

BioSyent Inc.

Management's Discussion and Analysis

**For the three and six months ended June 30, 2022
and 2021**

August 23, 2022

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Introduction

The following discussion of BioSynt Inc.'s ("**BioSynt**" 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, 2022 and June 30, 2021 ("**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 BioSynt'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, 2022 and June 30, 2021 and in BioSynt'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, BioSynt 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.

BioSynt'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, 2021.

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

BioSynt is a publicly traded specialty pharmaceutical company which, through its wholly owned subsidiaries, BioSynt Pharma Inc. ("**BioSynt Pharma**") and BioSynt 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 BioSynt, operate the Company's legacy business, marketing biologically and health friendly non-chemical insecticides (the "**Legacy Business**"). BioSynt's issued and outstanding common shares (the "**Common Shares**") are listed for trading on the TSX Venture Exchange under the symbol "RX".

BioSynt's Vision

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

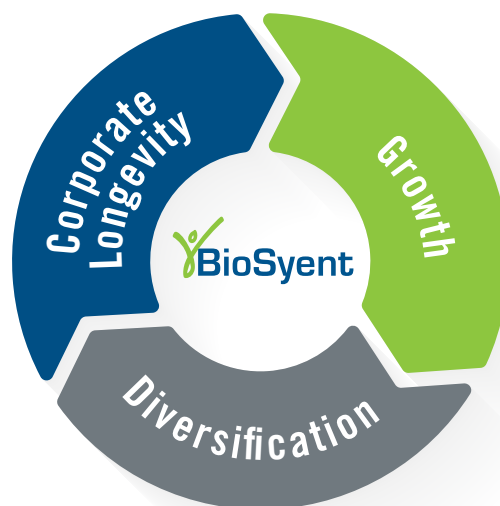
BioSynt's Strategy

BioSynt's strategic focus is on commercializing innovative products with recognizable brand equity sourced through international partnerships. These products are unique due to manufacturing complexities, novel technologies, therapeutic advantages and strong, defensible intellectual property rights. The Company works with and supports healthcare practitioners in improving patient lives.

The Company completed its most recent strategic review during 2021 with specific strategic objectives established for the period ending in 2025. The Company reviews its strategy and performance against its strategic objectives on an ongoing basis.

BioSynt's strategy has three components:

1. Growth (Revenue and Profit);
2. Diversification; and
3. Corporate Longevity.



These three strategic components are prioritized in any investment and capital allocation decisions made by the Company, including any decision to return capital to shareholders.

Growth:

The Company uses various means of achieving its revenue growth objectives while reducing risk in the marketplace. The Company adopts an 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 employs a salesforce of qualified sales professionals across Canada with experience in pharmaceutical detailing to healthcare practitioners and hospitals. The Company supports its salesforce by using 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.

Diversification:

BioSynt has developed sourcing arrangements with partners from around the world. The Company's flexible format does not limit the scope of diversification opportunities it considers for both new and existing products or sales channels.

The Company generally 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 financial modeling, comparison against investment criteria benchmarks and financial metrics, reviewing market data and market trends, interviewing key healthcare practitioners or medical advisory boards and obtaining opinions on reimbursement possibilities with payers. BioSynt evaluates all new product opportunities against specific financial benchmarks with the objective of acquiring or in-licensing quality assets which will provide a long-term return that is consistent with or supportive of the Company's existing product portfolio.

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.

Corporate Longevity:

On an aggregate basis, the Company manages its product portfolio to maintain specific annual and long-term financial ratios, including revenue and profit CAGR and Return on Equity, in order to achieve its strategic objectives. The Company maintains a discipline in acquiring or in-licensing new products which are accretive in terms of both sales and profitability over the long-term.

This strategy allows the Company to market these products 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

BioSynt considers opportunities based on its strategic objectives. 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).

Ultimately, BioSynt is focused on products which can deliver superior growth and return on investment. As well as acquiring or in-licensing such products, as part of BioSynt's ongoing evaluation of its product portfolio, BioSynt may also discontinue the sale of certain products in order to maintain its strategic focus and resource allocation on growth opportunities. For example, during the year, BioSynt entered into a Transition and Termination Agreement to return the Canadian rights for Cysview® to its owner effective as of December 31, 2021.

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®

Cathejell®

2% lidocaine hydrochloride jelly, USP

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.

FeraMAX® Powder was replaced by FeraMAX® Pd Powder 15 at Canadian pharmacies starting in October 2021.

FeraMAX® Pd Powder 15



In October 2021, BioSyent Pharma Inc. launched FeraMAX® Pd Powder 15 in Canada, the second product using the patented PDIC formulation. FeraMAX® Pd Powder 15, which is Vegan Certified, replaces FeraMAX® Powder at Canadian pharmacies.

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.

Tibella®

Tibella®

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®

Combogesic®

In November 2019, the Company signed a License and Exclusive Supply Agreement with AFT

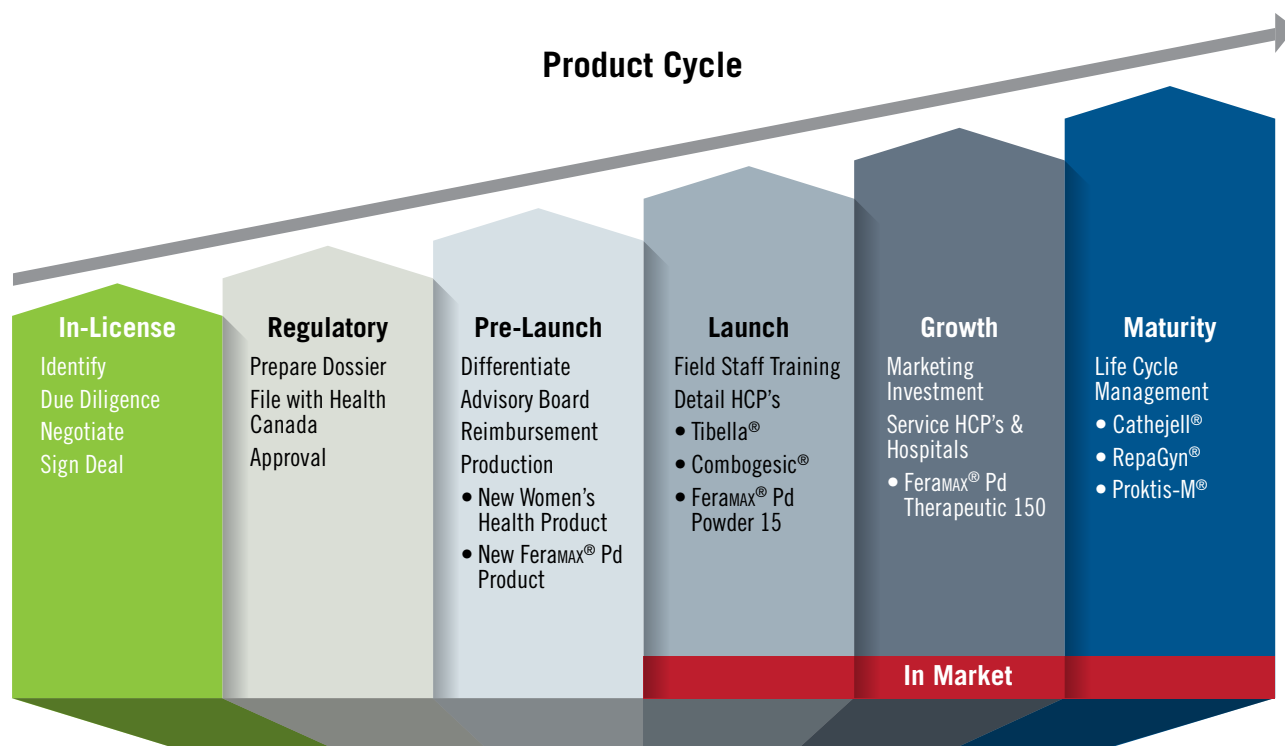
Pharmaceuticals Ltd for a portfolio of pain management products for the Canadian market. These products will be marketed in Canada under the Combogesic® trademark. Combogesic® combines two well-known and effective medicines, acetaminophen and ibuprofen, in a single form that has been demonstrated to 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. Having cleared certain key regulatory hurdles during 2021, Canadian product launch preparations for this product are currently underway.

