BioSyent Inc.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

May 25, 2023

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 months ended March 31, 2023 and March 31, 2022 ("**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 three months ended March 31, 2023 and March 31, 2022 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, 2022.

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.

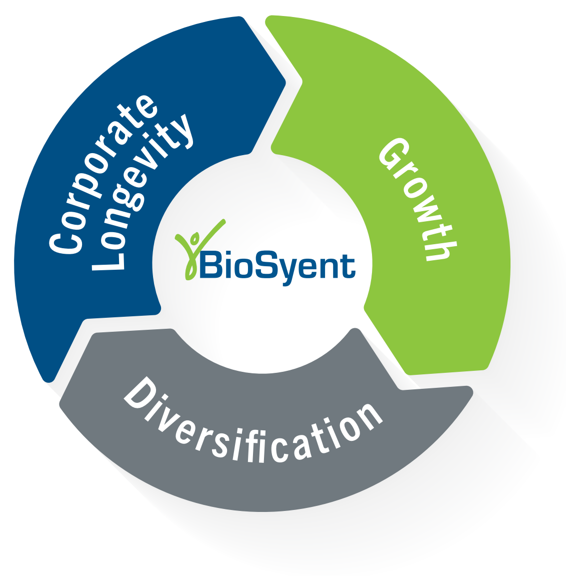
BioSyent's Strategy

BioSyent'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, defendable 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.

BioSyent'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 through the payment of dividends or through share buybacks.

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:

BioSyent 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. BioSyent 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

BioSyent 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, BioSyent 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 BioSyent's ongoing evaluation of its product portfolio, BioSyent may also discontinue the sale of certain products in order to maintain its strategic focus and resource allocation on growth opportunities.

Pharmaceutical Business

FeraMAX® Pd Therapeutic 150

In 2007, BioSyent Pharma launched FeraMAX® 150, an oral iron supplement, in Canada. In 2016, the Company developed a 100 mg formulation of FeraMAX® capsules ("FeraMAX® 100") for distribution in certain markets outside of Canada.

In 2020, BioSyent Pharma Inc. launched FeraMAX® Pd Therapeutic 150 in Canada, replacing FeraMAX® 150 at Canadian pharmacies. FeraMAX® Pd Therapeutic 150 is the first product launched under the trusted FeraMAX® brand using a new patented delivery system for the treatment of iron deficiency anemia based on a Polydextrose Iron Complex ("PDIC") formulation. FeraMAX® Pd Therapeutic 150 is Vegan Certified and is also recognized by the Society of Obstetricians and Gynaecologists of Canada.

FeraMAX® Pd Powder 15

In 2013, BioSyent Pharma launched FeraMAX® Powder, an oral iron product in a dissolvable, pleasant-tasting powder, in Canada. The Company has also launched the product in several international markets through distribution agreements.

In 2021, BioSyent Pharma Inc. launched FeraMAX® Pd Powder 15 in Canada, replacing FeraMAX® Powder at Canadian pharmacies. FeraMAX® Pd Powder 15 is the second product launched using the patented PDIC formulation and makes iron therapy convenient for children.

FeraMAX® Pd Maintenance 45

FeraMAX® Pd Maintenance 45 was introduced to the Canadian market in March 2023. This is the third and newest FeraMAX® Pd product developed by the Company based on the patented PDIC platform. FeraMAX® Pd Maintenance 45 is a chewable, orange-flavoured iron supplement containing 45 mg of elemental iron as well as 75 mg of vitamin C and 1,000 mcg of vitamin B12. FeraMAX® Pd Maintenance 45 enhances the Company's line of FeraMAX® Pd products for the management of iron health, offering patients an innovative solution to maintaining healthy iron levels.

Cathejell®

Cathejell®
2% lidocaine hydrochloride jelly, USP

In 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.

RepaGyn®

In 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®

In 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®

In 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, this product 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 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

