BioSyent Inc.

Management's Discussion and Analysis

For the three and six months ended June 30, 2021 and 2020

August 24, 2021

Corporate Office
Suite 402
2476 Argentia Road
Mississauga, Ontario, L5N 6M1
Canada

Telephone 905.206.0013
Facsimile 905.206.1413
Email: info@biosyent.com
Web: www.biosyent.com

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BioSyent

Introduction

The following discussion of BioSyent Inc.'s ("**BioSyent**" or the "**Company**") operations, performance and financial condition is based on the Company's interim unaudited condensed consolidated financial statements for the three and six months ended June 30, 2021 and June 30, 2020 ("**Consolidated Financial Statements**"), which were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("**IAS 34**"). The discussion of financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements, including the notes thereto. Additional information relating to the Company, including the Consolidated Financial Statements and the accompanying notes can be found at www.sedar.com.

Forward-Looking Statements

This management's discussion and analysis ("**MD&A**") contains or incorporates forward-looking statements within the meaning of Canadian securities legislation (collectively, "forward-looking statements"). These forward-looking statements relate to, among other things, revenue, earnings, changes in costs and expenses, capital expenditures as well as changes in other objectives, strategic plans and business development goals, and may also include other statements that are predictive in nature or depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts, but instead represent only BioSyent's expectations, estimates, and projections regarding future events.

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Undue reliance should not be placed on such statements. Certain material assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Known and unknown factors could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Important assumptions, influencing factors, risks, and uncertainties are referred to in the body of this MD&A, in the press release announcing the Company's financial results for the three and six months ended June 30, 2021 and June 30, 2020 and in BioSyent's annual and interim financial statements and the notes thereto. These documents are available at www.sedar.com.

The forward-looking statements contained in this MD&A are made as at the date of this MD&A and, accordingly, are subject to change after such date. Except as required by law, BioSyent does not undertake any obligation to update or revise any forward-looking statements made or incorporated in this MD&A, whether as a result of new information, future events or otherwise.

Accounting Estimates and Accounting Policies

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The preparation of the Company's Consolidated Financial Statements requires management to make critical judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. On an ongoing basis, management evaluates its judgments, estimates, and assumptions using historical experience and various other factors it believes to be reasonable under the given circumstances. In the future, actual experience may differ from these estimates and assumptions.

BioSyent's significant accounting judgments and estimates include recoverability of asset carrying values, impairment of trade and other receivables, income taxes, the future useful lives and residual values of equipment, the useful lives of intangible assets, the fair value of share-based payments, the value of inventory, determination of the transaction price in revenue recognition, and determination of the incremental borrowing rate and lease term in leases. For a more detailed discussion of changes to the Company's critical accounting estimates, please refer to Note 4 of the Consolidated Financial Statements for the year ended December 31, 2020.

Non-IFRS Financial Measures

This MD&A makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are unlikely to be comparable to similar measures presented by other companies. When used, these measures are defined in such terms as to allow the reconciliation to the closest IFRS measure. These measures are provided as additional information to complement those IFRS measures by providing a further understanding of the Company's results of operations from management's perspective.

Accordingly, these measures should not be considered in isolation nor as a substitute for analyses of the Company's financial information reported under IFRS. Management uses non-IFRS measures such as Earnings Before Interest, Taxes, Depreciation and Amortization ("**EBITDA**") and Trailing Twelve Months Earnings Per Share (**"TTM EPS"**) to provide investors with

supplemental measures of the Company's operating performance and thus highlight trends in the Company's core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also believes that securities analysts, investors, and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets, and to assess the Company's ability to meet future debt service, capital expenditure, and working capital requirements. The definition and a reconciliation of EBITDA, as used and presented by the Company, to the most directly comparable IFRS measures follows later in this MD&A.

Overview, Vision, Strategy, and Products

Overview

BioSyent is a publicly traded specialty pharmaceutical company which, through its wholly owned subsidiaries, BioSyent Pharma Inc. ("**BioSyent Pharma**") and BioSyent Pharma International Inc., sources, acquires or in-licences and further develops pharmaceutical and other healthcare products for sale in Canada and certain international markets. Hedley Technologies Ltd. and Hedley Technologies (USA) Inc., also wholly owned subsidiaries of BioSyent, operate the Company's legacy business, marketing biologically and health friendly non-chemical insecticides (the "**Legacy Business**"). BioSyent's issued and outstanding common shares (the "**Common Shares**") are listed for trading on the TSX Venture Exchange under the symbol "RX".

BioSyent's Vision

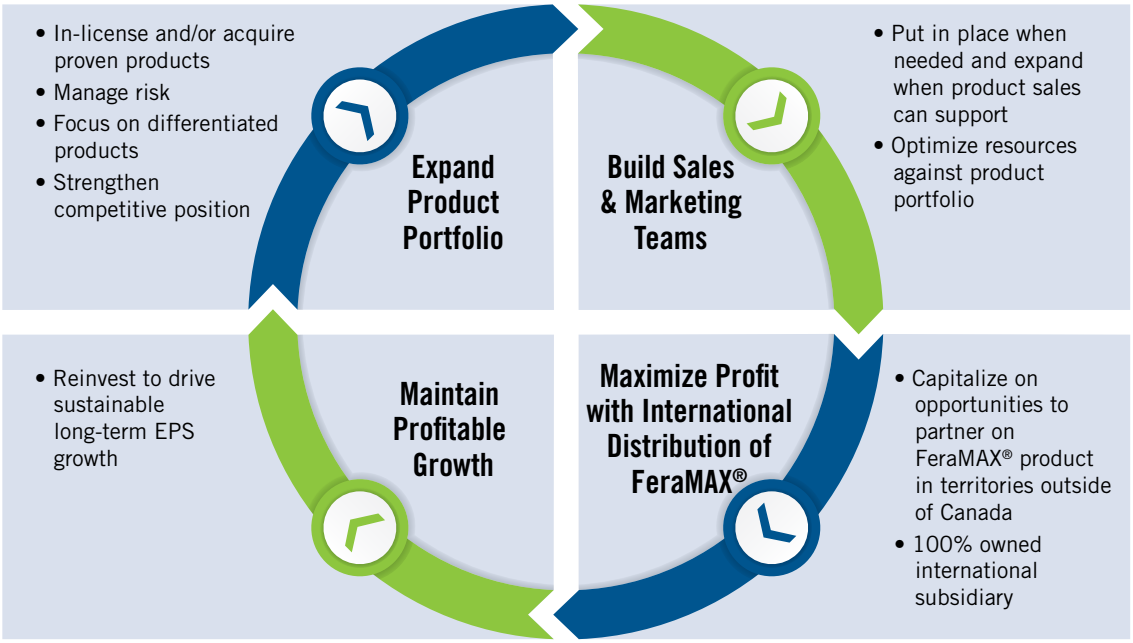
BioSyent's vision is to be the leading independent Canadian provider of innovative healthcare products.

BioSyent is focused on innovative products that are sourced through international partnerships. These products are unique due to manufacturing complexities, novel technologies, therapeutic advantages and/or strong, defendable intellectual property rights. The Company's strategy allows it to commercialize these products as brands acquired or licensed to it by partners. The Company intends for its products to be differentiated and to improve patient lives. The Company works with, and supports, healthcare practitioners in achieving this objective.

BioSyent's Strategy

BioSyent has four key elements to achieving its strategic objectives:

1. Expand the product portfolio
2. Build sales and marketing teams
3. Maximize profit with international distribution of FeraMAX®
4. Maintain profitable growth



BioSyent has developed sourcing arrangements with partners from around the world. The Company has a flexible format for such arrangements.

The Company seeks long-term buy-sell agreements or in-licensing arrangements with or without royalties or payments linked to milestone events such as regulatory approvals or reimbursement by formularies.

The Company exercises diligence when sourcing new products. Some of the steps in this process involve reviewing market data and market trends, interviewing key healthcare practitioners or medical advisory boards and obtaining opinions on reimbursement possibilities with payers. Once the Company has decided to proceed with a new product opportunity, it acquires or licenses exclusive Canadian and/or international market rights to that product. After the acquisition or in-licensing of the product, the Company manages the product through the regulatory and product registration process and, once approved, commercializes the product in Canada and/or international markets.

The Company uses various means of reducing risk in the marketplace. The Company adopts a gradually accelerating investment approach in promoting its products in the marketplace by balancing its investment behind brands with brand revenue and growth and by segmenting the market into immediate and long-term growth opportunities. It pursues possible reimbursement avenues for its products in both the private and public sectors. The Company uses various marketing techniques throughout the product life cycle, as it deems appropriate, including healthcare practitioner detailing, direct to patient information through various media, product differentiation materials, and expansion of patient and healthcare practitioner support services to increase awareness of product efficacy and safety. The Company employs a salesforce of qualified sales professionals across Canada with experience in pharmaceutical detailing to healthcare practitioners and hospitals.

The Company focuses on medications that occupy a niche in the market and are unique due to manufacturing complexities or novel technological and therapeutic advantages or are backed by strong partners holding defendable intellectual property rights. This strategy allows the Company to market these medications as brands it owns or licenses. By virtue of its strong growth record, the Company is able to attract partners for new products that have niche positioning.

Evolution of Strategy

From time to time, the Company may acquire or in-license opportunities in late-stage development with which it, or its partners, have significant prior experience. Such experience and competency of the Company and its partners give the Company the ability to gauge risk in some depth. The Company may also seek in-licensing opportunities for new products launched in countries outside of Canada that require additional research and development work before being launched in the Canadian market. The Company considers opportunities where there is a high probability that additional research and development work is likely to extend the lifecycle of portfolio products. Such studies might include in vitro or in vivo studies (including bio-equivalency studies, efficacy studies, or safety studies).