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 three products in the maturity stage (Cathejell®, RepaGyn® and Proktis-M®), one product in the growth stage (FeraMAX® Pd Therapeutic 150), three products in the launch stage (Tibella®, Combogesic® and FeraMAX® Pd Powder

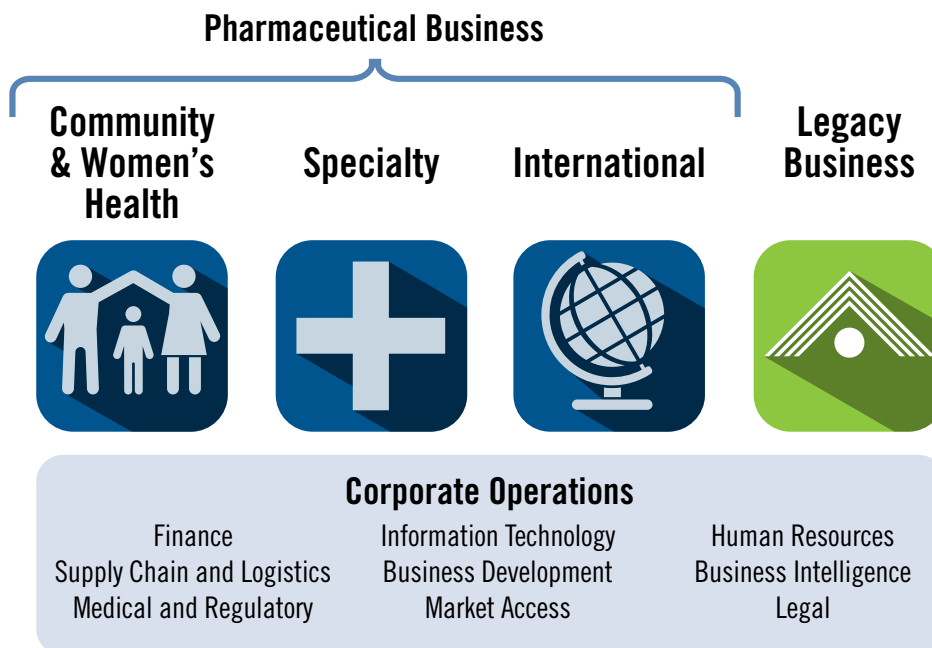
15), and two products in the pre-launch stage (a New Women's Health Product and a new FeraMAX® Pd Product). New product acquisition opportunities occur throughout the product lifecycle stages illustrated above.

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, 2022, the Company’s FeraMAX® brand was named the #1 Pharmacist and Physician recommended over-the-counter oral iron supplement brand in Canada for the seventh consecutive year (*EnsembleIQ Healthcare Group: Pharmacy Practice + Business*, *The Medical Post*, *Profession Santé*, *CanadianHealthcareNetwork.ca*, and *ProfessionSanté.ca 2022 Survey on OTC Counselling and Recommendations*).



Key Performance Measures

Key performance measures for the second quarter (“Q2”) and first half (“H1”) ended June 30, 2022 and June 30, 2021 are presented in the tables below along with the preceding three quarters:

Key Performance Measure	H1 2022	% Change vs. H1 2021	% to Total Company Sales	Q2 2022	% Change vs. Q2 2021	% to Total Company Sales	Q1 2022	Q4 2021	Q3 2021
Canadian Pharma Sales	12,591,069	-2%	92%	6,272,185	-6%	95%	6,318,884	6,466,381	6,409,809
International Pharma Sales	565,787	-57%	4%	-	-100%	0%	565,787	318,406	-
Legacy Business Sales	515,430	3%	4%	362,690	-20%	5%	152,740	433,869	280,610
Total Company Sales	13,672,286	-7%	100%	6,634,875	-9%	100%	7,037,411	7,218,656	6,690,419
Gross Profit	11,054,826	-4%	81%	5,464,071	-4%	82%	5,590,755	5,821,601	5,257,180
EBITDA	3,915,945	2%	29%	1,688,583	13%	25%	2,227,362	2,639,145	2,293,713
NIAT	2,805,787	5%	21%	1,217,883	20%	18%	1,587,904	1,877,804	1,721,320
Diluted EPS	0.22			0.10			0.13	0.15	0.13
Net Change in Cash, Short term Investments	(313,120)			1,054,660			(1,367,780)	1,109,737	2,289,074

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	655,702	955,909
Diluted EPS	0.21			0.08			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

Canadian pharmaceutical sales growth from continuing brands was 1% in Q2 2022 as compared to Q2 2021 (excluding discontinued Aguetant System® and Cysview® brands). Overall, Canadian pharmaceutical sales declined by 6% in Q2 2022 compared to Q2 2021 (including discontinued Aguetant System® and Cysview® brands). As face-to-face access to healthcare professionals by the Company’s field salesforce continued to improve during the quarter, the Company observed double-digit sales volume growth in its launch brands Tibella® and Combogesic® in Q2 2022 over Q2 2021. In the absence of both international pharmaceutical sales as well as sales from the discontinued Canadian brands in Q2 2022, total Company sales declined by 9% overall compared to Q2 2021.