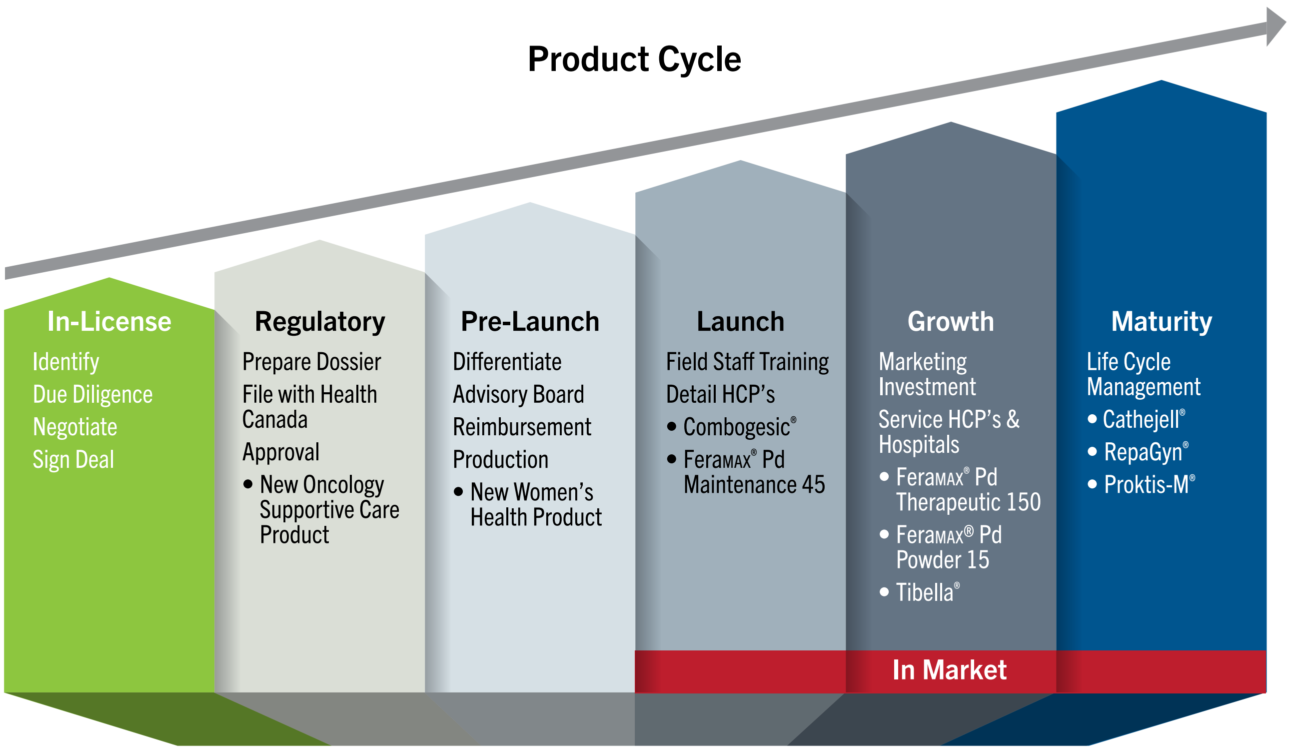
In 2020, BioSyent Pharma Inc. signed an exclusive License and Supply Agreement with a European partner for a new women's health product for the Canadian market. The product has been approved for sale in Canada, the U.S.A., Europe and in several other markets around the world. Canadian product launch preparations for this product are currently underway.

New Oncology Supportive Care Product

In 2022, BioSyent Pharma Inc. signed an exclusive Distribution Agreement with a European partner to acquire an exclusive license to use certain trademarks and to distribute an oncology supportive care product in Canada. The Company is in the process of obtaining the necessary regulatory approvals in order to market this product in Canada.

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.



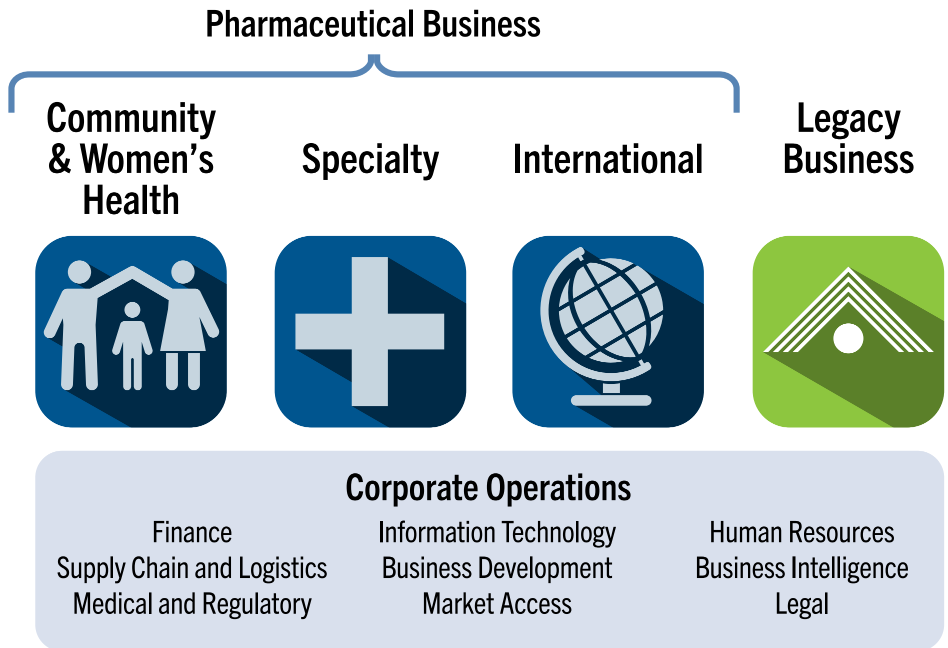
The Company currently has three products in the maturity stage (Cathejell®, RepaGyn® and Proktis-M®), three products in the growth stage (FeraMAX® Pd Therapeutic 150, FeraMAX® Pd Powder 15, and Tibella®), two products in the launch stage (Combogesic® and FeraMAX® Pd Maintenance 45), one product in the pre-launch stage (a New Women's Health Product), and one product in the regulatory stage (a new Oncology Supportive Care 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

FeraMAX® #1 for Eighth Consecutive Year

On May 1, 2023, the Company's FeraMAX® brand was named the #1 Pharmacist and Physician recommended over-the-counter oral iron supplement brand in Canada for the eighth consecutive year *(EnsembleIQ Research and Innovation: Pharmacy Practice + Business, The Medical Post, Profession Santé,* CanadianHealthcareNetwork.ca, and ProfessionSanté.ca 2023 Survey on OTC Counselling and Recommendations).