Pharmaceutical Business

FeraMAX® 150

In keeping with its strategy, the Company, through BioSyent Pharma, launched FeraMAX® 150 to the Canadian healthcare market in 2007. FeraMAX® 150 is also distributed in several markets outside of Canada. FeraMAX® 150 is an oral hematinic indicated for the prevention and treatment of iron deficiency anaemia. This non-ionic polysaccharide-iron complex formulation reduces adverse side effects common with other iron formulations. In 2015, the Company developed and launched a Certified Vegan formulation of FeraMAX® 150. In 2016, the Company developed a 100 mg formulation of FeraMAX® capsules ("FeraMAX® 100") for distribution in certain markets outside of Canada.

FeraMAX® 150 was replaced by FeraMAX® Pd Therapeutic 150 at Canadian pharmacies starting in November 2020.

FeraMAX® Pd Therapeutic 150

In November 2020, BioSyent Pharma Inc. launched FeraMAX® Pd Therapeutic 150 in Canada, the first product launched under a new patented delivery system for the treatment of iron deficiency anemia based on a Polydextrose Iron Complex ("PDIC") formulation. FeraMAX® Pd Therapeutic 150 in both a 30 capsule-count carton or a 100 capsule-count bottle replaces FeraMAX® 150 at Canadian pharmacies. FeraMAX® Pd Therapeutic 150 is Vegan Certified and is also recognized by the Society of Obstetricians and Gynaecologists of Canada.

Cathejell®

In July 2011, BioSyent Pharma received marketing approval from Health Canada for Cathejell®. Cathejell® was in-licensed by BioSyent Pharma from Pharmazeutische Fabrik Montavit. Shipments of Cathejell® commenced in May 2012. In April 2017, BioSyent Pharma extended its in-license agreement with Pharmazeutische Fabrik Montavit, giving BioSyent Pharma exclusive Canadian rights to the Cathejell® product until March 31, 2024.

Cathejell® is an innovative pharmaceutical product that combines a sterile gel with lidocaine in a unique collapsible applicator syringe providing a safe and effective solution for patients to ease the discomfort of a range of medical procedures. Cathejell® is indicated for surface anesthesia and lubrication for various procedures including male and female cystoscopies, catheterizations and other endourethral operations, endoscopies, proctoscopies, rectoscopies, and tracheal intubations.

Cathejell® can also be used for the symptomatic treatment of pain in connection with cystitis and urethritis. Cathejell® has a unique collapsible syringe design with a trauma-free applicator tip that makes it easy to use for healthcare professionals and makes the application of the drug more comfortable for the subject patient.

FeraMAX® Powder

In July 2012, BioSyent Pharma received marketing approval from Health Canada for its unique oral iron supplement FeraMAX® Powder. FeraMAX® Powder is the only oral iron product available in Canada in a dissolvable powder and comes in pleasant tasting grape and raspberry flavoured crystals, which can be conveniently dosed by diluting them in water or mixing them with soft foods. This innovative product is based upon the same non-ionic polysaccharide-iron complex technology found in FeraMAX® 150.

Other oral iron products made from common ferrous salts intended for infants and children either have an unpleasant heavy metallic taste which deters patient compliance, or they come in formulations containing alcohol which healthcare professionals and caregivers prefer to avoid. The Canadian market launch of FeraMAX® Powder in May 2013 was the global introduction of this product and provides BioSyent Pharma with a unique offering for international marketing partners. The Company has also launched the product in several international markets through distribution agreements.

Aguettant System®

In August 2012, BioSyent Pharma signed an exclusive Licensing and Distribution Agreement (the "**Aguettant Agreement**") with Laboratoire Aguettant S.A.S. ("**Laboratoire Aguettant**"). Pursuant to the Aguettant Agreement, the Company in-licensed pre-filled syringe ("**PFS**") products which are medical syringes pre-filled with a specific dosage of medication and three of which are marketed to hospitals and acute care settings.

The Aguettant System® for PFS offers a patented innovation that can be used for a variety of injectable medications. The Aguettant System® for PFS features a needleless, glassless, sterile plastic syringe with a ready-to-use dual tamper-evident seal. These products provide hospitals, clinics and healthcare professionals with improved patient safety as well as operational efficiencies.

Aguettant System® – Atropine Sulphate

One Aguettant System® urgent care product contains atropine sulphate, a commonly used drug in emergency situations and anaesthetic procedures. The Company commenced distribution of this product in February 2015.

Aguettant System® – Phenylephrine Hydrochloride

Phenylephrine hydrochloride injection is indicated for the treatment of clinically important hypotensive states, including overcoming peripheral vascular failure (shock, or shock-like states), maintenance of blood pressure in the setting of anesthesia, drug-induced hypotension, or hypersensitivity with circulatory compromise. The Company commenced distribution of this product in November 2016.

The Aguettant Agreement will end on December 31, 2021 and BioSyent has entered into Termination and Transition Agreements with Laboratoire Aguettant that transfer all responsibilities for Aguettant System® products in Canada to Laboratoire Aguettant. BioSyent will discontinue all commercialization efforts for Aguettant System® products in Canada effective January 1, 2022.

RepaGyn®

RepaGyn®

In October 2013, the Company signed an exclusive Canadian Licensing and Distribution Agreement with Farma-Derma s.r.l. (the "**RepaGyn Agreement**"). Pursuant to the RepaGyn Agreement, the Company distributes a women's health product, RepaGyn®, which is an innovative vaginal suppository that has received approval from Health Canada. RepaGyn® helps relieve dryness and promotes healing of the vaginal mucosa. It is also recommended in situations where tissue repair is required after invasive vaginal surgeries and biopsy procedures. RepaGyn® vaginal suppositories can be used with or without local hormone therapy.

RepaGyn® is formulated with sodium hyaluronate, a naturally occurring compound, and offers a hormone-free treatment alternative proven to deliver symptom relief, restoration of pH balance and tissue repair all in one ovule.

RepaGyn® is supported by clinical evidence of both efficacy and symptom relief and has been recommended by doctors and successfully used by women in several European countries including Italy, France, Belgium, Switzerland, Denmark and Poland for over 10 years under the brand names Cicatridine®, Cicatridina®, Cikatridina®, and Repadina®.

Proktis-M®

Proktis-M®
Rectal Suppositories • Sodium Hyaluronate

In March 2014, the Company entered into an in-licensing agreement for exclusive marketing and distribution rights in Canada of Proktis-M® rectal suppositories with Farma-Derma s.r.l. Proktis-M® rectal suppositories are designed to help the healing of the anus and rectum. Proktis-M® rectal suppositories, which were launched by the Company in November 2014, have been studied and tested in conditions such as operated severe internal hemorrhoids, anal fissures, and prevention of radiation-induced proctitis.

Proktis-M® rectal suppositories are formulated with sodium hyaluronate, a naturally occurring compound, and offer a temporary matrix to facilitate cell proliferation which enhances wound healing. Proktis-M® rectal suppositories can be used on their own or in combination with other products. Proktis-M® rectal suppositories are supported by clinical evidence and have been successfully used to treat men and women in several European countries.

Cysview®

CYSVIEW®
HEXAMINOLEVULINATE HCL

In August 2015, BioSyent Pharma signed a Distribution and Supply Agreement with Photocure ASA granting BioSyent Pharma an exclusive license to import, promote and sell the Cysview® product in Canada.

Cysview® is an innovative technology that aids in the diagnosis and management of non-muscle-invasive bladder cancer. It is designed to selectively target malignant cells in the bladder and induce fluorescence during cystoscopic procedures using a blue-light enabled cystoscope.

This technology can lead to a 25% improvement in the detection of bladder cancer tumors as compared with traditional white light cystoscopy (Burger et al. 2013), leading to a reduced risk of recurrence. Cysview® has been successfully marketed in the U.S. and Europe and was approved by Health Canada in January 2015. The Company commenced the Canadian promotional launch of Cysview® in November 2015.

BioSyent has entered into a Termination and Transition Agreement with Photocure ASA, that ends the Distribution and Supply Agreement effective December 31, 2021. On January 1, 2022, BioSyent will discontinue all commercialization efforts on Cysview® and return the Canadian rights for Cysview® to Photocure ASA.

Tibella®

Tibella®/MD

In November 2016, the Company signed an exclusive License and Supply Agreement with a European partner for a prescription product in the women's health therapeutic area for the Canadian market – Tibella®. Tibella® is a hormone replacement therapy ("HRT") consisting of tibolone. Tibella® is indicated for the short-term treatment of vasomotor symptoms due to estrogen deficiency in postmenopausal women, more than one year after menopause. Though new to the Canadian market, Tibolone has been successfully marketed in Europe for over 30 years and is also approved and marketed in other countries around the world.

The Company received regulatory approval from Health Canada for Tibella® in May 2019 and launched the product to the Canadian market in July 2020.