The Company’s Net Income After Taxes (“NIAT”) of \$1,217,883 for Q2 2022 increased by 20% over Q2 2021 as the Company marked its 48th consecutive profitable quarter. The Company’s net profit margin increased to 18% in Q2 2022 as compared to 14% in Q2 2021 as a result of incremental profit contribution by the Tibella® product during the quarter, the discontinuation of unprofitable brands at the end of 2021, and certain non-recurring promotional expenditures incurred in the comparative period for the launch of the Combogesic® product in Canada.

Canadian pharmaceutical sales growth from continuing brands was 4% in H1 2022 as compared to H1 2021 (excluding discontinued Aguetant System® and Cysview® brands). Overall, Canadian pharmaceutical sales declined by 2% in H1 2022 as compared to H1 2021 (including discontinued Aguetant System® and Cysview® brands). International pharmaceutical sales were \$565,787 for H1 2022 with international FeraMAX® shipments in the first quarter to the Company’s second-largest export market only. H1 2022 International pharmaceutical sales declined by 57% when compared to H1 2021 during which the Company shipped a large single FeraMAX® order to its largest export market, representing several months of supply. As a result of this large international FeraMAX® sale in the comparative period H1 2021 and in the absence of H1 2022 sales from discontinued Canadian pharmaceutical brands, overall, total Company sales declined by 7% when compared to H1 2021.

In spite of this decline sales, H1 2022 NIAT of \$2,805,787 increased by 5% over H1 2021 with a net profit margin of 21% in H1 2022 as compared to 18% in H1 2021 with a growing contribution from launch brands during the period and the rationalization of the Company’s portfolio of Canadian pharmaceutical products at the end of 2021.

Results of Operations for the three and six months ended June 30, 2022 and 2021

Sales

Total Company Sales:

Q2 2022 vs. Q2 2021

Total Company sales for Q2 2022 were \$6,634,875 decreasing by 9% compared to total Company sales for Q2 2021 of \$7,289,254 which increased by 53% compared to Q2 2020.

H1 2022 vs. H1 2021

Total Company sales for H1 2022 were \$13,672,286 decreasing by 7% compared to total Company sales for H1 2021 of \$14,709,143 which increased by 36% compared to H1 2020.

Canadian Pharmaceutical Sales:

Q2 2022 vs. Q2 2021

Canadian pharmaceutical sales from continuing brands (excluding discontinued Aguetant System[®] and Cysview[®] brands) increased by 1% in Q2 2022 as compared to Q2 2021. Overall, Canadian pharmaceutical sales for Q2 2022 were \$6,272,185, decreasing by 6% versus Q2 2021 sales of \$6,670,322 (including discontinued Aguetant System[®] and Cysview[®] brands) which increased by 51% compared to Q2 2020. The table below summarizes the Q2 2022 versus Q2 2021 percentage change in sales volumes (units) by product:

Product	Q2 2022 vs. Q2 2021 Change
FeraMAX [®]	-8%
RepaGyn [®]	+13%
Cathejell [®]	+8%
Tibella [®]	+52%
Combogesic [®]	+45%
Aguettant System [®] (discontinued)	-100%
Cysview [®] (discontinued)	-100%

Q2 2022 Canadian sales volumes (units) of FeraMAX[®] decreased by 8% as compared to a particularly strong Q2 2021 during which both FeraMAX[®] Pd Therapeutic 150 and FeraMAX[®] Powder posted record quarterly sales with some trade inventory rebalancing at the wholesale level. Demand for FeraMAX[®] at the retail level (shipments by our wholesale customers to pharmacies) increased by 5% during Q2 2022 as compared to Q1 2021. Q2 2022 Canadian sales volume (units) of RepaGyn[®] increased by 13% as compared to Q2 2021. Q2 2022 Canadian sales volume (units) of Cathejell[®] increased by 8% as compared to Q2 2021 in spite of ongoing access limitations to Canadian hospitals and personnel.

Q2 2022 Canadian sales volumes (units) of the Company's launch brands, Tibella[®] and Combogesic[®], increased by 52% and 45%, respectively, compared to a relatively modest Q2 2021 as the Company's field salesforce's in-person access to community physicians and pharmacists continued to improve during the

second quarter following the access limitations experienced in the first quarter of 2022 as result of the spread of the Omicron variant of COVID-19 in Canada.

The Company's operating environment was better during Q2 2022 than it had been since the outset of the COVID-19 pandemic in March 2020. Although access to healthcare professionals continues to improve as many public health restrictions are lifted across Canada, the further potential impact of COVID-19 and variants thereof on the selling activities of the Company's field salesforce, consumer behaviour, and demand for pharmaceutical products in the community and in Canadian hospitals remains uncertain.

H1 2022 vs. H1 2021

Canadian pharmaceutical sales from continuing brands (excluding discontinued Aguetant System[®] and Cysview[®] brands) increased by 4% in H1 2022 as compared to H1 2021. Overall, Canadian pharmaceutical sales for H1 2022 were \$12,591,069, decreasing by 2% versus H1 2021 sales of \$12,904,085 (including discontinued Aguetant System[®] and Cysview[®] brands) which increased by 24% compared to H1 2020. The table below summarizes the H1 2022 versus H1 2021 percentage change in sales volumes (units) by product:

Product	H1 2022 vs. H1 2021 Change
FeraMAX [®]	-2%
RepaGyn [®]	+14%
Cathejell [®]	+6%
Tibella [®]	+58%
Combogesic [®]	+10%
Aguettant System [®] (discontinued)	-100%
Cysview [®] (discontinued)	-100%

H1 2022 Canadian sales volumes (units) of FeraMAX[®] decreased by 2% as compared to H1 2021. While H1 2022 sales volume (units) of FeraMAX[®] Pd Therapeutic 150 was flat versus H1 2021, sales volume (units) of FeraMAX[®] Powder declined due to trade inventory rebalancing by a certain wholesaler in the comparative period. H1 2022 Canadian sales volume (units) of RepaGyn[®] increased by 14% as compared to H1 2021. H1 2022 Canadian sales volume (units) of Cathejell[®] increased by 6% as compared to H1 2021.

H1 2022 Canadian sales volumes (units) of the Company's launch brands, Tibella[®] and Combogesic[®], increased by 58% and 10%, respectively, compared to H1 2021. Combogesic[®] sales growth in H1 2022 was skewed as a result of initial trade launch inventory loading during the comparative period H1 2021. While access of the Company's field salesforce to healthcare professionals improved during H1 2022, the growth of Combogesic[®] product sales was

more acutely affected during the early part of 2022 by the impacts of COVID-19 on patient traffic through the offices of healthcare professionals as well as access to these healthcare professionals.