Key Performance Measures

Key performance measures for the first quarter ("Q1") ended March 31, 2023 and March 31, 2022 are presented in the tables below along with the preceding three quarters:

Key Performance Measure	Q1 2023	% Change vs. Q1 2022	% to Total Company Sales	Q4 2022	Q3 2022	Q2 2022
Canadian Pharma Sales	6,411,694	1%	99%	7,289,023	6,371,751	6,272,185
International Pharma Sales	-	-100%	0%	117,791	-	-
Legacy Business Sales	71,000	-54%	1%	55,116	419,220	362,690
Total Company Sales	6,482,694	-8%	100%	7,461,930	6,790,971	6,634,875
Gross Profit	5,334,732	-5%	82%	6,193,608	5,609,449	5,464,071
EBITDA	1,516,634	-32%	23%	1,568,032	1,949,019	1,688,583
NIAT	1,175,246	-26%	18%	1,199,516	1,453,042	1,217,883
Diluted EPS	0.10			0.09	0.12	0.10
Net Change in Cash, Short term Investments	(2,446,159)			910,999	(113,905)	1,054,660

Key Performance Measure	Q1 2022	% Change vs. Q1 2021	% to Total Company Sales	Q4 2021	Q3 2021	Q2 2021
Canadian Pharma Sales	6,318,884	1%	90%	6,466,381	6,409,809	6,670,322
International Pharma Sales	565,787	-50%	8%	318,406	-	165,038
Legacy Business Sales	152,740	233%	2%	433,869	280,610	453,894
Total Company Sales	7,037,411	-5%	100%	7,218,656	6,690,419	7,289,254
Gross Profit	5,590,755	-5%	79%	5,821,601	5,257,180	5,703,086
EBITDA	2,227,362	-6%	32%	2,639,145	2,293,713	1,491,783
NIAT	1,587,904	-5%	23%	1,877,804	1,721,320	1,018,074
Diluted EPS	0.13			0.15	0.13	0.08
Net Change in Cash, Short term Investments	(1,367,780)			1,109,737	2,289,074	788,607

The Company observed growth in unit sales from its wholesaler customers to retail pharmacies among all of its Canadian pharmaceutical brands in Q1 2023 over the comparative period. In spite of this demand sales growth, primary Canadian pharmaceutical sales (sales from the Company to its wholesaler customers) increased by just 1% overall, measured in dollars, in Q1 2023 over the comparative period as a result of inventory re-balancing at the wholesale level following a 27% increase in primary sales to wholesalers on continuing brands in Q4 2022 over the comparative period. Management expects trade inventory levels to normalize during the remainder of 2023. Overall, total Company sales declined by 8% in Q1 2023 versus Q1 2022 due to unevenness in international FeraMAX® sales resulting in the absence of international pharmaceutical sales during the quarter as well as a decline in Legacy Business sales.

The Company's Net Income After Taxes (NIAT) declined by 26% in Q1 2023 as a result of the decline in international pharmaceutical and Legacy Business sales as well as an increase in selling and marketing expenses. The Company expanded its field salesforce throughout 2022 and made pre-launch marketing investments during Q1 2023 in the FeraMAX® Pd 45 product (launched in March 2023) and a new women's health product (to be launched later in 2023). As a result, the Company's net profit margin declined to 18% of sales in Q1 2023 from 23% of sales in the comparative period.

Results of Operations for the three months ended March 31, 2023 and 2022

Sales

Total Company Sales:

Q1 2023 vs. Q1 2022

Total Company sales for Q1 2023 were $6,482,694, decreasing by 8% compared to Q1 2022 sales of $7,037,411 which decreased by 5% compared to Q1 2021.

Canadian Pharmaceutical Sales:

Q1 2023 vs. Q1 2022

Canadian pharmaceutical sales for Q1 2023 were $6,411,694, increasing by 1% versus Q1 2022 sales of $6,318,884 which increased by 1% compared to Q1 2021. This increase in sales in Q1 2023 was driven by the Company's growth products, FeraMAX® Pd Therapeutic 150 and Tibella® with modest incremental sales growth also contributed by FeraMAX® Pd Maintenance 45 which was launched to the Canadian market in March 2023. Sales of the Combogesic® product declined in Q1 2023 compared to Q1 2022 due to the effect of a single, large product distribution in the comparative period. The table below summarizes the Q1 2023 versus Q1 2022 percentage change in sales dollars by product:

Product	Q1 2023 vs. Q1 2022 Change
FeraMAX®	+1%
Tibella®	+38%
Combogesic®	-38%
RepaGyn®	-13%
Cathejell®	+5%

While all of the Company's Canadian pharmaceutical products showed demand growth during Q1 2023 in sales from the Company's wholesaler customers to retail pharmacies, growth in sales from the Company to these wholesaler customers was somewhat distorted due to inventory rebalancing at the wholesale trade level following an uptick in primary sales to wholesalers in Q4 2022. Management expects trade inventory levels to normalize during the remainder of 2023 with corresponding growth in primary sales to its wholesaler customers.

