Chief Financial Officer, in accordance with Multilateral Instrument NI 52-109, have also both certified that:

- They have reviewed the Condensed Interim Financial Statements and this MD&A ("the Filings");
- Based on their knowledge, these Filings do not contain any untrue fact or omit a material fact;
- The Filings present fairly the financial position, loss and comprehensive loss, and cash flows of the Company;
- They have designed such disclosure controls and procedures, or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company, particularly during the period in which the annual filings are being prepared;
- They have designed such internal controls over financial reporting, or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

This document and the related financial statements can also be viewed on the Company's website at www.spectraldx.com and at www.sedar.com. The Company's Annual Information Form and Management Information Circular are also available on these websites.

INTRODUCTION

Spectral Diagnostics Inc. ("Spectral" or the "Company") is strategically focused on the development and commercialization of a treatment for severe sepsis utilizing its Endotoxin Activity Assay (EAA™) and the Toraymyxin therapeutic ("PMX"). If approved, this will be the first theranostics product, a targeted therapy guided by a specific diagnostic, in the area of sepsis. The Company also manufactures and sells certain proprietary reagents.

EAA™

Spectral has pioneered the development of biochemical markers for the clinical syndrome known as "severe sepsis". In 2003, the Company achieved U.S. Federal Drug Administration ("FDA"), Health Canada and European CE clearance of the Endotoxin Activity Assay ("EAA™") for the first recognized rapid test for the risk of developing sepsis in the Intensive Care Unit ("ICU"). In North America alone, over 1,000,000* patients annually are diagnosed with the clinical syndrome of sepsis. Between 30% and 50% of patients with severe sepsis die in the ICU. Earlier identification and treatment of patients at risk for sepsis reduces mortality and saves significant cost by reducing the length of stay in the ICU and helping to guide therapeutic interventions. Spectral's EAA™ endotoxin measurement is the only FDA cleared diagnostic for this indication currently on the market.

PMX

PMX is a therapeutic hemoperfusion device that removes endotoxin from the bloodstream. PMX has been used in more than 100,000 patients globally and has demonstrated in clinical trials that it safely and effectively removes endotoxin and reduces mortality in patients with severe sepsis.

Results of a randomized controlled trial (the EUPHAS trial) were published in the *Journal of the American Medical Association* (JAMA, 2009; Vol. 301 No. 23, 2445-2452). The results demonstrated that when PMX is added to conventional therapy, there is significantly improved hemodynamics and organ function, and reduced 28-day mortality in patients with severe sepsis and septic shock in comparison to those patients in the conventional therapy group.

PROPRIETARY REAGENTS

Spectral develops, produces and markets recombinant proteins, antibodies and calibrators. These materials are sold for use in research and development as well as in products manufactured by other diagnostic companies through non-exclusive license and supply agreements. Royalty revenues are earned from these license arrangements based on a percentage of end user sales of Troponin I.

CLINICAL DEVELOPMENT

The Company's only clinical development program is focused on obtaining U.S. FDA approval for PMX.

On March 6, 2009, Spectral signed a license agreement with Toray Industries, Inc. of Japan granting Spectral the exclusive development and commercial rights in the U.S. for PMX, a therapeutic device for the treatment of sepsis that removes endotoxin from the bloodstream. Under the terms of the agreement, Spectral is seeking U.S. FDA approval for PMX and intends to commercialize the product, together with its Endotoxin Activity Assay (EAA™), the only FDA cleared diagnostic for the measurement of endotoxin.

On February 26, 2010, the Company received final approval of its Investigation Device Exemption ("IDE") from the U.S. FDA, which permits the Company to conduct a pivotal trial for PMX (the EUPHRATES trial) in the United States.

** Ref: Martin. G., Expert Rev Anti Infect Ther.2012 June; 10(6): 701-706*

In October, 2010, the Company announced the initiation of its EUPHRATES trial (Evaluating the Use of Polymyxin B Hemoperfusion in a Randomized controlled trial of Adults Treated for Endotoxemia and Septic shock) in the United States comparing standard of care versus PMX plus standard of care.

In November, 2010, the Company signed a long-term, exclusive distribution agreement with Toray Industries, Inc. and Toray Medical Co., Ltd. of Japan (collectively "Toray") to market and sell PMX in Canada. Both the PMX product and Spectral's EAA™ diagnostic are already approved for sale by Health Canada. The Company is developing commercial plans for the Canadian market. The first step in the Canadian commercialization process is the inclusion of Canadian sites in the EUPHRATES trial. There are currently 9 operational Canadian sites with 11 hospitals.