Combogesic®

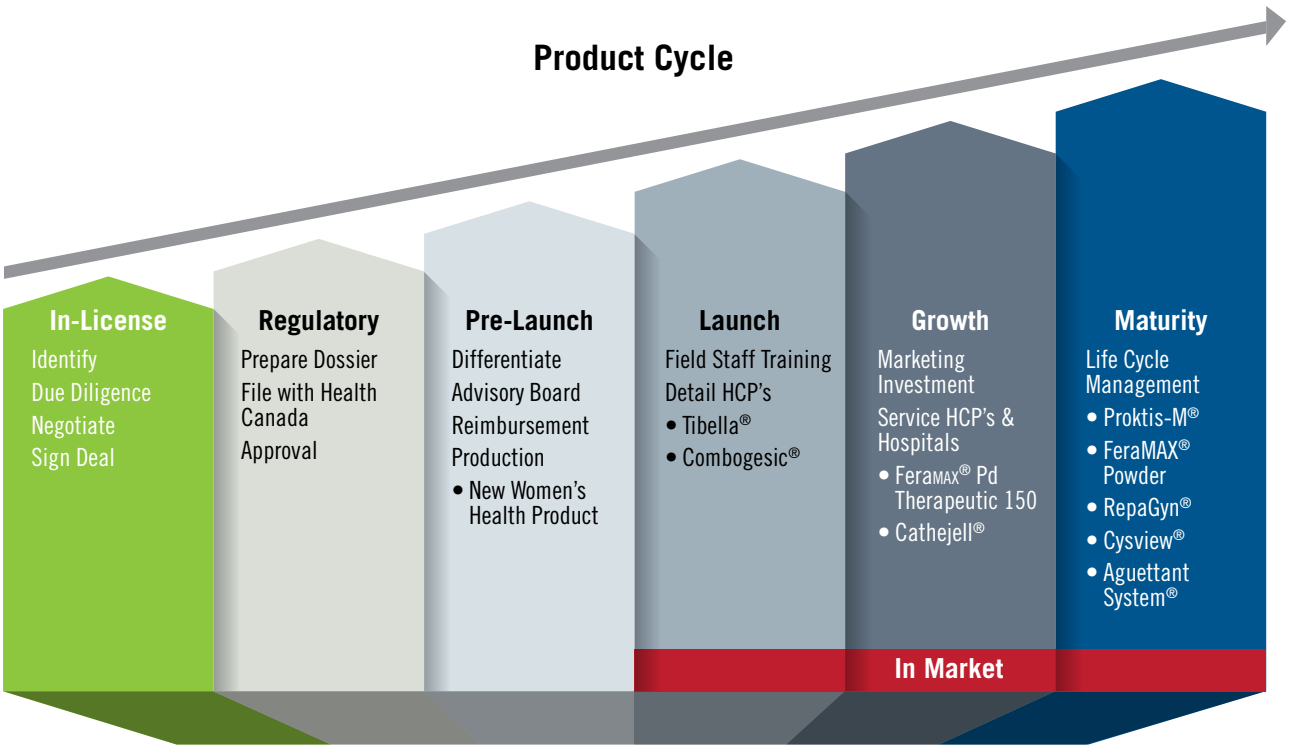
In November 2019, the Company signed a License and Exclusive Supply Agreement with AFT Pharmaceuticals Ltd for a portfolio of pain management products for the Canadian market. These products will be marketed in Canada under the Combogesic® trademark. Combogesic® combines two well-known and effective medicines, acetaminophen and ibuprofen, in a single form that has been demonstrated to synergistically provide pain relief. Health Canada approved the first form of Combogesic® in 2019. The Company launched Combogesic® to the Canadian market in December 2020.

New Women's Health Product

On October 1, 2020, BioSyent Pharma Inc. signed an exclusive License and Supply Agreement with a European partner for a new women's health product for the Canadian market. The product has been approved for sale in Canada, the U.S.A., Europe and in several other markets around the world. The Company is currently preparing for the launch of this innovative product to the Canadian market.

Pharmaceutical Product Cycle

The Company organizes its product lifecycle into six stages: (i) the in-license stage, (ii) the regulatory stage, (iii) the pre-launch stage, (iv) the launch stage, (v) the growth stage, and (vi) the maturity stage.



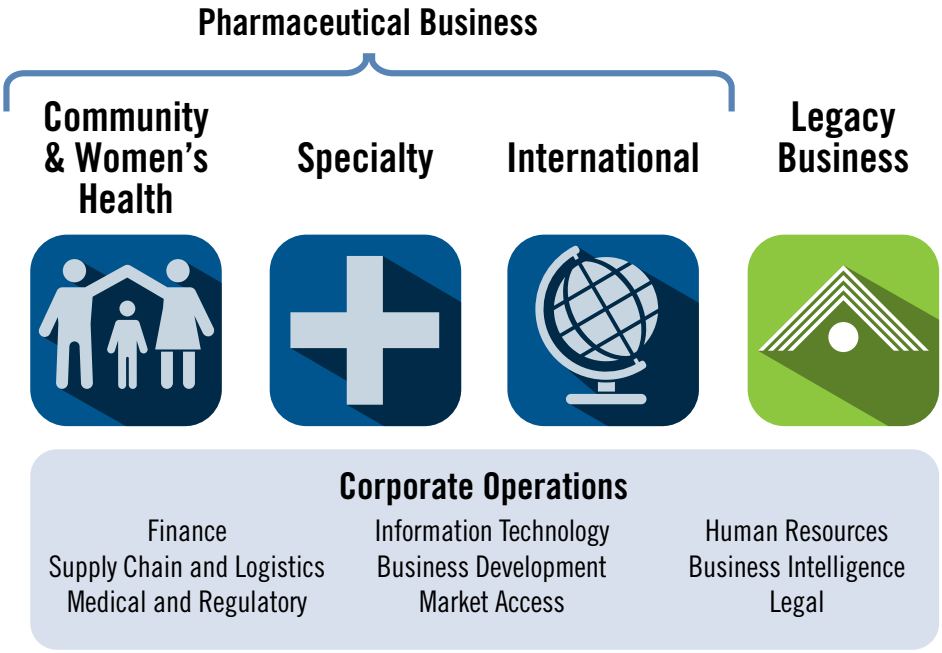
The Company currently has six products in the maturity stage (Proktis-M, FeraMAX® Powder, RepaGyn®, Cysview®, and Aguettant System® Atropine and Phenylephrine), two products in the growth stage (FeraMax® Pd Therapeutic 150 and Cathejell®), two products in the launch stage (Tibella® and Combogesic®), and one product in the pre-launch stage (a New Women's Health Product).

Pharmaceutical Product Pipeline

The Company is committed to expanding its product portfolio and accelerating its product pipeline with a focus on innovative products that are unique. Although launched in markets outside of Canada, some of these products may require additional investment before the Company seeks approval from Health Canada for Canadian market.

Pharmaceutical Business Structure

The Company has three pharmaceutical business units: (i) the Community and Women's Health Business Unit which commercializes pharmaceutical products focused on improving family and women's health in Canada (the "**Community Business**"); (ii) the Specialty Business Unit which sells pharmaceutical and healthcare products to Canadian hospitals and specialists (the "**Specialty Business**"); and (iii) the International Pharmaceutical Business Unit which sells FeraMAX® to markets outside of Canada (the "**International Business**").



These three business units, collectively, the "**Pharmaceutical Business**", as well as the Legacy Business, are supported by the Company's Corporate Operations, including the finance, supply chain and logistics, medical and regulatory affairs, information technology, business development, market access, human resources, business intelligence, and legal functions. As the Company expands its product portfolio into new therapeutic areas, new business units may be established as part of the pharmaceutical business structure as and when considered appropriate.

Legacy Business

Protect-It®

The Company continues to manufacture and market Protect-It®, a bio-friendly, non-chemical, food-safe grain insecticide. Protect-It® was developed through collaborative research between the Cereal Research Centre of Agriculture and Agri-Food Canada. Protect-It® is used as a preventative treatment against insect infestations in stored grains. The Legacy Business provides an additional source cash flows for the Company allowing it to focus on its strategic areas of growth in the Pharmaceutical Business.

New Capabilities and Awards

On May 1, 2021, the Company's FeraMAX® brand was named the #1 Pharmacist and Physician recommended over-the-counter oral iron supplement brand in Canada for the sixth consecutive year *(EnsembleIQ Healthcare Group: Pharmacy Practice + Business, The Medical Post, Profession Santé*, CanadianHealthcareNetwork.ca, and ProfessionSanté.ca 2021 Survey on OTC Counselling and Recommendations).

On July 13, 2021, BioSyent Pharma signed an exclusive technology agreement to license an application to support patients with iron deficiencies in Canada and in its international markets.