International Pharmaceutical Sales:

Q2 2022 vs. Q2 2021

International FeraMAX[®] sales for Q2 2022 were \$nil, as compared to Q2 2021 sales of \$165,038 which increased by 75% compared to Q2 2020.

H1 2022 vs. H1 2021

International FeraMAX[®] sales for H1 2022 were \$565,787, decreasing by 57% versus H1 2021 sales of \$1,305,317 which increased by 705% compared to H1 2020. While the Company shipped three separate repeat orders of FeraMAX[®] to a single customer in its second-largest export market during Q1 2022, no such orders were shipped in Q2 2022.

In the comparative period, H1 2021, the Company shipped a sizeable single FeraMAX[®] order to its largest export market, representing several months of supply to this market. As the Company's distribution partner continues to navigate the

regulatory, logistical and trade challenges of the business environment in this market, management expects continued uncertainty in the timing and extent of international FeraMAX[®] sales to this market from period to period.

Legacy Business Sales:

Q2 2022 vs. Q2 2021

Legacy Business sales of Protect-It[®] for Q2 2022 were \$362,690, decreasing by 20% compared to Legacy Business sales for Q2 2021 of \$453,894 which increased by 74% as compared to Q2 2020.

H1 2022 vs. H1 2021

Legacy Business sales of Protect-It[®] for H1 2022 were \$515,430, increasing by 3% compared to Legacy Business sales for H1 2021 of \$499,741 which increased by 66% as compared to H1 2020. While Protect-It[®] sales to U.S. customers increased by 92% during the period, sales to Canadian customers decreased by 11% with demand for Protect-It[®] as well as the timing of Protect-It[®] sales influenced by weather conditions, prices of agricultural inputs, and the quality and quantity of the food grain harvest.

Expenses

	Q2 2022	% Change vs. Q2 2021	% to Total Company Sales	Q2 2021	% Change vs. Q2 2020	% to Total Company Sales
Cost of goods sold	\$ 1,170,804	-26%	18%	\$ 1,586,168	52%	22%
Selling and marketing	\$ 2,402,603	-16%	36%	\$ 2,868,741	85%	39%
General and administration	\$ 1,458,885	1%	22%	\$ 1,450,133	19%	20%
New business development costs	\$ 12,223	-19%	0%	\$ 15,105	-24%	0%
Finance costs	\$ 19,502	-9%	0%	\$ 21,504	-9%	0%
Subtotal	\$ 5,064,017	-15%	76%	\$ 5,941,651	54%	82%
Finance income	\$ (78,273)	153%	1%	\$ (30,968)	-41%	0%

Q2 2022 vs. Q2 2021

Total expenses for Q2 2022 were \$5,064,017, decreasing by 15% versus Q2 2021 expenses of \$5,941,651. The ratio of total expenses to sales in Q2 2022 was 76%, declining from a ratio of 82% in Q2 2021.

Total selling and marketing expenses for Q2 2022 were \$2,402,603, decreasing by 16% as compared to Q2 2021 selling and marketing expenses of \$2,868,741. The ratio of selling and marketing expenses to sales in Q2 2022 of 36% was lower than a ratio of 39% in Q2 2021. Selling and marketing employee costs increased by 42% in Q2 2022 over Q2 2021 as the Company expanded its field salesforce across Canada in 2022 to support its launch products, established products, and future launch products. Although the Company continued to support the launch of its Tibella[®] and Combogesic[®] products during Q2 2022 with ongoing advertising, promotional and selling expenditure, overall, such costs decreased by 43% in Q2 2022 compared to Q2 2021 as a result of certain non-recurring launch-related promotional expenditures made in the comparative period on these products.

General and administration expenses for Q2 2022 were \$1,458,885, increasing marginally overall by 1% as compared to Q2 2021 general and administration expenses of \$1,450,133. The ratio of general and administration expenses to total Company sales for Q2 2022 was 22%, increasing from a ratio of 20% in Q2 2021 due primarily to a 9% decline in total Company sales in Q2 2022 versus Q1 2021.

Finance costs for Q2 2022 were \$19,502, decreasing from finance costs for Q2 2021 of \$21,504. Finance costs represent interest expense on the Company's office lease liability accounted for in accordance with IFRS 16 *Leases*.

Finance income for Q2 2022, consisting of interest earned on short term investments, was \$78,273, increasing by 153% as compared to Q2 2021 finance income of \$30,968, as the impact of rising interest rates in Canada and the U.S. increased the yields earned on the Company's short term investments during the quarter.

	H1 2022	% Change vs. H1 2021	% to Total Company Sales	H1 2021	% Change vs. H1 2020	% to Total Company Sales
Cost of goods sold	\$ 2,617,460	-17%	19%	\$ 3,150,062	37%	21%
Selling and marketing	\$ 4,617,486	-10%	34%	\$ 5,148,036	64%	35%
General and administration	\$ 2,687,508	-2%	20%	\$ 2,748,748	7%	19%
New business development costs	\$ 31,997	-41%	0%	\$ 54,341	88%	0%
Finance costs	\$ 39,295	-9%	0%	\$ 43,255	-8%	0%
Subtotal	\$ 9,993,746	-10%	73%	\$ 11,144,442	38%	76%
Finance income	\$ (120,766)	79%	1%	\$ (67,584)	-53%	0%

H1 2022 vs. H1 2021

Total expenses for H1 2022 were \$9,993,746, decreasing by 10% versus H1 2021 expenses of \$11,144,442. The ratio of total expenses to sales in H1 2022 was 73%, declining from a ratio of 76% in H1 2021.

Total selling and marketing expenses for H1 2022 were \$4,617,486, decreasing by 10% as compared to H1 2021 selling and marketing expenses of \$5,148,036. The ratio of selling and marketing expenses to sales in H1 2022 of 34% was slightly lower than a ratio of 35% in H1 2021. Selling and marketing employee costs increased by 27% in H1 2022 over H1 2021 as the Company expanded its field salesforce as access to healthcare professionals continued to improve during the period. Advertising, promotion and selling costs decreased by 30% in H1 2022 compared to H1 2021 as a result of certain non-recurring launch-related promotional expenditures made in the comparative period on these products.

General and administration expenses for H1 2022 were \$2,687,508 decreasing by 2% as compared to H1 2021 general and administration expenses of \$2,748,748. Such decrease was due primarily to unrealized foreign exchange losses of \$139,398 incurred in H1 2021 on the devaluation of certain foreign currency denominated monetary assets - no such losses were incurred in H1 2022. Overall, the ratio of general and

administration expenses to total Company sales for H1 2022 was 20%, increasing from a ratio of 19% in H1 2021 due primarily to the 7% decrease in total Company sales during the period.