International Pharmaceutical Sales:

Q1 2023 vs. Q1 2022

International FeraMAX® sales for Q1 2023 were $nil, as compared to Q1 2022 sales of $565,787 and Q1 2021 sales of $1,140,279. The Company continues to experience unevenness in the timing of international FeraMAX® sales to its export markets from period to period as the Company's distribution partners navigate the regulatory, logistical and trade challenges of the business environment in certain of these markets.

Legacy Business Sales:

Q1 2023 vs. Q1 2022

Legacy Business sales of Protect-It® for Q1 2023 were $71,000, decreasing by 54% compared to Q1 2022 sales of $152,740 which increased by 233% as compared to Q1 2021 with inconsistent timing of demand for grain insecticides influenced by weather conditions, prices of agricultural inputs, the quality and quantity of the food grain harvest, and the level of infestation of stored grain.

Expenses

	Q1 2023	% Change vs. Q1 2022	% to Total Company Sales	Q1 2022	% Change vs. Q1 2021	% to Total Company Sales
Cost of goods sold	$ 1,147,962	-21%	18%	$ 1,446,656	-7%	21%
Selling and marketing	$ 2,535,548	14%	39%	$ 2,214,883	-3%	31%
General and administration	$ 1,376,901	12%	21%	$ 1,228,623	-5%	17%
New business development costs	$ 16,065	-19%	0%	$ 19,774	-50%	0%
Finance costs	$ 17,709	-11%	0%	$ 19,793	-9%	0%
Subtotal	$ 5,094,185	3%	79%	$ 4,929,729	-5%	70%
Finance income	$ (210,465)	395%	3%	$ (42,493)	16%	1%

Q1 2023 vs. Q1 2022

Total expenses for Q1 2023 were $5,094,185, increasing by 3% versus Q1 2022 expenses of $4,929,729 which decreased by 5% versus Q1 2021. The ratio of total expenses to sales in Q1 2023 was 79%, increasing from a ratio of 70% in Q1 2022.

Total selling and marketing expenses for Q1 2023 were $2,535,548, increasing by 14% as compared to Q1 2022 selling and marketing expenses of $2,214,883. The ratio of selling and marketing expenses to sales in Q1 2023 of 39% was higher than a ratio of 31% in Q1 2022. This increase was due primarily to the Company's expansion of its field salesforce throughout 2022 in order to promote the Company's growing product portfolio, with five new products launched in the last 2.5 years and launch preparations underway for two additional new products. As such, selling and marketing employee costs increased by 31% in Q1 2023 as compared to Q1 2022. The Company also incurred incremental pre-launch marketing expenses during the first quarter related to FeraMAX® Pd Maintenance 45 (launched in March 2023) and a new women's health product (to be launched in 2023).