Key Performance Measures

Key Performance Measure	H1 2021	% Change vs. H1 2020	% to Total Company Sales	Q2 2021	% Change vs. Q2 2020	% to Total Company Sales	Q1 2021	Q4 2020	Q3 2020
Canadian Pharma Sales	12,904,085	24%	88%	6,670,322	51%	92%	6,233,763	5,395,431	5,470,569
International Pharma Sales	1,305,317	705%	9%	165,038	75%	2%	1,140,279	56,668	6,306
Legacy Business Sales	499,741	66%	3%	453,894	74%	6%	45,847	274,229	294,864
Total Company Sales	14,709,143	36%	100%	7,289,254	53%	100%	7,419,889	5,726,328	5,771,739
Gross Profit	11,559,081	36%	79%	5,703,086	53%	78%	5,855,995	4,399,715	4,494,094
EBITDA	3,850,868	26%	26%	1,491,783	40%	20%	2,359,085	1,116,856	1,399,781
NIAT	2,682,442	23%	18%	1,018,074	41%	14%	1,664,368	665,702	955,909
Diluted EPS	0.21	31%		0.08	33%		0.13	0.05	0.07
Net Change in Cash, Short term Investments	$(764,847)			788,607			$(1,553,454)	1,875,305	2,234,657

Key Performance Measure	H1 2020	% Change vs. H1 2019	% to Total Company Sales	Q2 2020	% Change vs. Q1 2019	% to Total Company Sales	Q1 2020	Q4 2019	Q3 2019
Canadian Pharma Sales	10,371,461	14%	96%	4,415,900	-9%	93%	5,955,561	5,042,899	4,789,629
International Pharma Sales	162,165	100%	1%	94,197	100%	2%	67,968	428,620	1,013,071
Legacy Business Sales	300,475	-42%	3%	261,158	-16%	5%	39,317	97,767	417,048
Total Company Sales	10,834,101	12%	100%	4,771,255	-7%	100%	6,062,846	5,569,286	6,219,748
Gross Profit	8,530,038	12%	79%	3,728,295	-8%	78%	4,801,743	4,362,645	4,692,397
EBITDA	3,060,569	48%	28%	1,062,582	24%	22%	1,997,987	1,700,840	1,985,461
NIAT	2,173,724	30%	20%	722,206	5%	15%	1,451,518	1,167,845	1,532,426
Diluted EPS	0.16	33%		0.06	20%		0.11	0.08	0.11
Net Change in Cash, Short term Investments							(781,975)	2,161,146	(87,528)

Key performance measures for the second quarter ("Q2") and first half ("H1") ended June 30, 2021 and June 30, 2020 are presented in the tables below along with the preceding three quarters:

The Canadian pharmaceutical business posted record quarterly sales in Q2 2021, increasing by 51% over Q2 2020. Bolstered by growth in the international pharmaceutical business and legacy business, total Company sales increased by 53% overall in Q2 2021 versus Q2 2020.

The Company's net profit margin declined slightly to 14% of sales in Q2 2021 as compared to 15% of sales in the comparative period as a result of higher marketing investment in launch brands, Tibella® and Combogesic®.

For H1 2021, Canadian pharmaceutical sales increased by 24% over H1 2020. Combined with a resurgence in the international pharmaceutical business during the period, total Company sales increased by 36% overall in H1 2021 versus H1 2020.

of 31% in Q2 2020. The increase in selling and marketing expenses in Q2 2021 was due to significant advertising and promotion expenditures on new Canadian pharmaceutical products launched in the second half of 2020. While Tibella® and Combogesic® were revenue-generating during Q2 2021, the level of launch-stage selling and marketing expenditures for these two products was high relative to their Q2 2021 sales.

As the Company makes further selling and marketing investment in these launch stage products during 2021, management expects the ratio of selling and marketing expenses to sales for Tibella® and Combogesic® to remain relatively high as compared to the Company's established brands, until these products gain further uptake in their respective markets.

General and administration expenses for Q2 2021 were $1,450,133, increasing by 19% as compared to Q2 2020 general and administration expenses of $1,220,362. This increase in general and administration expenses was due to comparatively higher employee costs and corporate expenses in Q2 2021 as well as higher unrealized foreign exchange losses on the revaluation of the Company's USD and EUR denominated monetary assets, primarily cash, as these currencies both depreciated against the Company's CAD presentation currency during the quarter. In spite of this overall increase in general and administration expenses, the ratio of such expenses to total Company sales for Q2 2021 was 20%, decreasing from a ratio of 26% in Q2 2020.

Finance costs for Q2 2021 were $21,504, decreasing marginally from finance costs for Q2 2020 of $23,537. Finance costs represent interest expense on the Company's office lease liability accounted for in accordance with IFRS 16 *Leases*.

Finance income for Q2 2021, consisting of interest earned on short term investments, was $30,968, decreasing by 41% as compared to Q2 2020 finance income of $52,751 as a result of lower market interest rates in Q2 2021 as compared to Q2 2020 despite a higher average cash balance during the quarter.

H1 2021 vs. H1 2020

	Six months ended June 30,		% Change vs. Prior Period
	2021	2020	
Cost of goods sold	$3,150,062	$2,304,063	37%
Selling and marketing	$5,148,036	$3,134,939	64%
General and administration	$2,748,748	$2,563,752	7%
New business development costs	$54,341	$28,867	88%
Finance costs	$43,255	$47,152	-8%
Subtotal	$11,144,442	$8,078,773	38%
Finance income	$ (67,584)	$ (142,971)	-53%

Total expenses for H1 2021 were $11,144,442, increasing by 38% versus H1 2020 expenses of $8,078,773. The ratio of total expenses to sales in H1 2021 was 76%, slightly higher than a ratio of 75% in H1 2020. As a result of an increase in selling and marketing expenses related to new pharmaceutical products launched in the second half of 2020, Tibella® and Combogesic®, the ratio of total expenses to Canadian Pharmaceutical sales increased to 86% in H1 2021, as compared to a ratio of 78% in H1 2020.

Total selling and marketing expenses for H1 2021 were $5,148,036, increasing by 64% as compared to H1 2020 selling and marketing expenses of $3,134,939. The ratio of Canadian Pharmaceutical selling and marketing expenses to Canadian Pharmaceutical sales for H1 2021 was 36%, increasing from a ratio of 27% in H1 2020. The increase in selling and marketing expenses in H1 2021 was due to significant advertising and promotion expenditures on new Canadian pharmaceutical products launched in the second half of 2020. While Tibella® (launched in July 2020) and Combogesic® (launched in December 2020) were revenue-generating during H1 2021, the rate of launch sales growth of these two products has been affected by COVID-19-related issues with access to healthcare professionals and the volume of patients visiting the offices of these healthcare professionals. As planned, the level of launch-stage selling and marketing expenditures for these two products was high relative to their H1 2021 sales. As the Company makes further selling and marketing investment in these launch stage products during 2021, management expects the ratio of selling and marketing expenses to sales for Tibella® and Combogesic® to remain relatively high as compared to the Company's established brands, until these products gain further uptake in their respective markets.

General and administration expenses for H1 2021 were $2,748,748, increasing by 7% as compared to H1 2020 general and administration expenses of $2,563,752. While the Company incurred lower corporate expenses and research and development costs in H1 2021 as compared to H1 2020, it incurred higher employee costs and unrealized foreign exchange losses on the devaluation of foreign currency denominated monetary assets during the period. Overall, the ratio of general and administration expenses to total Company sales for H1 2021 declined to 19%, as compared to a ratio of 24% in H1 2020.

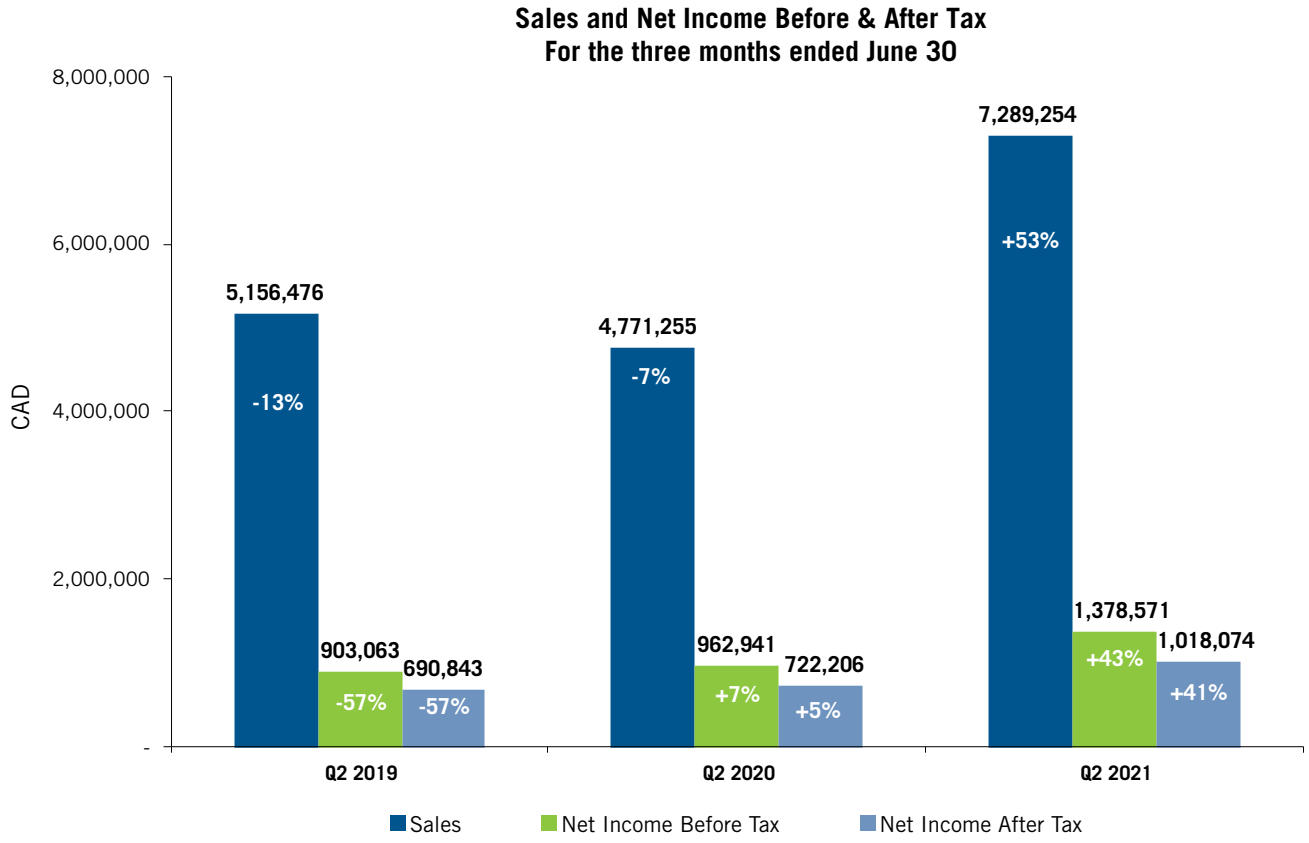
Finance costs for H1 2021, consisting of office lease interest expense, were $43,255, decreasing by 8% as compared to H1 2020 finance costs of $47,152 as a result of the overall decrease in the Company's office lease liability, amortized in accordance with IFRS 16 *Leases*.

