

BioSyent Inc.

Management's Discussion and Analysis

For the years ended December 31, 2023 and 2022

March 13, 2024

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Introduction

The following discussion of BioSyent Inc.'s ("**BioSyent**" or the "**Company**") operations, performance and financial condition is based on the Company's audited consolidated financial statements for the years ended December 31, 2023 and December 31, 2022 ("**Consolidated Financial Statements**"), which were prepared in accordance with International Financial Reporting Standards

("IFRS"). 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.sedarplus.ca.

Forward-Looking Statements

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

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance and involve certain risks and

uncertainties that are difficult to predict. Undue reliance should not be placed on such statements. Certain material assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Known and unknown factors could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Important assumptions, influencing factors, risks, and uncertainties are referred to in the body of this MD&A, in the press release announcing the Company's financial results for the years ended December 31, 2023 and December 31, 2022 and in BioSyent's annual and interim financial statements and the notes thereto. These documents are available at www.sedarplus.ca.

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, 2023.

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**"), Trailing Twelve Months Earnings Per Share ("**TTM EPS**"), and Compound Annual Growth Rate ("**CAGR**") 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.

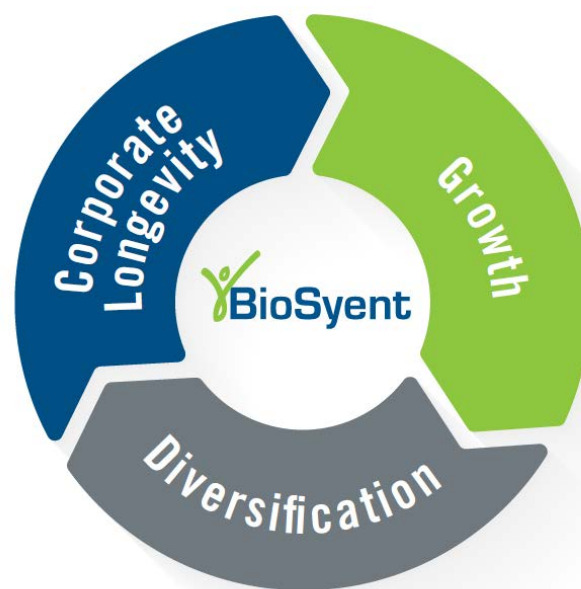
BioSyent's Strategy

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, 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. 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 decision 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. The level of ultimate commercial success of a new product in the market is not known at the time it is in-licensed or acquired by the Company. The Company evaluates the commercial performance of each of its products on an ongoing basis and manages the level of its investments in marketing and promotional activities with an objective of maximizing long-term sales growth and profitability overall.

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 de-emphasize or even discontinue the sale of certain products in order to maintain its strategic focus and resource allocation on the best opportunities in terms of growth and profitability.

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 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 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



In 2023, BioSyent Pharma launched FeraMAX[®] Pd Maintenance 45 in Canada. 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

Cathejell[®] was in-licensed by BioSyent Pharma from a European partner in

2009. In 2012, BioSyent Pharma launched Cathejell[®] in Canada. Cathejell[®] combines a sterile gel with lidocaine in a unique collapsible applicator syringe to ease patient discomfort for 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.

In June 2023, BioSyent Pharma extended its License, Distribution, and Supply Agreement for the exclusive Canadian rights to Cathejell[®] until 2034.

RepaGyn[®]

RepaGyn[®]

RepaGyn[®] was in-licensed by BioSyent Pharma from a European partner in 2013.

In 2014, BioSyent Pharma launched RepaGyn[®] in Canada. RepaGyn[®] is an innovative vaginal suppository recommended for relieving vaginal dryness and healing of the vaginal mucosa. RepaGyn[®], a natural health product, is formulated with sodium hyaluronate and provides a hormone-free treatment proven to deliver symptom relief, and tissue repair.

Proktis-M[®]

Proktis-M[®]

Rectal Suppositories • Sodium Hyaluronate

Proktis-M[®] was in-licensed by BioSyent Pharma from a European partner in 2014.

In 2014, BioSyent Pharma launched Proktis-M[®] in Canada. Proktis-M[®] rectal suppositories are designed to help the healing of the anus and rectum. Proktis-M[®] rectal suppositories 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.