Finance costs for H1 2022 were \$39,295, decreasing from finance costs for H1 2021 of \$43,255. Finance costs represent interest expense on the Company's office lease liability accounted for in accordance with IFRS 16 *Leases*.

Finance income for H1 2022, consisting of interest earned on short term investments, was \$120,766, increasing by 79% as compared to H1 2021 finance income of \$67,584, as the Company benefitted from increased yields on its cash and short term investments during the period. To the extent that the Bank of Canada, U.S. Federal Reserve, and other central banks around the world continue to increase policy interest rates in the face of rising inflation, management expects to see an increase in the Company's return on short term investments during H2 2022.

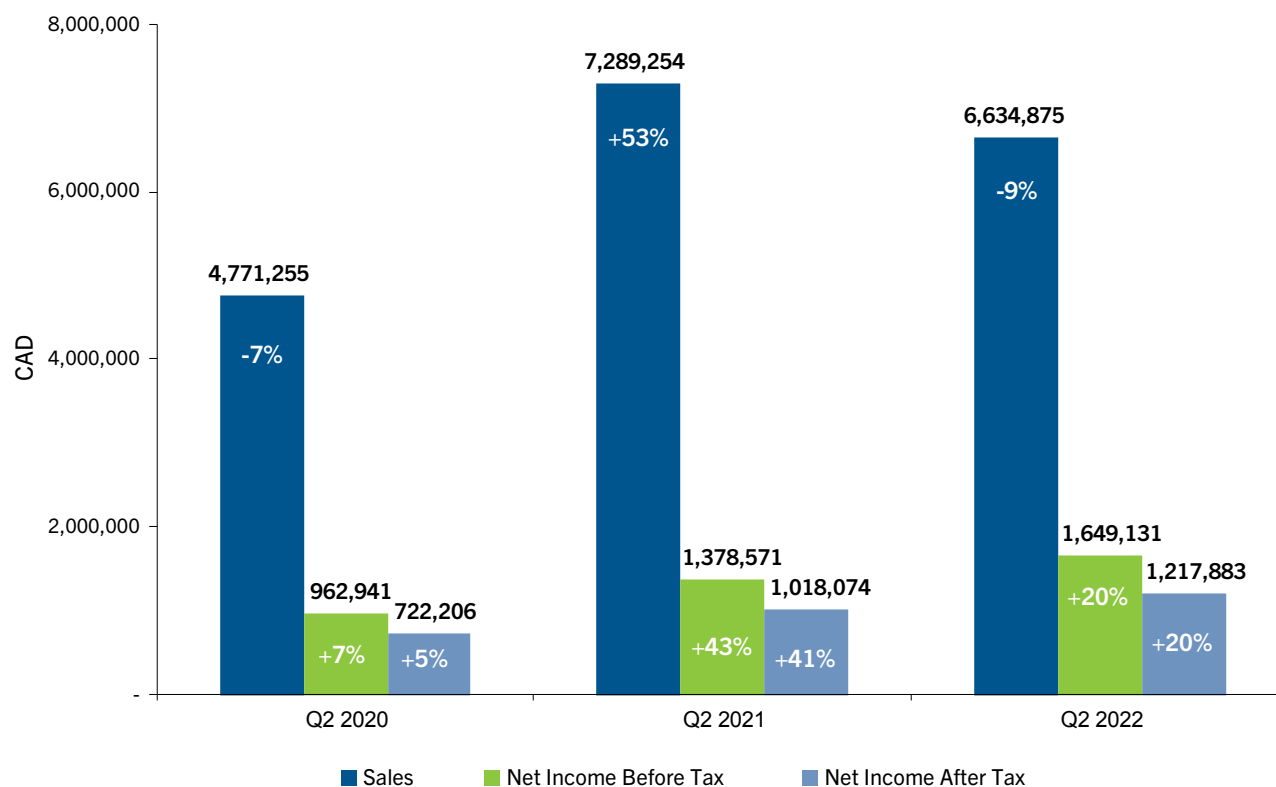
In the current inflationary environment, the Company has observed pervasive increases in costs during H1 2022 throughout its supply chain and operations in raw materials, packaging components, logistics, labour, travel, contracted services, and professional fees. Management expects such cost pressures to persist through H2 2022, increasing its cost of goods sold and operating expenses and impacting its gross and net profit margins.

Net Income After Taxes (NIAT)

Q2 2022 vs. Q2 2021

Q2 2022 marked the Company's 48th consecutive profitable quarter. NIAT for Q2 2022 of \$1,217,883 increased by 20% compared to NIAT for Q2 2021 of \$1,018,074 which increased by 41% compared to Q2 2020. The Company's NIAT margin increased to 18% of sales in Q2 2022 from 14% of sales in Q2 2021 due to certain non-recurring launch-related promotional expenditures incurred in the comparative period as well as changes in product mix.