Despite a higher average cash balance during the period, finance income for H1 2021, consisting of interest earned on short term investments, was $67,584, decreasing by 53% as compared to H1 2020 finance income of $142,971. This decrease was a result of lower market interest rates in H2 2021 as compared to H1 2020, following monetary policy measures enacted by the Bank of Canada in response to the COVID-19 crisis starting in March 2020.

Net Income After Taxes (NIAT)

Q2 2021 vs. Q2 2020

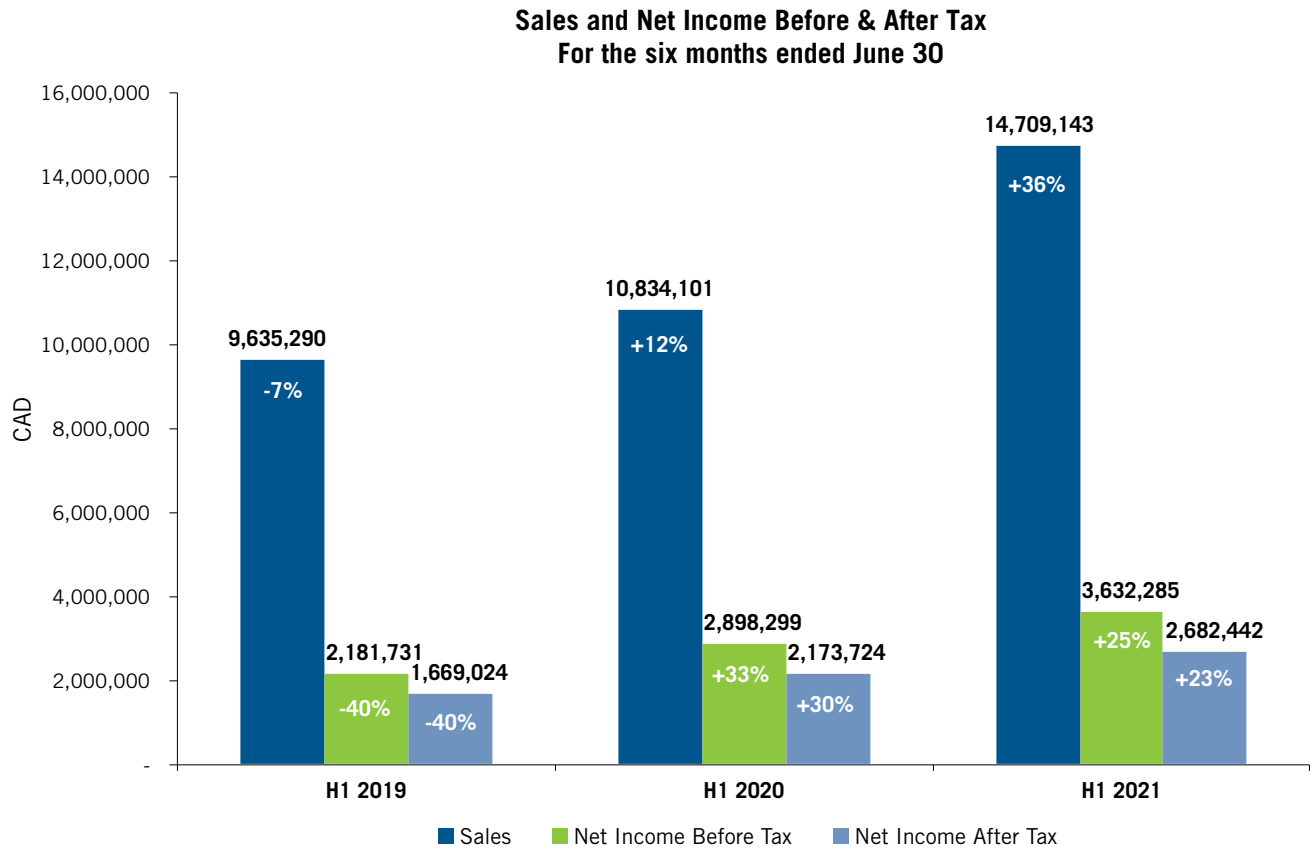
NIAT for Q2 2021 of $1,018,074 increased by 41% compared to NIAT for Q2 2020 of $722,206 which increased by 5% compared to Q2 2019. This increase in NIAT was a result of high double-digit sales growth in each of the Company's Canadian pharmaceutical, international pharmaceutical, and legacy businesses during Q2 2021. In the comparative Q2 2020 period, Canadian pharmaceutical sales and profitability were negatively impacted by inventory rebalancing in the month of April 2020 following an accumulation of safety stock by customers in March 2020. While NIAT increased overall in Q2 2021, as a result of increased selling and marketing expenditures during the quarter on launch brands, the Company's net profit margin declined slightly to 14% of sales in Q2 2021 as compared to 15% of sales in Q2 2020.



Including currency translation losses of $22,501 due to the continued depreciation of USD and EUR-denominated monetary assets during Q2 2021, total comprehensive income for Q2 2021 was $995,573, increasing by 48% compared to total comprehensive income for Q2 2020 of $671,866.

H1 2021 vs. H1 2020

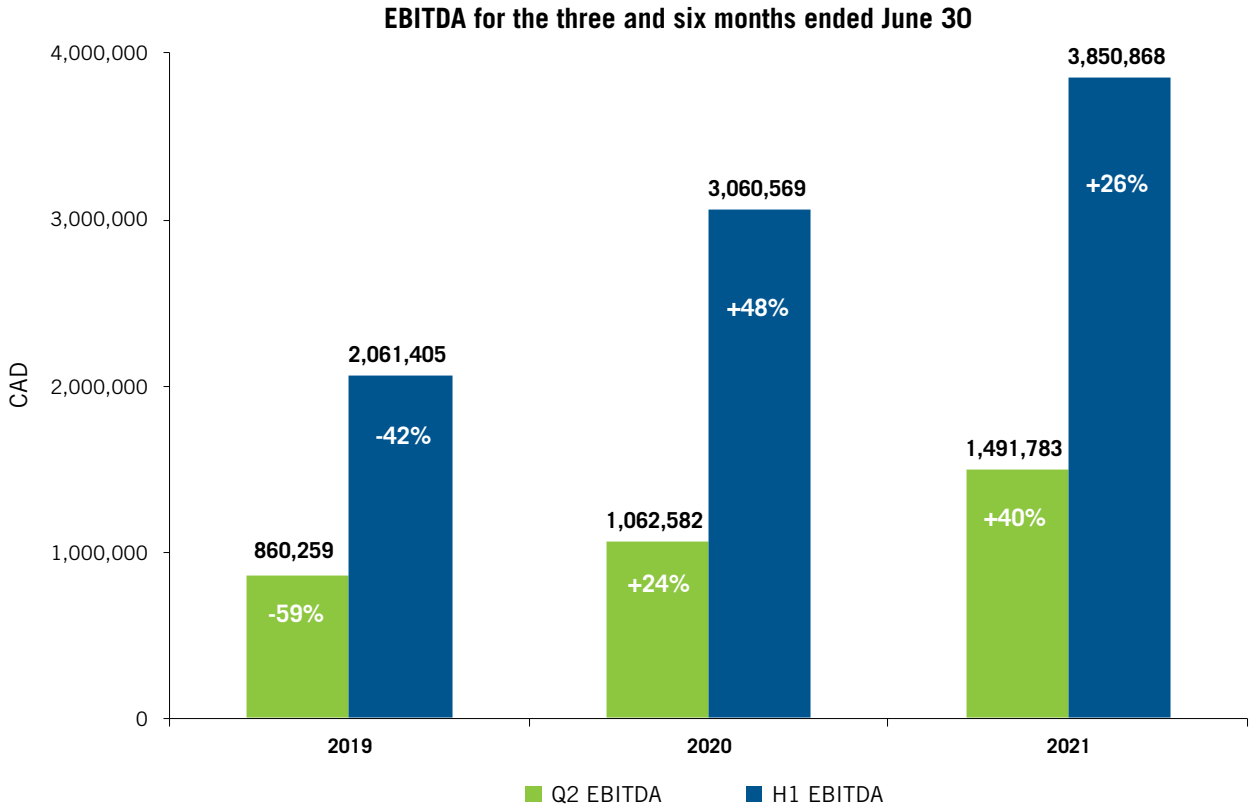
NIAT for H1 2021 of $2,682,442 increased by 23% compared to NIAT for H1 2020 of $2,173,724 which increased by 30% compared to H1 2019. This increase in NIAT was a result of sales growth in FeraMax® Pd Therapeutic 150 (launched in November 2020) and most of the Company's established Canadian pharmaceutical products, as well as a large single international FeraMAX® sale in January 2021. Overall, the Company's net profit margin declined to 18% of sales in H1 2021 as compared to 20% of sales in H1 2020 as the Company continued to make selling and marketing investments in its launch brands, Tibella® and Combogesic®.