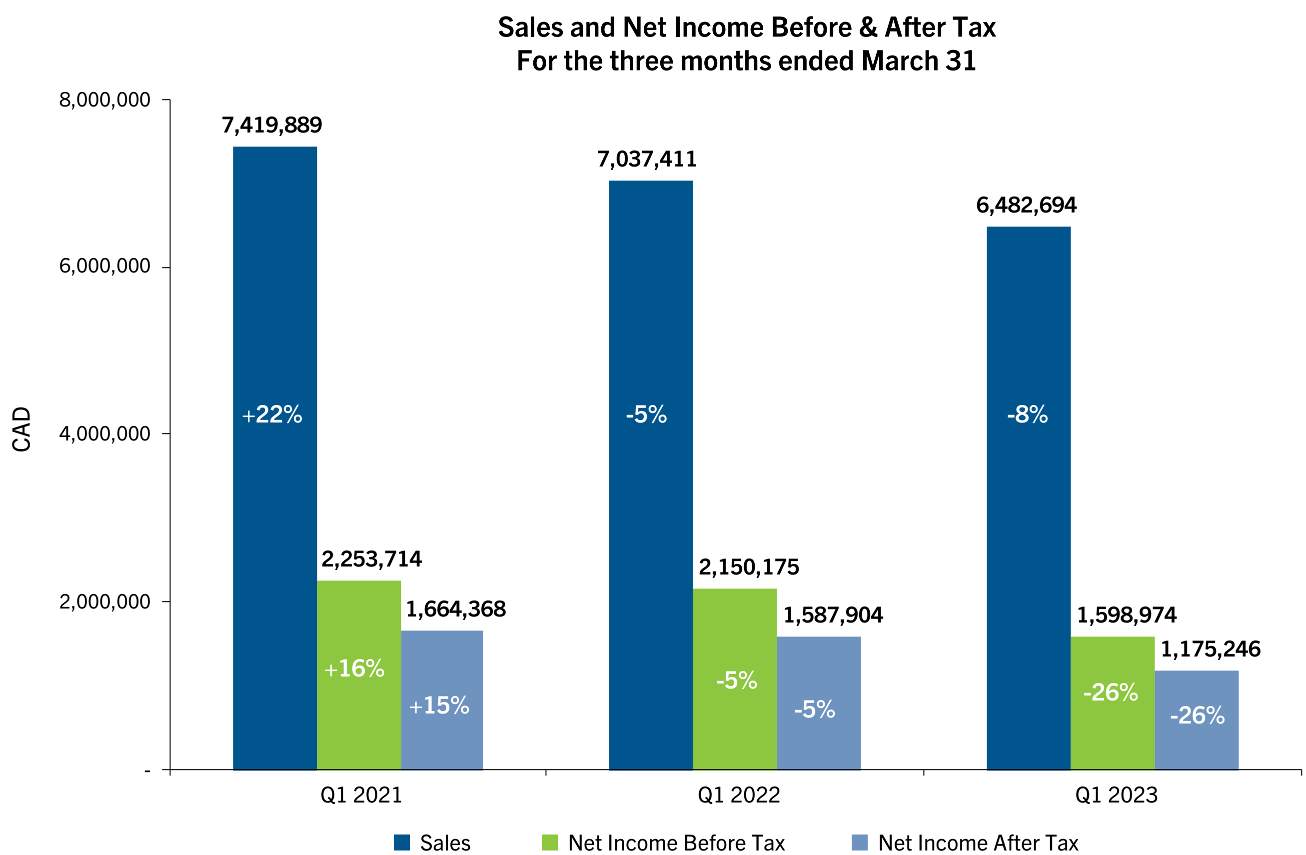
General and administration expenses for Q1 2023 were $1,376,901, increasing by 12% as compared to Q1 2022 general and administration expenses of $1,228,623. The ratio of general and administration expenses to total Company sales for Q1 2023 was 21%, increasing from a ratio of 17% in Q1 2022 due to cost increases resulting from general inflationary pressures, the provision for expected credit losses on accounts receivable, and certain one-time cost recoveries recognized in the comparative period. Share-based payment expenses also increased by 35% in Q1 2023 versus Q1 2022 as a result of the Company's transition, starting in 2020, to Restricted Share Units from stock options as its primary long-term equity compensation plan. As outstanding Restricted Share Units begin to vest starting on March 31, 2023 (based on 3-year vesting), management expects a levelling of share-based payment expense for the remainder of 2023 and future periods.

Finance income for Q1 2023, consisting of interest earned on short term investments, was $210,465, increasing by 395% as compared to Q1 2022 finance income of $42,493 as the impact of higher interest rates in Canada and the U.S. increased the yields earned on the Company's short term investments during the quarter. To the extent that the Bank of Canada, U.S. Federal Reserve, and other central banks around the world continue to raise and hold policy interest rates in response to elevated inflation levels, management expects to see an increase in the Company's return on short term investments during the remainder of 2023 as it actively manages its cash and short-term investments.

Net Income After Taxes (NIAT)