Sales and Net Income Before & After Tax For the three months June 30

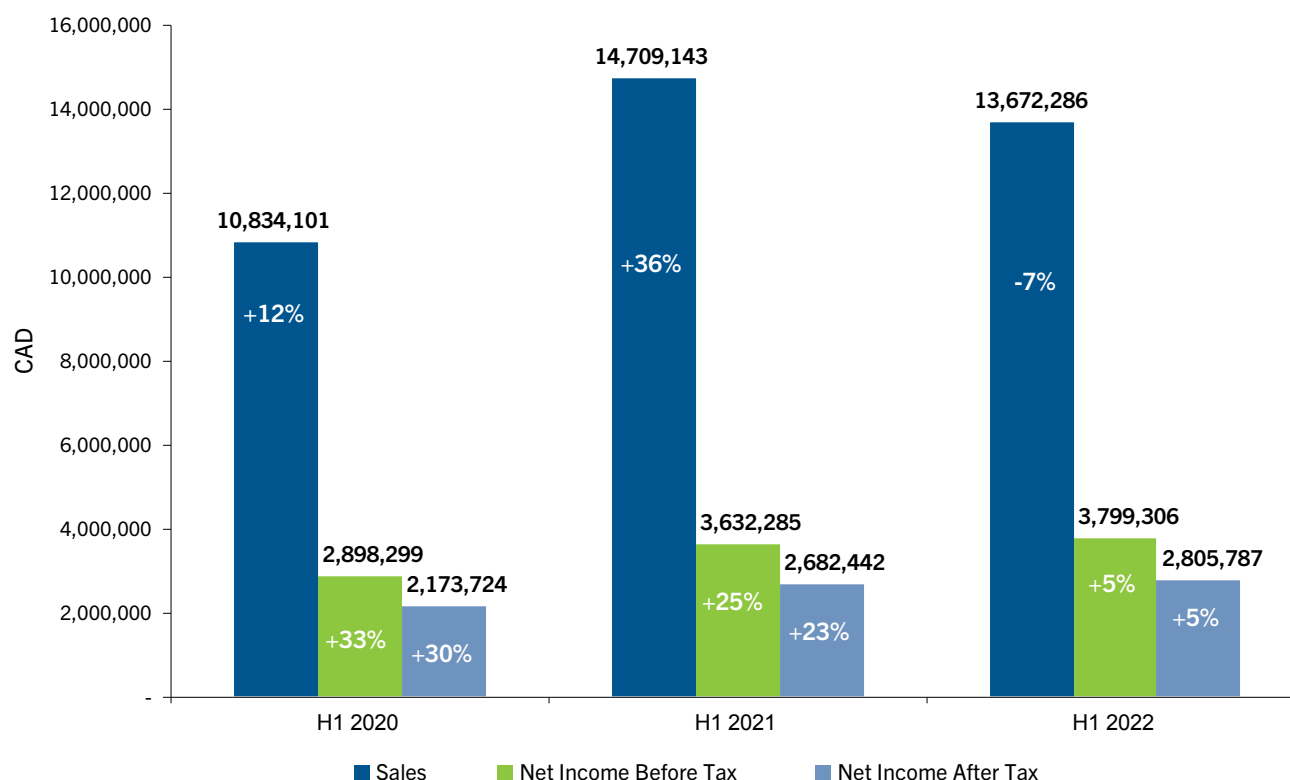


Including currency translation gains of \$29,822, total comprehensive income for Q2 2022 was \$1,247,705, increasing by 25% compared to total comprehensive income for Q2 2021 of \$995,573 which increased by 48% compared to total comprehensive income for Q2 2020.

H1 2022 vs. H1 2021

NIAT for H1 2022 of \$2,805,787 increased by 5% compared to NIAT for H1 2021 of \$2,682,442 which increased by 23% compared to H1 2020. The Company's NIAT margin increased to 21% of sales in H1 2022 from 18% of sales in H1 2021 due to the timing of launch-related promotional expenditures as well as improved profit margins on changes in product mix. Management targets a long-term profit contribution of the Tibella® and Combogesic® products which is more in line with other established brands in the Company's product portfolio, in contrast to the discontinued unprofitable Cysview® and Aguettant System® Phenylephrine pre-filled syringe products.

Sales and Net Income Before & After Tax For the six months ended June 30

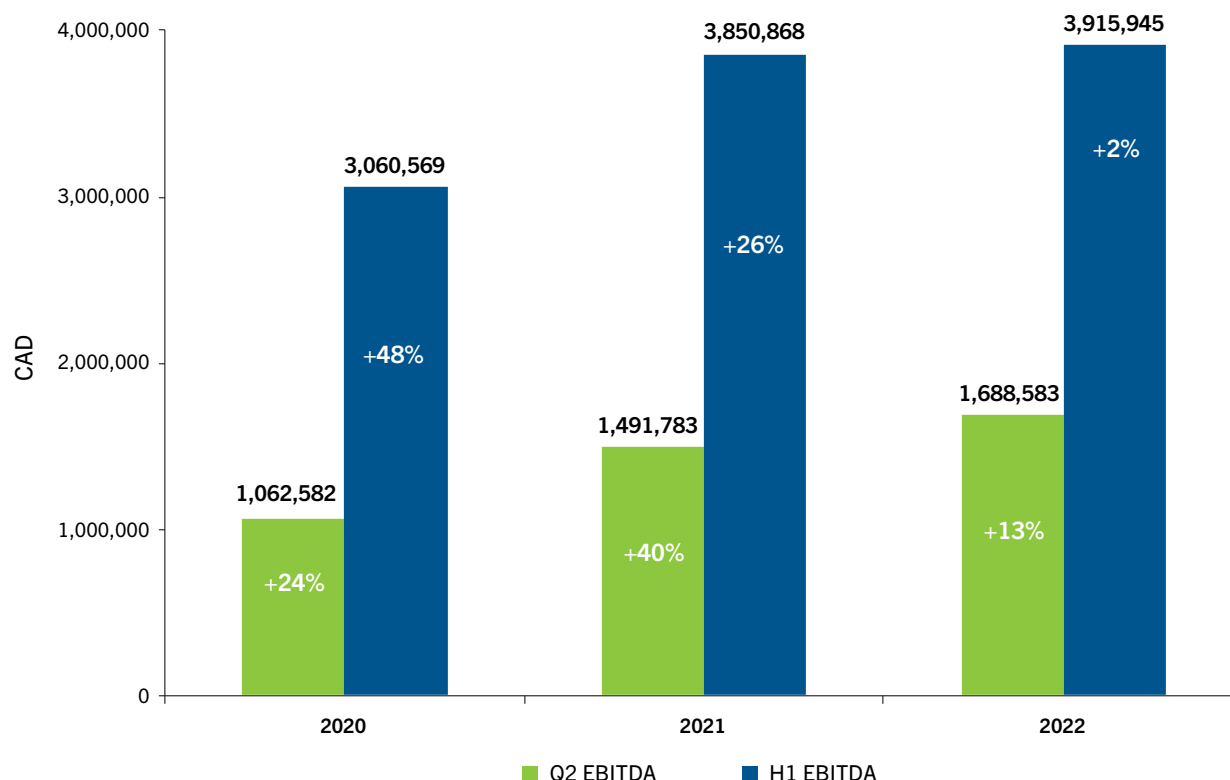


Including currency translation gains of \$3,482, total comprehensive income for H1 2022 was \$2,809,269, increasing by 8% compared to total comprehensive income for H1 2021 of \$2,589,498 which increased by 21% compared to total comprehensive income for H1 2020.