In the fourth quarter of 2011, "Xigris", an Eli Lilly product, was withdrawn from the market globally, following results of a European clinical study which showed that the trial did not meet the primary endpoint of a statistically significant reduction in 28-day all cause mortality in patients with septic shock. In February, 2012, the first of two anticipated pivotal phase III sepsis studies for Tolactoferrin alfa ("Aggenix AG") was halted for safety reasons. While unfortunate for sepsis patients and clinicians, the opportunity to find an effective treatment remains.

On June 20, 2012, the FDA approved the Company's request to add up to an additional 30 clinical trial sites. This provides the Company with the capability to expand the trial to a total of 60 clinical sites in North America and internationally.

On September 26, 2012, the FDA approved an amended protocol for the EUPHRATES trial, which included two planned interim analyses instead of one.

In January, 2013, the first interim analysis was conducted on the 76 randomized patients who were followed for 28 days. The Data Safety and Monitoring Board ("DSMB"), consisting of experts in the fields of critical care medicine, infectious disease, nephrology, biostatistics and regulatory affairs, reviewed the totality of the data set for evidence of safety concerns, such as adverse events and/or adverse device effects, related to the use of the PMX cartridge. The results from the first interim safety analysis by the DSMB stated that there are no safety issues concerning the application of the PMX cartridge to patients in the EUPHRATES trial. In addition, the results stated that the EUPHRATES clinical protocol appears to be defining the correct target patient population for this study.

On May 1, 2013, the Company announced the appointment of Dr. Gualtiero Guadagni as the Company's Vice President, Sales and Marketing. Dr. Guadagni will primarily be responsible for the development of sales and marketing programs, the expansion of commercial opportunities and the execution of sales and marketing initiatives for PMX and EAA™ in Canada, the United States and Europe.

On September 26, 2013, the Company announced that the 184 patients required for the planned, second interim analysis had been randomized into its EUPHRATES trial.

On January 27, 2014, the DSMB met to review the results of the second interim analysis after 184 patients had been randomized and followed for 28 days in accordance with the Statistical Analysis Plan agreed to with the FDA. On that date, the DSMB reported that stopping rules for safety, efficacy and futility were not met and that the trial should continue. The DSMB did not, however, provide the planned sample size recalculation at that time. The DSMB requested that additional analysis be performed by the Contract Research Organization on the original 184 patients prior to the recalculation.

The Company received the recommendations of the DSMB pursuant to its analysis on April 11, 2014, which recommendations included an additional exclusion criterion. The DSMB recommended that patients with a Multiple Organ Dysfunction Score (MODS) score of ≤ 9 no longer be eligible for randomization in the trial. The MODS score is a recognized scoring system used to evaluate the degree of organ dysfunction which exists in patients with sepsis. This recommendation is consistent with data from previous PMX trials, which demonstrated that the PMX column is most effective in reducing mortality rates of sicker patients.

Based on these recommendations, the trial's sample size was recalculated and increased from 360 to 605 evaluable patients. The attrition rate of patients that have been randomized into the trial but for some reason did not complete the treatment has been much lower than previously estimated and management now believes that it will be unnecessary to enrol up to the previously projected 650 patients to achieve the required evaluable patient target.. The increase in the sample size enhances the likelihood of demonstrating, with sufficient power, a statistically and clinically significant effect. The Company submitted a protocol amendment to the FDA for the recommended additional exclusion criterion, which amendment was approved in the second quarter. The EUPHRATES trial has been using the new exclusion criterion since receiving the recommendation from the DSMB on April 11, 2014. The additional criterion has further positively refined the target patient population for the trial , but has also resulted in some initial challenges in maintaining enrolment at levels achieved in the prior twelve months. The Company is implementing specific measures to increase enrolment on a site by site basis with the objective to complete enrolment of the 605 evaluable patients by the end of 2016.There are currently 40 operational sites in the clinical trial, representing 50 hospitals.

In late September, 2014 the Company received notice from the FDA concerning the Company's overall path to commercialization, whereby the FDA approved the Company's Statistical plan subsequent to the second interim analysis of the EUPHRATES trial, and also agreed to a clear regulatory pathway. In that regard, the FDA has agreed to accept a module Premarket Approach ("PMA"), which should be submitted in the first half of 2015. The modular submission provides the opportunity to meaningfully accelerate the commercialization period to as early as the first half of 2016 upon FDA approval. The first three modules, covering preclinical and manufacturing matters, are targeted for submission in the first half of 2015.