Q1 2023 vs. Q1 2022

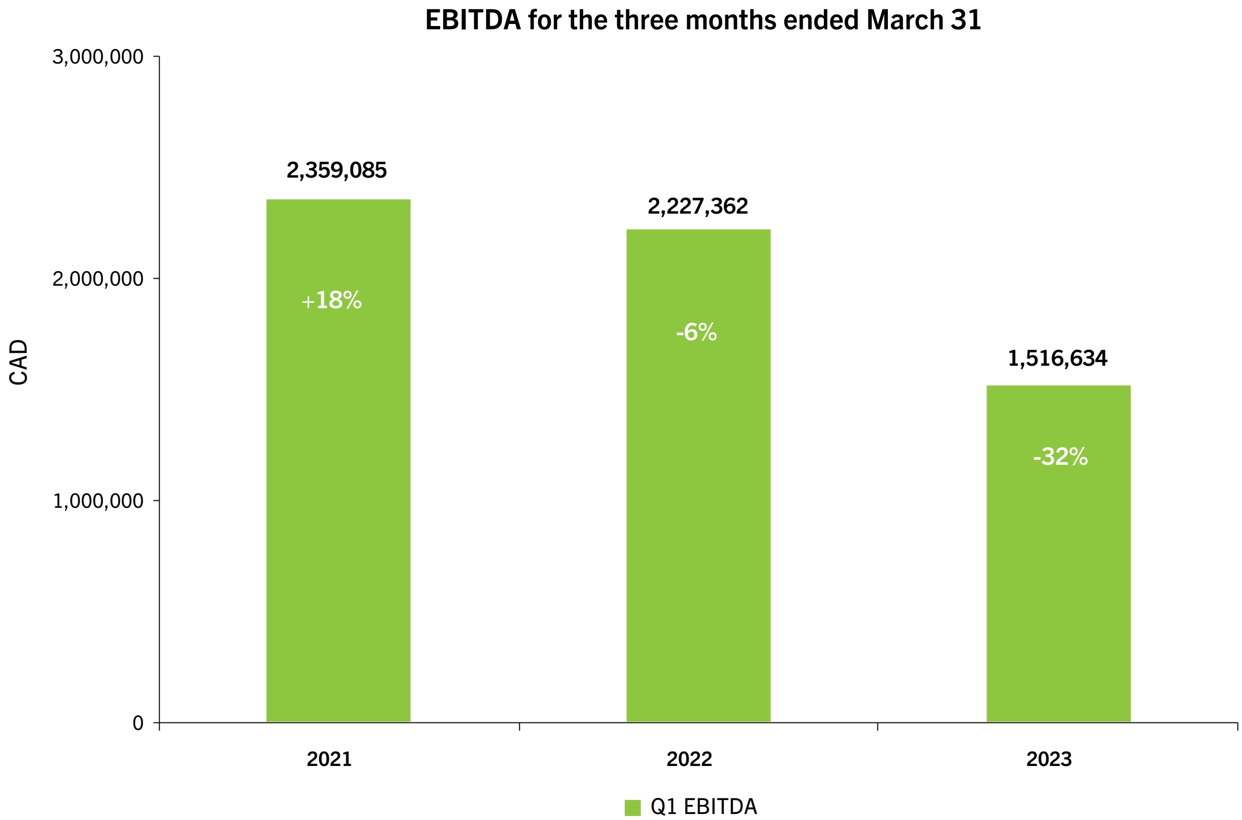
NIAT for Q1 2023 of $1,175,246 decreased by 26% compared to NIAT for Q1 2022 of $1,587,904 which decreased by 5% compared to Q1 2021. The decline in NIAT for Q1 2023 was due to primarily to declines in international pharmaceutical sales and Legacy Business sales during the period. Additionally, the Company's NIAT margin decreased to 18% of sales in Q1 2023 from 23% of sales in Q1 2022 as a result of planned pre-launch selling and marketing expenditures on the FeraMAX® Pd Maintenance 45 product and the new women's health product to be launched later in 2023.



Including currency translation gains of $30,210, total comprehensive income for Q1 2023 was $1,205,456, decreasing by 23% compared to total comprehensive income for Q1 2022 of $1,561,564 which decreased by 2% compared to total comprehensive income for Q1 2021.

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 months ended March 31, 2021, 2022, and 2023 is provided in the graph below:



Q1 2023 vs. Q1 2022

EBITDA for Q1 2023 of $1,516,634 decreased by 32% compared to EBITDA for Q1 2022 of $2,227,362 which decreased by 6% compared to Q1 2021. This decrease in Q1 2023 EBITDA was a result of a 26% decrease in Net Income Before Taxes combined with a 395% increase in interest income during the period. A reconciliation of EBITDA to NIAT for the three months ended March 31, 2023, 2022, and 2021 is provided in the table below:

RECONCILIATION OF EBITDA TO NIAT
FOR THE THREE MONTHS (Q1) ENDED MARCH 31

		2023	2022	2021
Q1 EBITDA		$ 1,516,634	$ 2,227,362	$ 2,359,085
Add:	Interest Income	210,465	42,493	36,616
Less:	Depreciation of Property and Equipment	(71,255)	(75,361)	(75,351)
	Amortization of Intangible Assets	(39,161)	(24,526)	(44,885)
	Interest Expense	(17,709)	(19,793)	(21,751)
	Income Tax Expense	(423,728)	(562,271)	(589,346)
Q1 NIAT		$ 1,175,246	$ 1,587,904	$ 1,664,368

Earnings per Share (EPS)

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

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Total Company Sales ($)	**6,482,694**	7,461,930	6,790,971	6,634,875	7,037,411	7,218,656	6,690,419	7,289,254
Net Income After Taxes ($)	**1,175,246**	1,199,516	1,453,042	1,217,883	1,587,904	1,877,804	1,721,320	1,018,074
Earnings Per Share – Basic ($)	**0.10**	0.09	0.12	0.10	0.13	0.15	0.14	0.08
Earnings Per Share – Fully Diluted ($)	**0.10**	0.09	0.12	0.10	0.13	0.15	0.13	0.08
TTM EPS – Diluted ($)	**0.41**	0.44	0.49	0.50	0.49	0.49	0.39	0.33

Fully diluted EPS for Q1 2023 was $0.10, decreasing by $0.03 compared with fully diluted EPS of $0.13 for Q1 2022 which was flat compared to Q1 2021.

Fully diluted EPS for the trailing twelve months ended March 31, 2023 was $0.41, decreasing by $0.08 compared with fully diluted EPS of $0.49 for the trailing twelve months ended March 31, 2022 which increased by $0.18 compared to the trailing twelve months ended March 31, 2021.