Tibella[®]

Tibella[®]

Tibella[®] was in-licensed from a European partner in 2016. In 2020, BioSyent Pharma launched Tibella[®] in Canada. Tibella[®], a

prescription product, 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.

Combogesic®

Combogesic® Combogesic® was in-licensed from a partner in 2019. In 2020, BioSyent Pharma launched Combogesic® in Canada. Combogesic® combines two well-known and effective medicines, acetaminophen and ibuprofen, in a single form that has been demonstrated to synergistically provide pain relief.

Inofolic®

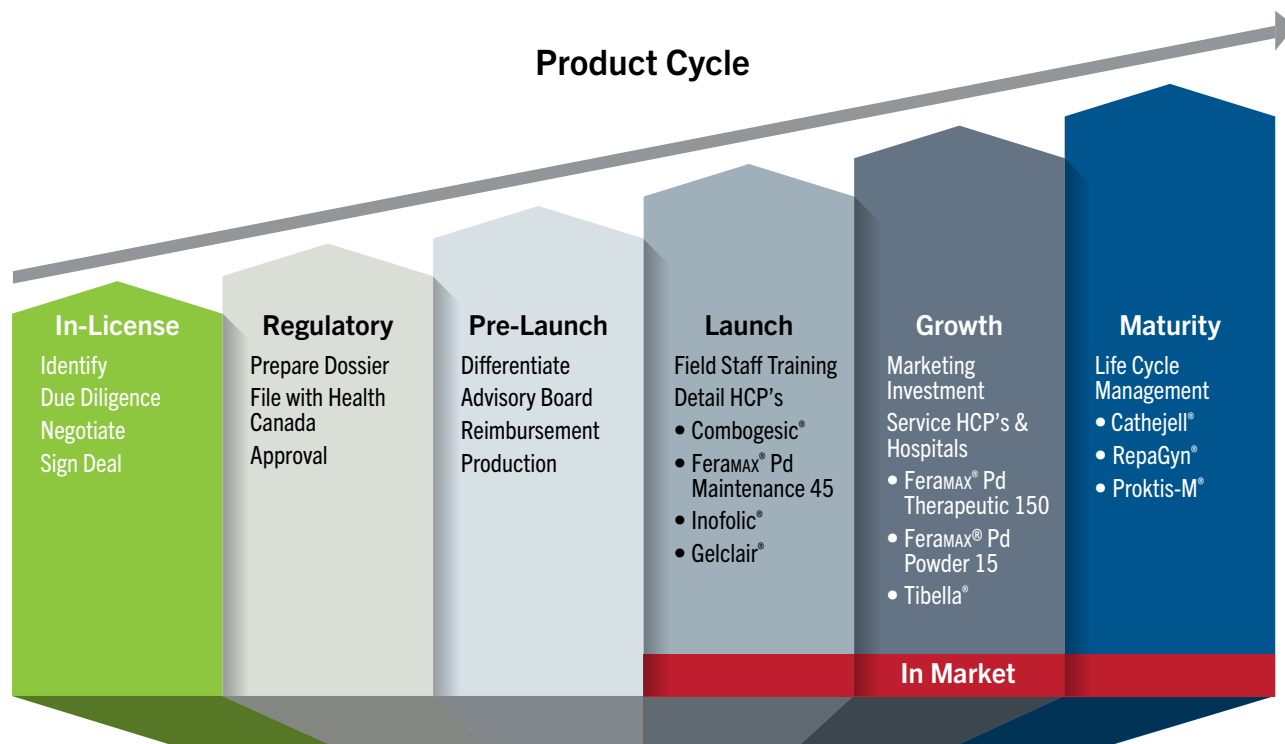
inofolic In 2020, BioSyent Pharma signed an exclusive License and Supply Agreement with a European partner for a new women's health product, Inofolic®, for the Canadian market. Inofolic® is a natural health product, combining myo-inositol and folic acid in a soft-gel capsule for the management of the symptoms of Polycystic Ovary Syndrome (PCOS), an endocrine disorder affecting many aspects of a woman's health, including insulin resistance, infertility, menstrual dysfunction and skin manifestations such as acne, hirsutism (excess hair growth) and alopecia (hair loss). Inofolic® has been approved for sale in Canada, the U.S.A., Europe and in several other markets around the world. BioSyent Pharma Inc. launched Inofolic® in Canada in August 2023.