The composite mortality rate of randomized patients in the trial since the implementation of an additional exclusion criterion on early April, 2014 has increased significantly, which trend suggests a strong clinical indication and that those patients most likely to benefit from the treatment are being properly indentified and randomized into the trial. This composite mortality rate is similar to that seen in the prior European EUPHAS study, which demonstrated a significant mortality reduction in septic shock.

The EUPHRATES trial is currently the only active Phase III study in the area of septic shock.

PMX is marketed in Japan and Europe and has been used to treat more than 100,000 sepsis patients safely and effectively. Spectral's EAA™ can identify patients that will benefit from PMX and monitor the effects of the treatment. This combination of the EAA™ diagnostic and the PMX therapeutic has been utilized by clinicians in Europe since November 2007 and has demonstrated a significant reduction in mortality. The market opportunity for Spectral is large, as the combined diagnostic and therapeutic product is expected to fulfill a major unmet need for the approximately 350,000 patients who develop severe sepsis or septic shock in the U.S. each year. Over half of these patients potentially have highly elevated levels of endotoxin. The U.S. market potential for this treatment is estimated at over $3 billion.

OPERATIONS

During the first nine months of 2014, the Company's activities focused on the implementation of the EUPHRATES trial.

The Company also continued to sell its EAA™ diagnostic and its proprietary reagents under the terms of existing commercial arrangements.

OPERATING RESULTS

SELECTED FINANCIAL INFORMATION

(In thousands of Canadian dollars)

REVENUE

Revenue for the three months ended September 30, 2014 was $643, compared to $679 for the same period in the preceding year. For the nine months ended September 30, 2014 revenue was $2,265 compared to $1,959 for the same period in 2013. The $306 increase for the nine months ended September 30, 2014, as compared to the same period in the prior year, is primarily attributable to the timing and increased value of orders under existing distribution agreements, higher royalties on the Company's reagents and the positive foreign exchange impact of a strengthening U.S. dollar compared to Canadian currency. Most of the Company's sales are denominated in U.S. dollars or Euros.

Revenue trends from the three quarters should continue during the remaining three months of 2014, but are subject to the timing of orders based on customer demand and to the impact of foreign exchange fluctuations.

EXPENSES

Operating expenses for the nine months ended September 30, 2014 were $2,668, compared to $3,217 for the same period in the preceding year. For the nine months ended September 30, 2014 operating expenses were $9,930 compared to $9,691 for the same period in 2013, an increase of $239. Overall, operating expenses are consistent with the prior year and are subject to quarterly variations based on the level of trial activities.

The increase in expenses for the nine months ended September 30, 2014 is directly attributable to the EUPHRATES trial activities, consulting and professional fees related to various corporate initiatives and employee benefit costs, which increased from $2,173 in the first nine months of 2013 to $2,709 for the same period in 2014. This increase in employee benefit costs is attributed primarily to the financial impact this year of staff additions in 2013 and the higher fair value of share options granted in the first quarter of 2014 as compared to those granted in the first quarter last year.

Apart from the activities of the EUPHRATES trial, the Company continues to maintain a low cost operating structure for its base business operations.

The $275 of management service fees for the nine months ended September 30, 2013 was paid to Medwell for the provision of various consulting services related to the operation and management of the EUPHRATES trial and the Company's investor relations program.

OTHER INCOME

Other income for the three months ended September 30, 2014 was $13 compared to $5 in the three months ended September 30, 2013. For the nine months ended September 30, 2014 and September 30, 2013 other income was $27 and $24 respectively. Other income represents interest earned on the Company's premium rate savings account on balances in excess of $5,000.

FINANCE INCOME

Finance income represented interest earned on the company's short-term investment and is $49 lower than in the prior period. The last short-term investment matured on November 25, 2013 and was not reinvested. The investment amount, including accrued interest, was deposited to the Company's premium rate savings account to allow access to funds for the ongoing costs of the EUPHRATES trial.

LOSS

For the three months ended September 30, 2014, the Company reported a loss of $2,012 compared to a loss of $2,517 for the three months ended September 30, 2013. The loss for the nine months ended September 30, 2013 was $7,638, compared to a loss of $7,659 for the same period in the prior year.