Financial Resources and Liquidity

Working capital, defined here as the difference between current assets and current liabilities, increased to $31,645,787 as at March 31, 2023 from $31,423,515 as at December 31, 2022. Cash and short-term investments of $26,249,485 accounted for 83% of working capital as at March 31, 2023 as compared with cash and short-term investments of $28,695,644 accounting for 91% of working capital as at December 31, 2022. 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 cash dividends. Between December 10, 2018 and March 31, 2023 the Company repurchased and cancelled approximately 2.3 million common shares with a total expenditure of approximately $14.7 million.

On August 23, 2022, the Company's Board of Directors adopted a Dividend Policy and subsequently declared quarterly cash dividends of $0.04 per common share on October 12, 2022 and on February 1, 2023. Consequently, aggregate dividends of $493,610 and $493,566 were paid to shareholders on December 15, 2022 and March 15, 2023, respectively. The Board of Directors declared a subsequent quarterly cash dividend of $0.04 per common share on May 25, 2023 to be paid on June 15, 2023.

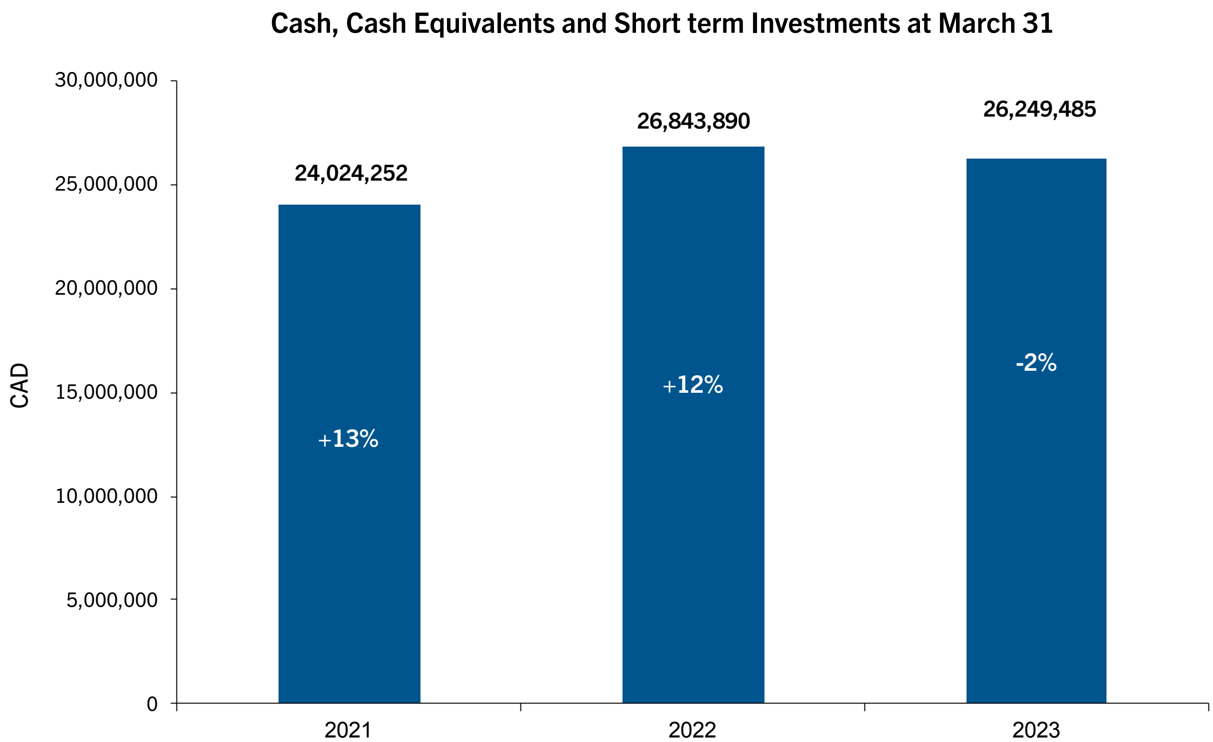
In addition to ongoing investments in growth and portfolio diversification, based on the Company's historical financial performance and planned future growth, the Board of Directors believes that share buybacks and cash dividends are also an effective use of capital in delivering long-term value to all BioSyent shareholders.

During Q1 2023, there was a net decrease in cash and short-term investments of $2,446,159 as compared to a net decrease of $1,367,780 during Q1 2022. With Q1 2023 NIAT of $1,175,246, the Company expended $1,098,303 in cash flows in operations after changes in non-cash working capital items during the period. Comparatively, with Q1 2022 NIAT of $1,587,904, the Company expended $108,804 in cash flows in operations after changes in non-cash working capital during Q1 2022.

The Company's accounts payable and accrued liabilities decreased by $1,493,969 between December 31, 2022 and March 31, 2023 as the Company paid 2022 trade payables and 2022 accrued compensation in Q1 2023.