Gelclair®

gelclair In 2022, BioSyent Pharma signed a Distribution Agreement with a European partner to acquire an exclusive license to use certain trademarks and to distribute an oncology supportive care product, Gelclair®, in Canada. Gelclair® is a viscous gel specially formulated to aid in soothing the pain of oral mucositis by forming a protective film barrier that adheres to the mucosa of the mouth to protect the nerve endings that cause pain from further irritation and to hydrate and coat damaged tissue. Oral mucositis is a painful inflammation and ulceration of the mucous membranes in the mouth and throat often experienced by patients undergoing radiation or chemotherapy for cancer or bone marrow transplant. Having obtained the necessary regulatory approvals from Health Canada, BioSyent Pharma Inc. commenced promoting Gelclair® in Canada through its Specialty Business Unit in July 2023. BioSyent Pharma Inc. commenced distribution of Gelclair® in Canada in November 2023.

Pharmaceutical Product Cycle

The Company organizes its product lifecycle into six stages: (i) in-license stage, (ii) regulatory stage, (iii) pre-launch stage, (iv) launch stage, (v) growth stage, and (vi) 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®), and four products in the launch stage (Combogesic®, Feramax® Pd Maintenance 45, Inofolic®, and Gelclair®). New product acquisition opportunities can occur throughout the product lifecycle stages illustrated above.

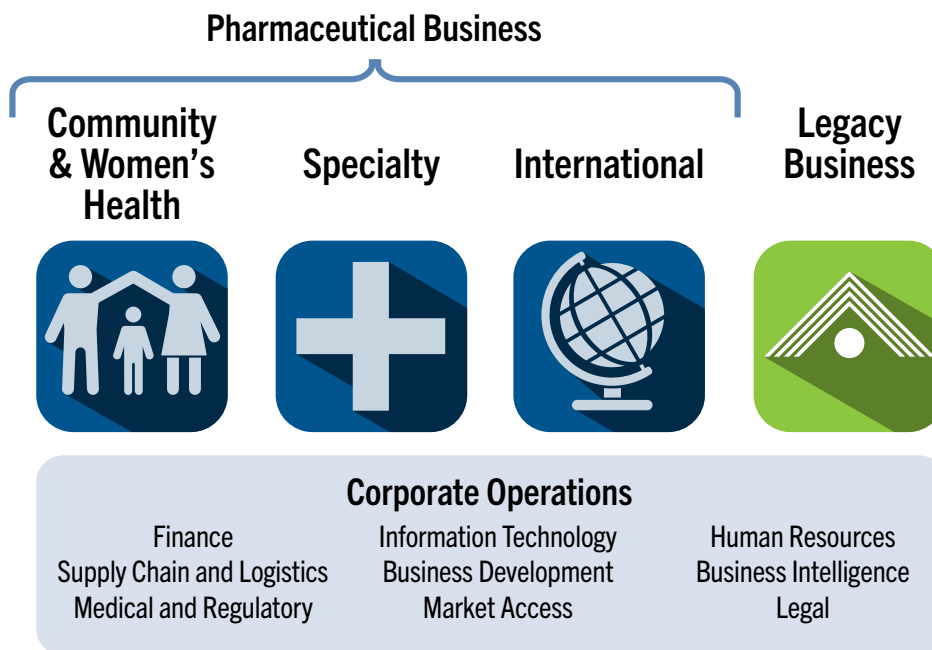
Pharmaceutical Product Pipeline

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 the 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 of cash flows for the Company allowing it to focus on its strategic areas of growth in the Pharmaceutical Business.

New Capabilities and Awards

Feramax® Pd Maintenance 45



In March 2023, BioSyent Pharma launched FeraMAX® Pd Maintenance 45 in Canada. 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.

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).

Inofolic®



In August 2023, BioSyent Pharma Inc. launched Inofolic® in Canada. Inofolic® is a natural health product, combining

myo-inositol and folic acid in a soft-gel capsule for the management of the symptoms of Polycystic Ovary Syndrome (PCOS), an endocrine disorder affecting many aspects of a woman's health, including insulin resistance, infertility, menstrual dysfunction and skin manifestations such as acne, hirsutism (excess hair growth) and alopecia (hair loss).

Inofolic® has been approved for sale in Canada, the U.S.A., Europe and in several other markets around the world. Inofolic® was in-licensed by BioSyent Pharma Inc. for Canada in October 2020.