SHARES OUTSTANDING

The total number of shares outstanding as of the date of this Management's Discussion & Analysis is 179,737,241.

WARRANTS OUTSTANDING

On September 2, 2014, 25,106,064 share purchase warrants exercisable at $0.60 each, expired.

PRIVATE PLACEMENT

On June 11, 2014, the Company entered into agreements for a non-brokered private placement of up to $18,200 (the "Offering"), comprised of a Tranche "A" component and a Tranche "B" component.

The Tranche "A" component of the private placement, in the amount of $13,200, was completed on July 25, 2014. The Company received net proceeds of $12,816 which will be used to fund its EUPHRATES trial and for working capital and general corporate purposes.

The Tranche "A" component was comprised of 45,051,086 common shares ("Shares") of the Company at a subscription price of $0.293 per Share (representing the 20 day volume weighted average trading price of the Shares on the TSX for the 20 day period ending June 6, 2014, for aggregate gross proceeds of $13,200, of which (a) 17,064,846 Shares, for aggregate proceeds of $5,000, were sold to Toray Industries, Inc.; (b) 18,259,382 Shares, for aggregate proceeds of $5,350 were sold to other insiders; and (c) 9,726,958 Shares for aggregate proceeds of $2,850, were sold to other investors.

The Tranche "B" component of the Offering is comprised of additional Shares to be sold to Toray by the Company of up to $5,000, if, as and when the Company exercises the right (the "Call Right"), granted by Toray to the Company. The Call Right is exercisable by written notice given by the Company to Toray at any time on or after March 1, 2015 until March 15, 2015, to require Toray to purchase from the Company, at a subsequent closing to occur on April 1, 2015, up to that number of Shares as is determined by dividing the Call Right amount exercised (up to the $5,000), as applicable, by the volume weighted average trading price of the Shares on the TSX for the twenty trading days ending on the business day prior to the day the Call Right is exercised. The Shares to be sold to Toray in Tranche"B" will only be sold if the Company exercises the Call Right.

BALANCE SHEET, FINANCIAL CONDITION AND LIQUIDITY

(in thousands of Canadian dollars)

Cash and cash equivalents of $11,700 at September 30, 2014; increased by $4,471, from $7,229 at December 31, 2013. This increase was attributable to the following:

Cash operating losses	$(7,171)
Private placement	12,816
Share options exercised	60
Warrants exercised	1
Working capital	(1,188)
Property, plant and equipment additions	(47)
	$4,471

RELATED PARTIES

All related parties and the respective transactions have been disclosed in Note 11 to the Condensed Interim Financial Statements for the three and nine months ended September 30, 2014 and 2013.

i. Toray Industries, Inc. (“Toray”)

Toray holds 33,731,513 Spectral shares, representing approximately 18.8% (2013 – 12.5%) of Spectral’s issued and outstanding capital, calculated on a non-diluted basis.
Toray shall be entitled to nominate one director (the “Toray Representative”) to the Board of Directors as long as it owns in the aggregate not less than 10% of the common shares issued and outstanding calculated on a non-diluted basis. Mr. Koichiro Takeshita is the Toray representative.

ii. Birch Hill Equity Partners Management Inc.(“Birch Hill”)

Birch Hill, through a number of funds, holds 25,402,913 common shares of the Company representing approximately a 14.1% ownership interest.

Birch Hill is entitled to nominate one director to the Company’s Board so long as it owns in aggregate not less than 5% of the issued and outstanding common shares of the Company calculated on a non-diluted basis.

iii. Key management consists of the Company’s four executive officers and its Board of Directors.

OUTLOOK

The Company expects to continue to generate sales in 2014 pursuant to its existing commercial arrangements for EAA™ and its proprietary biological reagents. The strategic focus continues to be on the successful implementation and completion of the EUPHRATES trial.

The Company has also taken a number of other operational and strategic measures to prepare itself for commercialization in 2016. These measures include the development of a proprietary stand alone pump dedicated to the therapy that enables treatment delivery in the Intensive Care Unit (“ICU”) and reduced reliance on third party instrumentation; the automation of the EAA™ testing to simplify the process and to significantly reduce lab technician time in hospitals; the automation and scale up of the manufacturing process at the Company’s plant in Toronto, Canada to increase production capacity and operational efficiencies; and last, the Company is planning for a sales and distribution infrastructure capable of servicing a large potential market at the appropriate time.