Including currency translation losses of $92,944 due to the depreciation of USD and EUR-denominated monetary assets during the year-to-date period, total comprehensive income for H1 2021 was $2,589,498, increasing by 21% compared to total comprehensive income for H1 2020 of $2,142,262.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA is a non-IFRS financial measure. The term EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Company defines EBITDA as earnings before interest income and/or expense, income taxes, depreciation and amortization. A summary of the Company's EBITDA for the three and six months ended June 30, 2019, 2020, and 2021 is provided in the graph below:



Q2 2021 vs. Q2 2020

EBITDA for Q2 2021 of $1,491,783 increased by 40% compared to EBITDA for Q2 2020 of $1,062,582. This increase in EBITDA was a result of an increase in Net Income Before Taxes of 43% from $962,941 in Q2 2020 to $1,378,571 in Q2 2021. A reconciliation of EBITDA to NIAT for the three months ended June 30, 2021, 2020, and 2019 is provided in the table below:

RECONCILIATION OF EBITDA TO NIAT
FOR THE THREE MONTHS (Q2) ENDED JUNE 30

		2021	2020	2019
Q2 EBITDA		$ 1,491,783	$ 1,062,582	$ 860,259
Add:	Interest Income	30,968	52,751	90,134
Less:	Depreciation of Property and Equipment	(78,077)	(81,338)	(23,058)
	Amortization of Intangible Assets	(44,599)	(47,517)	(24,272)
	Interest Expense	(21,504)	(23,537)	-
	Income Tax Expense	(360,497)	(240,735)	(212,220)
Q2 NIAT		$ 1,018,074	$ 722,206	$ 690,843

H1 2021 vs. H1 2020

EBITDA for H1 2021 of $3,850,868 increased by 26% compared to EBITDA for H1 2020 of $3,060,569. This increase in EBITDA was a result of an increase in Net Income Before Taxes of 25% from $2,898,299 in H1 2020 to $3,632,285 in H1 2021. A reconciliation of EBITDA to NIAT for the six months ended June 30, 2021, 2020, and 2019 is provided in the table below:

RECONCILIATION OF EBITDA TO NIAT
FOR THE SIX MONTHS (H1) ENDED JUNE 30

		2021	2020	2019
H1 EBITDA		$ 3,850,868	$ 3,060,569	$ 2,061,405
Add:	Interest Income	67,584	142,971	213,051
Less:	Depreciation of Property and Equipment	(153,428)	(167,522)	(44,181)
	Amortization of Intangible Assets	(89,484)	(90,567)	(48,544)
	Interest Expense	(43,255)	(47,152)	-
	Income Tax Expense	(949,843)	(724,575)	(512,707)
H1 NIAT		$ 2,682,442	$ 2,173,724	$ 1,669,024

Earnings per Share (EPS)

Below is a summary of the Company's quarterly sales, NIAT, and EPS for the eight most recently completed quarters:

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Sales ($)	7,289,254	7,419,889	5,726,328	5,771,739	4,771,255	6,062,846	5,569,286	6,219,748
Net Income After Taxes ($)	1,018,074	1,664,368	665,702	955,909	722,206	1,451,518	1,167,845	1,532,426
Earnings Per Share – Basic ($)	0.08	0.13	0.05	0.07	0.06	0.11	0.08	0.11
Earnings Per Share – Diluted ($)	0.08	0.13	0.05	0.07	0.06	0.11	0.08	0.11

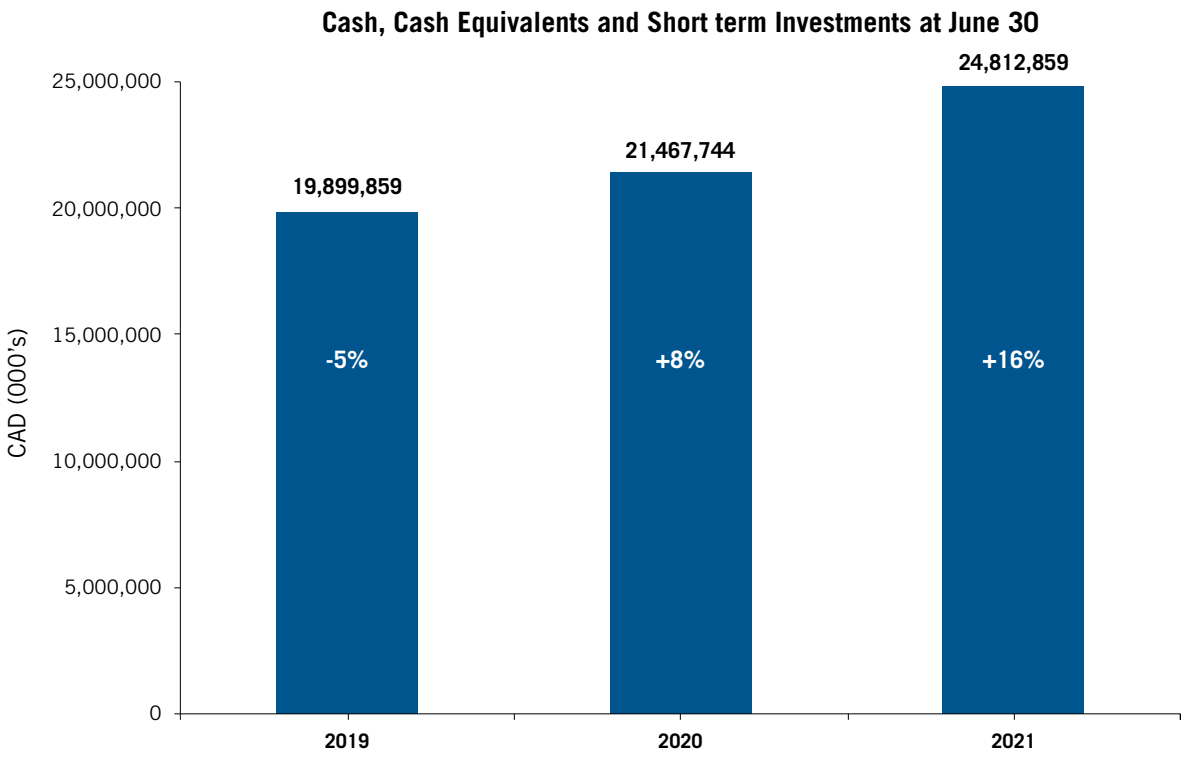
Diluted EPS for Q2 2021 was $0.08, increasing by $0.02 compared with diluted EPS of $0.06 for Q2 2020. For the trailing twelve months ("TTM") ended June 30, 2021, diluted EPS was $0.33, as compared with a TTM diluted EPS of $0.36 for the period ended June 30, 2020.

Financial Resources and Liquidity

Working capital, defined here as the difference between current assets and current liabilities, increased to $27,166,476 as at June 30, 2021 from $24,635,207 as at December 31, 2020. Cash and short-term investments of $24,812,859 accounted for 91% of working capital as at June 30, 2021 as compared with cash and short-term investments of $25,577,706 accounting for 104% of working capital as at December 31, 2020. While the ongoing impact of the COVID-19 pandemic on the Company's business operations, sales, and resultant cash flows is uncertain, the Company has sufficient cash and working capital to maintain its operating activities and to fund its planned growth and development activities.

During H1 2021, there was a net decrease in cash and short-term investments of $764,847 compared to a net decrease of $505,733 during H1 2020. While the Company's NIAT increased to $2,682,442 in H1 2021 from $2,173,724 in H1 2020, accounting for a net increase in non-cash working capital of $2,840,203 in H1 2021 vs. H1 2020, the Company generated net cash in operating activities of $130,451 during H1 2021 as compared to net cash provided by operating activities of $2,717,088 during H1 2020. The Company also expended $525,970 in H1 2021 for the repurchase and cancellation of the Company's own common shares under a Normal Course Issuer Bid ("NCIB") and a further $219,019 for the purchase of common shares held in trust for the Company's Restricted Share Unit ("RSU") Plan. Comparatively, during H1 2020, the Company expended $2,663,260 for the repurchase and cancellation of common shares under its NCIB and a further $463,807 on the purchase of common shares for the Company's RSU Plan.

The graph below illustrates the company's cash, cash equivalents and short-term investments as of June 30, 2019, 2020, and 2021 as well as the growth over the comparative prior year period:



Total shareholders' equity increased by 7% to $28,805,167 at June 30, 2021 from $26,795,956 at December 31, 2020. While the Company generated comprehensive income of $2,589,498 during H1 2021, it repurchased and cancelled 74,500 of its own common shares during the period under its NCIB and a further 29,300 common shares held as treasury shares in trust for future settlements under its RSU Plan, reducing shareholders' equity by $744,989 as a result.

The Company's total assets at June 30, 2021 were $34,339,214 increasing by 2% compared to total assets of $33,571,214 as at December 31, 2020. This compares to a marginal decrease of 1% in total assets to $30,550,628 at June 30, 2020 from total assets of $30,965,314 at December 31, 2019.

The Company has no short term or long term debt; however, the Company has credit facilities available with Royal Bank of Canada totaling $3,090,000, including a foreign exchange facility of $1,500,000, a credit card facility of $90,000, and a revolving demand credit facility of $1,500,000 which had not been utilized as of June 30, 2021. This credit facility bears interest at a variable rate of Royal Bank prime plus 0.75% and has been secured with a General Security Agreement constituting a first ranking security interest of the Bank in the Company's property. The Company is subject to maintaining certain financial covenants if the demand credit facility is drawn upon. The Company has available additional foreign exchange facilities of $2,500,000 with other Canadian financial institutions which were not utilized as of June 30, 2021.