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, 2020, 2021, and 2022 is provided in the graph below:

EBITDA for the three and six months ended June 30



Q2 2022 vs. Q2 2021

EBITDA for Q2 2022 of \$1,688,583 increased by 13% compared to EBITDA for Q2 2021 of \$1,491,783 which increased by 40% compared to Q2 2020 EBITDA. This increase in Q2 2022 EBITDA was a result of a 20% increase in Net Income Before

Taxes combined with an increase in interest income and a decrease in amortization expense on intangible assets during the period. A reconciliation of EBITDA to NIAT for the three months ended June 30, 2022, 2021, and 2020 is provided in the table below:

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

	2022	2021	2020
Q2 EBITDA	\$ 1,688,583	\$ 1,491,783	\$ 1,062,582
Add Interest Income	78,273	30,968	52,751
Less: Depreciation of Property and Equipment	(75,361)	(78,077)	(81,338)
Amortization of Intangible Assets	(22,862)	(44,599)	(47,517)
Interest Expense	(19,502)	(21,504)	(23,537)
Income Tax Expense	(431,248)	(360,497)	(240,735)
Q2 NIAT	\$ 1,217,883	\$ 1,018,074	\$ 722,206

H1 2022 vs. H1 2021

EBITDA for H1 2022 of \$3,915,945 increased by 2% compared to EBITDA for H1 2021 of \$3,850,868 which increased by 26% compared to H1 2021 EBITDA. This increase in H1 2022 EBITDA was a result of a 5% increase in Net Income Before Taxes combined with an increase in interest income and a decrease in

amortization expense on intangible assets during the period. A reconciliation of EBITDA to NIAT for the six months ended June 30, 2022, 2021, and 2020 is provided in the table below:

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

	2022	2021	2020
H1 EBITDA	\$ 3,915,945	\$ 3,850,868	\$ 3,060,569
Add: Interest Income	120,766	67,584	142,971
Less: Depreciation of Property and Equipment	(150,722)	(153,428)	(167,522)
Amortization of Intangible Assets	(47,388)	(89,484)	(90,567)
Interest Expense	(39,295)	(43,255)	(47,152)
Income Tax Expense	(993,519)	(949,843)	(724,575)
H1 NIAT	\$ 2,805,787	\$ 2,682,442	\$ 2,173,724

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 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Sales (\$)	6,634,875	7,037,411	7,218,656	6,690,419	7,289,254	7,419,889	5,726,328	5,771,739
Net Income After Taxes (\$)	1,217,883	1,587,904	1,877,804	1,721,320	1,018,074	1,664,368	665,702	955,909
Earnings Per Share – Basic (\$)	0.10	0.13	0.15	0.14	0.08	0.13	0.05	0.07
Earnings Per Share – Diluted (\$)	0.10	0.13	0.15	0.13	0.08	0.13	0.05	0.07

Diluted EPS for Q2 2022 was \$0.10, increasing by \$0.02 compared with diluted EPS of \$0.08 for Q2 2021. For the trailing twelve months ("TTM") ended June 30, 2022, diluted EPS was \$0.50, increasing by \$0.17 compared to a TTM diluted EPS of \$0.33 for the period ended June 30, 2021.

Financial Resources and Liquidity

Working capital, defined here as the difference between current assets and current liabilities, increased to \$30,990,964 as at June 30, 2022 from \$29,942,178 as at December 31, 2021. Cash and short-term investments of \$27,898,550 accounted for 90% of working capital as at June 30, 2022 as compared with cash and short-term investments of \$28,211,670 accounting for 94% of working capital as at December 31, 2021. The Company has sufficient cash and working capital to maintain its operating activities and to fund its planned growth and development activities.

The Company's business model does not require significant ongoing capital investment. This business model consistently generates cash from operations, providing the Company with significant cash reserves not required in operations. The Company's cash reserves provide it with flexibility in the sourcing, financing, and commercialization of new product in-licensing and acquisition opportunities.

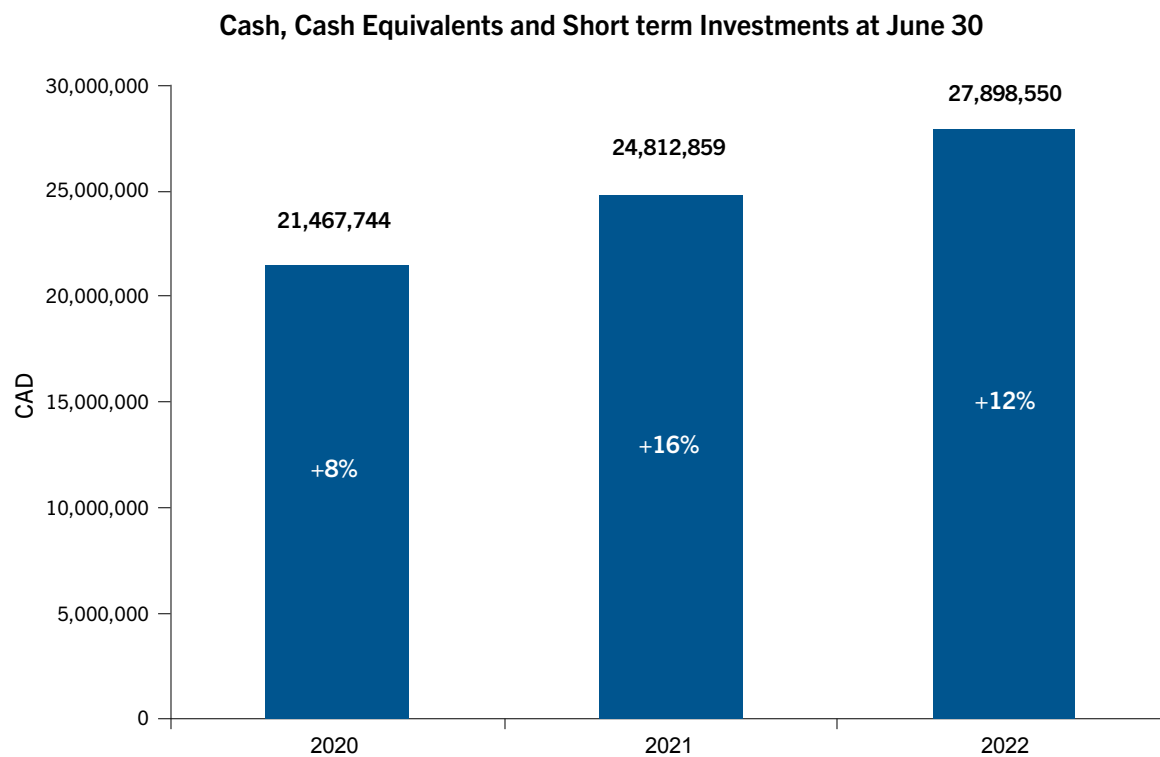
In addition to capital investments in growth (both in organic growth from existing brands and incremental growth from new brands), from time to time, excess capital may be returned to shareholders through share buybacks (via Normal Course Issuer Bid) and dividends. Between December 2018 to July 31, 2022, the Company repurchased and cancelled approximately 2.0 million

common shares with a total expenditure of \$13.0 million. Based on the Company's historic financial performance and planned future growth, Management believes these share buybacks are an effective use of capital to deliver value to all BioSynt shareholders.

During H1 2022, there was a net decrease in cash and short-term investments of \$313,120 as compared to a net decrease of \$764,847 during H1 2021. With H1 2022 NIAT of \$2,805,787, the Company generated \$1,506,028 in cash flows from operations after changes in non-cash working capital items during the period. Comparatively, with a H1 2021 NIAT of \$2,682,442, the Company generated \$130,451 in operations after changes in non-cash working capital during the period.