The Company successfully secured up to $18,200 of additional capital and closed the first tranche of the financing, amounting to gross proceeds of $13,200, in the third quarter. Management believes that the Company should continue to have sufficient cash to fund patient enrolment into the second half of 2016, but preparation for commercialization may require additional funds, particularly as the Company prepares for a potential market launch in the U.S.

BUSINESS RISKS

The Company's operations are exposed to a variety of risk factors inherent in new product development. The Company's short operating history in its new endeavours makes prediction of future operating results difficult. Actual future results may differ significantly from those projected in any forward-looking statements. Key business risks for the Company are detailed in its most recent Annual Information Form which is available at www.sedar.com.

RISK MANAGEMENT

1. FINANCIAL RISK MANAGEMENT

In the normal course of business, the Company is exposed to a number of financial risks that can affect its operating performance. These risks are: credit risk, liquidity risk and market risk. The Company's overall risk management program and prudent business practices seek to minimize any potential adverse affects on the Company's financial performance.

a. Credit Risk

i. Cash: The Company places its cash with Canadian Schedule I banks.

ii. Cash equivalent: Cash equivalent consist of a premium money market saving account placed with a Canadian Schedule I bank. The premium money market saving account can be converted to cash on demand.

iii. Trade and other receivables: The Company sells its products to distribution partners in major markets. The credit risk associated with the accounts receivable pursuant to these agreements is evaluated during initial negotiations and on an ongoing basis. There have been no events of default under these agreements. As at September 30, 2014 and 2013, no material accounts receivable balances were considered impaired or past due.

b. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is exposed to liquidity risk, as it continues to have net cash outflows to support its operations. The company's objective for liquidity risk management is to maintain sufficient liquid financial resources to fund the statement of financial position and to meet commitments and obligations in the most cost-effective manner possible.

The Company achieves this by maintaining sufficient cash and cash equivalents and managing working capital. The Company monitors its financial resources on a weekly basis and updates its expected use of cash resources on the latest available data. All of the Company's financial liabilities are classified as current liabilities. Current liabilities were $2,559 as at September 30, 2014 with all of it having expected settlement dates within one year. There are uncertainties related to the timing and use of the Company's cash resources. The risks surrounding the timing and the use of the Company's cash resources are disclosed in Note 1 to the Condensed Interim Financial Statements.

c. Market Risk

i. Currency risk: The majority of the Company's revenue is denominated in U.S. dollars and Euros. At September 30, 2014, cash and cash equivalents included US$5. Trade and other receivables included a total of US$409 and €48. Trade and other payables included a total of US$1,160 and €1. There is no active hedging program currently in place due to the relatively short time frame for settlement of these balances. A 10% change in the U.S. dollar /Canadian dollar, Euro/Canadian or exchange rates on the September 30, 2014 amounts would impact on losses by $80.

ii. Interest rate risk: The Company has no material exposure to fluctuations in interest rates.

2. CAPITAL RISK MANAGEMENT

The Company's primary objective, when managing capital, is to maintain appropriate levels of cash and cash equivalents for working capital and operating purposes, as well as funding commercialization of its core products. Capital consists of share capital, contributed surplus, other equity reserves, and deficit.

CRITICAL ACCOUNTING POLICIES

The Condensed Interim Financial Statements of Spectral for the nine months ended September 30, 2014 are prepared in accordance with IAS 34, “Interim Financial Reporting”. The Condensed Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS. The Company has identified the accounting policies and estimates that are critical to the understanding of the Company’s operation and financial results in the Condensed Interim Financial Statements. Certain polices are selected by management and approved by the Finance and Audit Committee of the Board of Directors. These accounting policies are set out in Note 3 of the Annual Financial Statements for the years ended December 31, 2013 and 2012. Certain policies are more significant than others and are, therefore, considered critical accounting policies. Accounting policies are considered to be critical if they rely on a substantial amount of judgment in their application or if they result from a choice between accounting alternatives and that choice has a material impact on the reported results or financial position.

In addition to accounting policies, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Condensed Interim Financial Statements and the reported amounts of revenue and expenses during the reporting period. The most significant estimates are related to the recoverability of purchased technology and licences, property, plant and equipment and valuation assumptions related to share-based compensation. Actual results could differ from those estimates. The Condensed Interim Financial Statements of the Company have been prepared using similar estimation methods for the critical accounting estimates as were used for the Annual Financial statements and they conform to the requirement of IAS 34 “Interim Financial Reporting”.