Risk Management

The Company's risk management policies and financial results are presided over by the Company's Audit Committee, which reports to the Board of Directors of the Company (the "Board"). The pharmaceutical industry in which the Company operates is exposed to several risks due to a strict regulatory environment, an enhanced level of quality consciousness, competition from generic drug companies and heightened intellectual property litigation. The Company cannot predict or identify all risk factors nor can it accurately predict the impact, if any, of the risk factors on its business operations or the extent to which a factor, event or any such combination may materially change future results of the Company's financial position from those reported or projected in any forward-looking statements. Accordingly, the Company cautions the reader not to rely on reported financial information and forward-looking statements to predict actual future results.

This report and the accompanying financial information should be read in conjunction with this statement concerning risks and uncertainties. Some of the risks, uncertainties and events that may affect the Company, its business, operations and results are given in this section. However, the factors and uncertainties are not limited to those stated.

The Company has policies and practices mandated by the Board to manage the Company's risks. Such risks include the following:

1. COVID-19 (Coronavirus)

On March 11, 2020, the World Health Organization characterized COVID-19 (Coronavirus) as a pandemic. The COVID-19 pandemic has impacted and is likely to continue to impact the Company's operations in the following key areas:

a. Workforce:

The Company will continue to follow the recommendations of public health and government authorities and to take all necessary precautions, including remote work arrangements, the ongoing practice of physical distancing, making personal protective equipment available to employees, and ensuring employees' understanding of good hygiene practices and infection risks, in order to protect the health and safety of its workforce, both in its head office and in the field.

b. Access to Healthcare Professionals:

COVID-19 restrictions have affected the ability of the Company's field salesforce to access healthcare professionals in the community and in hospitals for the purposes of product detailing. While the extent and duration of such access restrictions varies by region in Canada, such restrictions may have an impact on the Company's Canadian pharmaceutical sales during the time they are in place.

c. Demand for Products:

To the extent that the COVID-19 pandemic affects patient volumes (both in community clinics and in hospitals) and the nature of procedures performed in Canadian hospitals, this will affect the consumption of the Company's urgent care products as well as its hospital products used in elective procedures.

Additionally, to the extent that the COVID-19 pandemic and safety restrictions affect consumer buying behaviour, this will affect demand for the Company's pharmaceutical products in the community. The extent of the impact of COVID-19 on consumer demand for the Company's products in the short-term and long-term is uncertain.

Finally, given the global scale of COVID-19, demand for the Company's products in international markets may also be affected, depending on the extent of local infection rates, the measures implemented by local governments in response, and the overall impact of the pandemic on business activity in these international markets.

d. Supply Chain:

The Company sources its products globally. Given the global impact of the COVID-19 pandemic and varying localized impacts, this could result in interruptions to the Company's supply chains, including the manufacturing, transportation, and delivery of products to customers.

2. Sourcing and Revenue Concentration

Some raw materials used in production are sourced from a single supplier and the Company is exposed to the same business risks that the supplier may experience. In line with other pharmaceutical companies, the Company sells its products primarily through a limited number of wholesalers and retail pharmacy chains.

3. Foreign Exchange Risk

The Company currently earns revenue in Canadian dollars ("**CAD**"), U.S. dollars ("**USD**"), and Euros ("**EUR**") and incurs costs in Canadian dollars, U.S. dollars, and Euros. Management monitors the U.S. dollar and Euro net liability position on an ongoing basis during the period and adjusts the total net monetary liability balance accordingly. When it is appropriate to de-risk future foreign exchange transactions, the Company uses Dual Currency Deposits, foreign exchange options, and forward purchase contracts to manage foreign exchange transaction exposure.

4. Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in interest rates. Some of the Company's cash and cash equivalents as at the date of the Company's Consolidated Statements of Financial Position are invested in redeemable guaranteed investment certificates (each, a "**GIC**"), which earn interest at fixed rates during their tenure. The Company's short-term investments consist of non-redeemable GICs which also earn interest at fixed rates during their tenure. These GICs all have terms of one year or less.

The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest when these GICs are renewed may have an impact on the Company's Finance Income for the period. Changes to the Bank of Canada's Policy Interest Rate in response to the economic impact of the COVID-19 pandemic will affect market rates of interest and the rate of interest earned on the Company's GICs.

5. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, short term investments, trade and other receivables, and loans receivable. The carrying amount of financial assets represents maximum credit exposure. As the Company invests in GICs with Canadian Chartered Banks, its credit risk on this account is negligible. The Company's loans receivable (see Note 13 of the Consolidated Financial Statements) are full recourse and secured by a pledge of common shares of the Company purchased by the Borrowers, who are key management personnel. Based on these factors, the Company considers the credit risk associated with these loans receivable to be low. There are no factors at the end of the period to indicate a significant increase in credit risk has occurred and there are no defaults on the loans receivable.

a. Aging of Receivables

The majority of the Company's current customers are corporations with whom the Company has transacted for several years. In assessing the credit risk of its trade accounts receivable, the Company considers historical default rates and payment patterns, the nature of its customer base, and forward-looking information including any anticipated changes to its customer base, credit terms, and pricing.

The Company's gross trade accounts receivable increased by 21% to $3,165,233 at June 30, 2021 from $2,615,237 at June 30, 2020, due primarily to an overall increase in sales in Q2 2021 of 53% as compared to Q2 2020.

The Company monitors its credit risk on an ongoing basis. The Company has provided for expected credit losses of $53,011 related to certain disputed deductions on trade receivables by certain Canadian pharmaceutical wholesale customers. Given the pervasive impact of the COVID-19 pandemic on general economic conditions and liquidity, there may be an increased risk of customer default on trade receivables in this environment; however, given the nature of size of the Company's customer base, the risk of material default on trade accounts receivable is still considered low.

b. Concentration of Receivables

As of June 30, 2021, one customer represents 47% of trade receivables (December 31, 2020 - 43%) while another customer represents 13% of trade receivables (December 31, 2020 - 19%), and a third customer represents 9% of trade receivables (December 31, 2020 - 15%). There have been no past credit losses from these customers.

c. Loans Receivable

The Company advanced loan proceeds totalling $391,500 on May 26, 2017, and a further $175,000 on December 11, 2018, in accordance with the terms of the MSLP for the purchase of the Company's common shares by the Borrowers.

Each MSLP participant's loan (collectively, the "MSLP Participant Loans") bears interest at a rate of 1% - 2% per annum and is secured by a pledge of the common shares purchased under the MSLP by the Borrowers.

The MSLP Participant Loans are repayable by the Borrowers upon any sale of pledged shares by the Borrower in proportion to the then outstanding loan principal balance plus accrued interest. The remaining MSLP Participant Loan principal plus accrued interest must be fully repaid by the Borrowers no later than five years from the date the loan proceeds were advanced (the "Maturity Date"), specifically, May 26, 2022 for loans advanced on May 26, 2017 and December 11, 2023 for loans advanced on December 11, 2018.

If a Borrower ceases to be employed by the Company prior to the end of the five-year Maturity Date, all outstanding loan obligations shall become due and payable on the 30th day following the date of termination. In addition, in the event of a default by the Borrower of the terms of the loan, the loan obligations will become due and payable immediately.

As the loans are full recourse loans, they have not been accounted for as stock-based compensation, but as financial instruments within the scope of IFRS 9, *Financial Instruments.*

d. Cash and Cash Equivalents and Short-term Investments

Cash, cash equivalents and short-term investments are maintained with Canadian financial institutions and the wholly owned subsidiaries of these financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits.

Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal credit risk.

6. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is actively involved in the review and approval of planned expenditures. All contractual maturities of accounts payable and accrued liabilities are due within one year. The Company has no other liabilities.

The Company generates sufficient cash from operating activities to fund its operations and fulfill its obligations as they become due. The Company has credit facilities available with Royal Bank of Canada totalling $3,090,000, including a revolving demand credit facility of $1,500,000 which it has not drawn down as at the date hereof, a foreign exchange facility of $1,500,000, and credit card facilities totalling $90,000. The Company has available additional foreign exchange facilities of $2,500,000 with other Canadian financial institutions. The Company's funds have not been committed in any way, except as set out in Note 20 of the Consolidated Financial Statements.

7. Information Technology (IT)

The integrity, reliability, and security of information in all forms are critical to the Company's operations and inaccurate, incomplete or unavailable information could lead to incorrect financial reporting, poor decisions, privacy breaches, and/ or inappropriate disclosure of sensitive information.

The Company is reliant on the integrity of its IT systems, hardware, software and certain other IT infrastructure in maintaining business continuity and in securing proprietary and sensitive information as well as certain of its financial assets. The Company has implemented comprehensive IT security policies and controls in order to safeguard its assets and sensitive information and to maintain business continuity in the event of potential disruptions. The integrity of the Company's IT systems is exposed to a risk of malicious and unauthorized breaches by outside parties acting unlawfully. While extensive, the Company's IT security policies and controls cannot guarantee that such unauthorized breaches, whether targeted or opportunistic in nature, will not occur in the future. Such a breach could result in loss of financial assets through fraud, loss of sensitive information, reputational loss, or disruption of operations and business continuity.

The Company monitors its exposure to IT security risks on a continual basis and modifies its IT security policies, practices, infrastructure and insurance coverage as needed to address the assessed level of such risk.

8. Competition

The Pharmaceutical Business is characterized by intense competition and the Company is faced with the risk of enhanced competitive activity which may impact operational results.

9. Climatic Conditions

The Legacy Business is dependent on agricultural production which, in turn, is impacted by climatic variations which may affect demand for its products.