The Company expended $393,644 in Q1 2023 for the repurchase and cancellation of the Company's own common shares under a Normal Course Issuer Bid ("NCIB") and a further $388,965 for the withholding of common shares held in trust for the Company's Restricted Share Unit ("RSU") Plan in settlement of employee payroll withholding taxes upon the vesting during Q1 2023 of RSUs granted to employees and directors in 2020. The Company also paid net aggregate cash dividends to common shareholders of $483,890 in Q1 2023. Comparatively, during Q1 2022, the Company expended $1,010,991 for the repurchase and cancellation of common shares under its NCIB and a further $197,938 on the purchase of common shares for the Company's RSU Plan. No cash dividends were paid to common shareholders in Q1 2022.

The graph below illustrates the company's cash, cash equivalents and short-term investments as of March 31, 2021, 2022, and 2023 as well as the growth over the comparative period:



Total shareholders' equity increased marginally to $33,419,494 at March 31, 2023 from $33,362,523 at December 31, 2022. While the Company generated comprehensive income of $1,205,456 during Q1 2023, it repurchased 52,800 of its own common shares during the period under its NCIB and withheld a further 51,862 common shares upon the vesting of RSUs during the period, with such shares held in trust for future settlements under the RSU Plan, reducing shareholders' equity by a total of $782,609 as a result. Shareholders' equity was further reduced by the payment of net aggregate dividends of $483,891 in March 2023.

The Company's total assets at March 31, 2023 were $38,748,741 decreasing by 4% compared to total assets of $40,485,264 as at December 31, 2022. This compares to an increase of 2% in total assets during Q1 2022 to $37,874,320 at March 31, 2022 from total assets of $37,167,456 at December 31, 2021.

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 March 31, 2023. 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 (WHO) characterized COVID-19 (Coronavirus) as a pandemic. On May 5, 2023, the WHO declared an end to COVID-19 as a global health emergency. The Company nonetheless continues to evaluate the situation and monitor any impacts or potential impacts to its business from COVID-19.

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.

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 13% to $3,453,866 at March 31, 2023 from $3,965,292 at March 31, 2022 due to an overall decrease in sales during the period.

The Company monitors its credit risk on an ongoing basis. The Company has provided for expected credit losses of $131,375 (March 31, 2022 - $53,011) related to trade receivables of certain Canadian pharmaceutical wholesale customers. Given the nature of size of the Company's customer base, the risk of material default on trade accounts receivable is considered low.

b. Concentration of Receivables

As of March 31, 2023. one customer represents 47% of trade receivables (December 31, 2022 - 56%) while another customer represents 16% of trade receivables (December 31, 2022 - 17%), and a third customer represents 14% of trade receivables (December 31, 2022 - 8%).

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% - 4.00% 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 May 26, 2022. 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% of such remaining MSLP loan principal amounts plus accrued interest thereon due and payable by the Borrowers on each of May 26, 2023, May 26, 2024, May 26, 2025, and May 26, 2026 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.

Interest receivable of $5,024 was accrued on the loans for the three months ended March 31, 2023 (three months ended March 31, 2022 - $1,488) and has been included in finance income on the Company's Consolidated Statements of Comprehensive Income.

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 Internationally

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 May 25, 2023 the following common shares, stock options, and Restricted Share Units were outstanding:

	No. of Shares	Exercise Price Range
Issued common shares	12,281,361	
Treasury shares: RSU Plan in Trust	(189,442)	
Outstanding common shares	12,091,919	
Stock options outstanding	164,295	$6.20 - $ 10.97
RSUs outstanding	214,812	
Fully Diluted at May 25, 2023	12,471,026	

Normal Course Issuer Bid

On December 13, 2022, 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 18, 2023 during which the Company would be permitted to purchase up to 690,000 of its own common shares for cancellation. 57,800 common shares have been repurchased and cancelled by the Company under this NCIB between December 19, 2022 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.

As of the date hereof, 189,442 of the Company's own common shares were held in trust pursuant to its RSU Plan 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
2024	$ 371,711
2025	$ 375,225
2026	$ 382,253
2027	$ 382,253
2028	$ 382,253
Beyond Next 5 Fiscal Years	$ 254,836
Total	$ 2,148,531

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and/or its subsidiaries, directly or indirectly.

The table below summarizes compensation for key management personnel of the Company for the three months ended March 31, 2023 and 2022:

	Three months ended March 31,	
	2023	2022
Number of Key Management Personnel	6	6
Salary, Benefits, and Bonus	$331,550	$318,980
Share-Based Payments	$73,491	$55,223

During the three months ended March 31, 2023, the Company recorded share-based payment expense of 73,491 (three months ended March 31, 2022 – $55,223) 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 March 31, 2023, there were loans receivable under the MSLP from key management personnel of $398,275 (December 31, 2022 – $393,532). Interest accrued on these MSLP loans during the three months ended March 31, 2023 totalled $4,743 (three months ended March 31, 2022 – $1,361).

Transactions with Directors

During the three months ended March 31, 2023, the Company paid cash fees to its directors in the amount of $32,297 (three months ended March 31, 2022 – $29,813) and recorded share-based payments expense for accounting purposes of $18,147 (three months ended March 31, 2022 – $12,581) related to the amortization of RSUs under the Company's RSU Plan.

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.