The Company expended \$1,676,144 in H1 2022 for the repurchase and cancellation of the Company's own common shares under a Normal Course Issuer Bid ("NCIB") and a further \$197,938 for the purchase of common shares held in trust for the Company's Restricted Share Unit ("RSU") Plan. Comparatively, during H1 2021, the Company expended \$525,970 for the repurchase and cancellation of common shares under its NCIB and a further \$219,019 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, 2020, 2021, and 2022 as well as the growth over the comparative period:



Total shareholders' equity increased by 4% to \$32,727,240 at June 30, 2022 from \$31,554,926 at December 31, 2021. While the Company generated comprehensive income of \$2,809,269 during H1 2022, it repurchased 207,300 of its own common shares during the period under its NCIB and a further 24,600 common shares were held in trust for future settlements under its RSU Plan, reducing shareholders' equity by a total of \$1,874,082 as a result.

The Company's total assets at June 30, 2022 were \$37,979,826 increasing by 2% compared to total assets of \$37,167,456 as at December 31, 2021. This is consistent with an increase of 2% in total assets during H1 2021 to \$34,339,214 at June 30, 2021 from total assets of \$33,571,214 at December 31, 2020.

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, 2022. 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.

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 and internationally, such restrictions may have an impact on the Company's 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 non-prescription products, prescription products, 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 decreased by 5% to \$3,016,900 at June 30, 2022 from \$3,165,233 at June 30, 2021, due to a 7% decrease in total Company sales in H1 2022 versus H1 2021.

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, 2022, one customer represents 46% of trade receivables (December 31, 2021 - 36%) while another customer represents 16% of trade receivables (December 31, 2021 - 21%), a third customer represents 11% of trade receivables (December 31, 2021 - 11%), and a fourth customer represents 5% of trade receivables (December 31, 2021 - 13%). 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 full recourse MSLP participant's loan (collectively, the "MSLP Participant Loans") bore interest at rates ranging from 1.00% - 2.00% per annum and had a maturity date of five years for the date that the loan was advanced, being either May 26, 2022 or December 11, 2023 (the "original Maturity Dates").

On March 9, 2022, the Board approved an amendment of the MSLP loans which provided for an extended repayment schedule. On May 26, 2022, the Company entered into amended loan agreements with certain Borrowers under this extended repayment schedule. Under the terms of these amended loan agreements, the Borrowers were required to repay 10% of the MSLP loan principal amount plus any and all accrued interest on the MSLP loan principal amount as of and on the original Maturity Dates. The MSLP loan principal amounts which remain outstanding following such repayment continue to bear interest at a prescribed rate of 1.00% per annum or more, with annual repayments of 20% - 40% of such remaining MSLP loan principal amounts plus accrued interest thereon due and payable by the Borrowers on the anniversary date of the original Maturity Dates with the final repayment for all MSLP loans due and payable no later than May 26, 2027 (the "extended Maturity Date").

The modification of certain MSLP loans on May 26, 2022 resulted in no change to the gross carrying amount of such loans; as such, the Company recognized no modification gain or loss on these MSLP loans.

All common shares of the Company purchased with the proceeds of a loan are required to be pledged as security for the satisfaction and performance of the loan obligations. If the Borrower ceases

to be employed by the Company or a subsidiary of the Company prior to the end of the original Maturity Dates or the extended Maturity Date, as applicable, all outstanding loan obligations shall become due and payable on the thirtieth (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.

Subject to the pledge on the common shares in favour of the Company, the Borrower is the sole owner of all common shares purchased on its behalf pursuant to the MSLP. All proceeds from the sale of common shares acquired through the MSLP are expected to be directed to the Company until the loan obligations have been satisfied in full.

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'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 industry 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, input prices, the availability of raw materials and labour, 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, geopolitical risks, armed conflicts, economic sanctions 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. Capital Risk

Significant capital investment is required in the sourcing, development, and launch of new products to the market as a result of the high cost of product development as well as the high level of competition and regulation in the pharmaceutical industry. Competitive, regulatory, and market risks result in a high

degree of new product failures in the specialty pharmaceutical industry. Given the substantial resources and investment required in launching new products, there is uncertainty that the returns on such investment will meet Company expectations as well as a risk of financial loss for unsuccessful product launches.

14. 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.

15. 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.

16. 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 23, 2022 the following common shares, stock options, and Restricted Share Units were outstanding:

	No. of Shares	Exercise Price Range
Issued common shares	12,448,561	
Treasury shares: RSU Plan in Trust	(235,450)	
Outstanding common shares	12,213,111	
Stock options outstanding	164,475	\$6.20 - \$ 10.97
RSUs outstanding	240,937	
Fully Diluted at August 23, 2022	12,618,523	

Normal Course Issuer Bid

On December 13, 2021, 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, 2022 during which the Company would be permitted to purchase up to 740,000 of its own common shares for cancellation. Between December 17, 2021 to date, the Company has repurchased and cancelled 336,400 common shares at an average price of \$8.06 per share under this NCIB.

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 235,450 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
2022	\$ 249,060
2023	\$ 371,711
2024	\$ 371,711
2025	\$ 375,225
2026	\$ 382,253
Beyond Next 5 Fiscal Years	\$ 1,019,342
Total	\$ 2,769,842

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, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Number of Key Management Personnel	6	6	6	6
Salary, Benefits, and Bonus	\$327,457	\$315,443	\$646,437	\$627,811
Share-Based Payments	\$101,852	\$78,590	\$157,075	\$119,352

During the six months ended June 30, 2022, the Company recorded share-based payment expense of \$157,075 (six months ended June 30, 2021 - \$119,352) related to the amortization of RSUs granted to key management under the Company's RSU Plan, the vesting of options granted prior to 2020 under the Company's SOP, as well as the Company's contributions to the ESPP for the purchase of common shares on behalf of participating key management personnel.

As at June 30, 2022, there were loans receivable under the MSLP from key management personnel of \$389,545 (December 31, 2021 - \$551,798). MSLP loan repayments of \$164,608 were received from key management personnel during the six months ended June 30, 2022 (six months ended June 30, 2021 - \$nil). Interest accrued on these MSLP loans during the six months ended June 30, 2022 totalled \$1,710 (six months ended June 30, 2021 - \$2,709).

Transactions with Directors

During the six months ended June 30, 2022, the Company paid cash fees to its directors in the amount of \$59,626 (six months ended June 30, 2021 - \$54,656) and recorded share-based payments expense for accounting purposes of \$25,369 (six months

ended June 30, 2021 - \$16,156) related to the amortization of RSUs under the Company's RSU Plan and the vesting of options granted to directors prior to 2020 under the 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.