10. General Economic Conditions

The Company has no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting its businesses, including uncertainty surrounding the economic impact of disease epidemics and pandemics and the risk of supply chain interruptions related thereto, or the possibility of political unrest, legal or regulatory changes in jurisdictions in which the Company or its customers operate. These factors could negatively affect the Company's future results of operations.

11. Innovation

The competitiveness of the Company's products is subject to continuous innovation within the pharmaceutical industry. The Company tries to maintain the relevance of its products to the market but is exposed to new improved innovations that can undermine the competitiveness of its products.

12. Width of Product Portfolio

While the Company continuously strives to increase the portfolio of products in its commercialization pipeline, the high cost of acquiring new products and the long lead-time for bringing these products to market creates a dependency on a limited range of products at this time.

13. Agreements Relating to the Development and Distribution of Products

The Company currently has several collaboration or distribution agreements relating to the marketing and distribution of FeraMAX® products in international markets. The Company relies on these agreements because it does not wish to market its products directly in these markets. The Company intends to secure additional agreements relating to the marketing and distribution of FeraMAX® and any other product for which it may receive commercial rights outside of Canada.

The Company may be unable to enter into in-licensing agreements for the development of new products and out-licensing agreements for the distribution of its existing products. The Company also faces and will continue to face, significant competition in seeking appropriate collaborators and marketing and distribution partners. Moreover, collaboration and distribution arrangements are complex and time-consuming to negotiate, document and implement.

Reliance on these agreements exposes the Company to a number of risks, including the following:

- Collaborators and marketing and distribution partners may not devote sufficient resources to the Company's products or product candidates;
- Disputes may arise with respect to payments that the Company believes are due under such distribution and collaboration agreements;
- Unwillingness on the part of collaborators and marketing and distribution partners to provide updates regarding the progress of its development, commercialization or marketing activities, or to permit public disclosure of these activities;
- Collaborators and marketing and distribution partners may terminate the relationship; disputes may arise in the future with respect to the ownership of rights to technology developed with collaborators;
- Disagreements with collaborators and marketing and distribution partners could result in litigation or arbitration;
- Collaborators may elect to pursue the development of any additional product candidates and pursue technologies or products either on their own or in collaboration with other parties, including competitors;
- Collaborators and marketing and distribution partners may pursue higher priority programs or change the focus of their programs, which could affect the collaborators' and marketing and distribution partners' commitment to their respective territories;
- Collaborators and marketing and distribution partners may develop or distribute products that compete with the Company's products; and
- The Company's pharmaceutical products are distributed to international markets where political and economic risks and uncertainties may exist. These risks and uncertainties could adversely affect the distribution of the Company's products to such markets.

The occurrence of any of these or other events may impair commercialization of the Company's products.

14. Regulatory Risks

With respect to BioSyent's Legacy Business, regulatory and legislative requirements affect the development, manufacture and distribution of BioSyent's products, including the testing and planting of seeds containing its biotechnology traits and the import of crops grown from those seeds. Non-compliance can harm sales and profitability. The failure to receive necessary permits or approvals could have near and long-term effects on BioSyent's ability to produce and sell some current and future products.

With respect to BioSyent's Pharmaceutical Business, the sale of pharmaceutical products is highly regulated, which significantly increases the difficulty and costs involved in obtaining and maintaining regulatory approval for marketing new and existing products.

Various business interruption risks inherent to the pharmaceutical industry, like product recalls, adverse drug reactions, quality issues and issues relating to good manufacturing practices may impact the financial results if they transgress regulatory boundaries.

The regulatory approval process can be long and may involve significant delays despite the Company's best efforts. There is also a risk that the Company's products may be withdrawn from the market and the required approvals suspended as a result of non-compliance with regulatory requirements. The extent of such regulation is increased for products designated by Health Canada as Controlled Substances, such as the Tibella® women's health product. As a result, the Company's costs of regulatory compliance and risks associated with non-compliance are higher for such Controlled Substances than for other non-controlled pharmaceutical products which it markets and sells.

Furthermore, there can be no assurance that the regulators will not require modification to any submissions, which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of the Company to utilize its technology, thereby adversely affecting operations. Further, there can be no assurance that the Company's products will prove to be safe and effective in clinical trials or receive the requisite regulatory approval.

15. Specific Risks

The Company has insurance policies in place against risks relating to general commercial liability, product liability, product recall, loss of Company assets, IT security, and business interruption. The Company reviews its insurance coverage on a regular basis as part of its risk management program and adjusts this coverage as appropriate, based its current risk profile and operations. The Company is exposed to the potential risk that claims made on the Company or losses incurred may be in excess of the level of insurance coverage undertaken by the Company.

Disclosure of Outstanding Share Data

The authorized share capital of the Company consists of 100,000,000 common shares without par value and 25,000,000 preferred shares without par value. The holders of the preferred shares as a class shall not be entitled to receive notice of, to attend or to vote at any meeting of the shareholders of the Company.

As at August 24, 2021 the following common shares, stock options, and Restricted Share Units were outstanding:

	No. of Shares	Exercise Price Range
Issued common shares	12,864,048	
Treasury shares: RSU Plan in Trust	(201,500)	
Outstanding common shares	12,662,548	
Stock options outstanding	172,657	$6.20 - $ 10.97
RSUs outstanding	194,345	
Fully Diluted at August 24, 2021	13,029,550	

Normal Course Issuer Bid

On December 11, 2019, the Company announced that the TSX Venture Exchange had accepted its Notice of Intention to Make a NCIB for a 12-month period ending on December 16, 2020 during which the Company would be permitted to purchase up to 800,000 of its own common shares for cancellation. The Company repurchased and cancelled 645,275 common shares under this NCIB, of which 594,275 common shares were repurchased and cancelled during FY 2020.

On December 11, 2020, the Company announced that the TSX Venture Exchange had accepted its Notice of Intention to Make a NCIB for a further 12-month period ending on December 16, 2021 during which the Company would be permitted to purchase up to 950,000 of its own common shares for cancellation. 74,500 common shares have been repurchased and cancelled under this NCIB between January 2021 and the date hereof.

Restricted Share Unit Plan

On March 4, 2020, the Board of Directors adopted a Restricted Share Unit ("RSU") Plan which was approved by shareholders on May 27, 2020 and which was subsequently approved by the TSX Venture Exchange. The RSU Plan was established as a vehicle by which equity-based incentives may be granted to eligible employees, consultants, directors and officers of the Company to recognize and reward their contributions to the long-term success of the Company including aligning their interests more closely with the interests of the Company's shareholders. The RSU Plan is a fixed plan which reserves for issuance a maximum of 800,000 common shares of the Company.

To the date hereof, the Company has purchased 201,500 of its own common shares pursuant to its RSU Plan with such shares held in trust for future settlement of vested RSUs granted to employees, senior management, and directors of the Company.

Commitments

Office Leases

The Company's office lease agreement commenced on September 1, 2019 and extends to August 31, 2029.

The Company's undiscounted minimum future rental payments and estimated occupancy costs (including certain operating costs and realty taxes) for the next five fiscal years under this lease agreement as of the date hereof are approximately as follows:

Fiscal Year	Rent and Occupancy Costs
2021	$ 183,220
2022	$ 368,197
2023	$ 371,711
2024	$ 371,711
2025	$ 375,225
Beyond Next 5 Fiscal Years	$ 1,401,596
Total	$ 3,071,660

Purchase Commitments

In the normal course of business, the Company has minimum purchase commitments with certain of its suppliers.

Disclosure Controls

The Company constantly endeavours to allow for greater segregation of duties and operating level controls within the constraints of its operating infrastructure. While intending to strengthen both these aspects of internal control, the Company believes that strong management supervisory controls minimize the possibility of erroneous financial reporting.

The certifying officers of the Company have opted not to certify the design and evaluation of the Company's disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"). Inherent limitations on the ability of the certifying officers to design and implement (on a cost-effective basis) DC&P and ICFR for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Investor Relations Activities

Investor relations functions were accomplished through personnel whose duties include dissemination of news releases, investor communications and general day-to-day operations of the Company. Mr. René Goehrum, President and CEO, Mr. Robert March, Vice President and CFO, and Mr. Joost van der Mark, Vice President, Corporate Development, assist in the implementation of the Company's investor relations program.

Related Party Transactions

Key Management Personnel Compensation

The table below summarizes compensation for key management personnel of the Company for the three and six months ended June 30, 2021 and 2020:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Number of Key Management Personnel	6	6	6	6
Salary, Benefits, and Bonus	$315,443	$310,886	$627,811	$621,697
Share-Based Payments	$78,590	$38,099	$119,352	$82,674

During the six months ended June 30, 2021, the Company recorded share-based payment expense of $119,352 (six months ended June 30, 2020 - $82,674) related to the amortization of RSUs and the vesting of options granted to key management personnel under the Company's RSU Plan and SOP as well as the Company's contributions to the ESPP for the purchase of common shares on behalf of participating key management personnel. Company and employee contributions to the ESPP were temporarily suspended between April 1, 2020 and March 31, 2021.

Transactions with Directors

During the six months ended June 30, 2021, the Company paid cash fees to its directors in the amount of $54,656 (six months ended June 30, 2020 - $27,188) and recorded share-based payments expense for accounting purposes of $16,156 (six months ended June 30, 2020 - $8,095) related to the amortization of RSUs and the vesting of options granted to directors under the Company's RSU Plan and SOP.

Legal Proceedings

From time to time the Company may be exposed to claims and legal actions in the normal course of business. As of the date hereof, the Company was not aware of any litigation or threatened claims either outstanding or pending.