Gelclair®



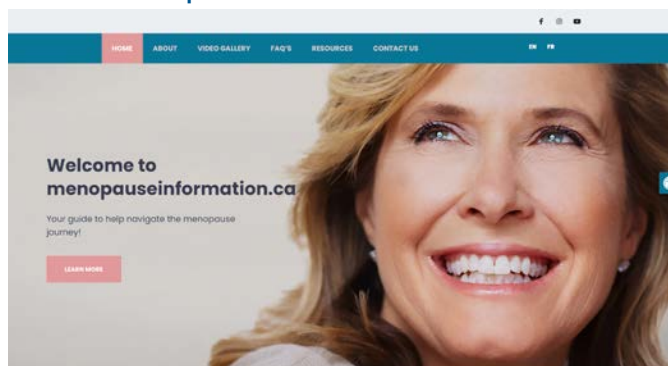
In November 2023, BioSyent Pharma Inc. commenced distribution in Canada of Gelclair®,

a new oncology supportive care product which was in-licensed by BioSyent Pharma Inc. in December 2022 and approved by Health Canada in May 2023. Gelclair® is a viscous gel specially formulated to aid in rapidly soothing the pain of oral mucositis by forming a protective film barrier that adheres to the mucosa of the mouth to protect the nerve endings that cause pain from further



irritation and to hydrate and coat damaged tissue. Oral mucositis is a painful inflammation and ulceration of the mucous membranes in the mouth and throat often experienced by patients undergoing radiation or chemotherapy for cancer or bone marrow transplant.

Launch of menopauseinformation.ca



In October 2023, the Company launched *menopauseinformation.ca* on World Menopause Day in collaboration with healthcare professionals in order to provide Canadian women with up-to-date information and educational resources on menopause. *menopauseinformation.ca* has also been endorsed by the Canadian Menopause Society.

Increase in Q1 2024 Dividend

On February 6, 2024, the Company's Board of Directors declared a quarterly dividend of \$0.045 per common share payable on March 15, 2024 to shareholders of record on February 29, 2024. This first quarter 2024 dividend will be the Company's sixth consecutive quarterly dividend payment and represents a 12.5% increase from the fourth quarter 2023 dividend of \$0.040 per common share.

TSX Venture 50

VENTURE 50 2024 On February 21, 2024, BioSyent Inc. was named to the 2024 TSX Venture 50 list in the Clean Technology and Life Sciences category as one of the top performers on the TSX Venture Exchange. The TSX Venture 50 recognizes the top 10 companies from each of five sectors: Clean Technology and Life Sciences, Diversified

Industries, Energy, Mining, and Technology. The companies are ranked based on three equally-weighted criteria: share price appreciation, market capitalization growth, and trading value.

Key Performance Measures

Key performance measures for the fourth quarter (“Q4”) and full year (“FY”) ended December 31, 2023 and December 31, 2022 are presented in the tables below along with the preceding three quarters:

Key Performance Measure	FY 2023	% Change vs. FY 2022	% to Total Company Sales	CAGR* (FY 2021 - FY 2023)	Q4 2023	% Change vs. Q4 2022	% to Total Company Sales	Q3 2023	Q2 2023	Q1 2023
Canadian Pharma Sales	29,554,899	13%	94%		7,989,098	10%	97%	7,432,361	7,721,746	6,411,694
International Pharma Sales	1,047,747	53%	3%		54,750	-54%	1%	992,997	-	-
Legacy Business Sales	987,656	0%	3%		229,838	317%	3%	445,764	241,054	71,000
Total Company Sales	31,590,302	13%	100%	5%	8,273,686	11%	100%	8,871,122	7,962,800	6,482,694
Gross Profit	25,597,943	12%	81%		6,704,505	8%	81%	7,062,098	6,496,608	5,334,732
EBITDA	7,926,478	7%	25%		1,650,301	5%	20%	2,899,612	1,859,931	1,516,634
NIAT	6,460,127	18%	20%	1%	1,450,791	21%	18%	2,350,900	1,483,190	1,175,246
Diluted EPS	0.53	33%			0.12	20%		0.20	0.12	0.10
Net Change in Cash, Short term and Long term Investments	(8,633)				(602,603)			1,367,061	1,673,068	(2,446,159)

Key Performance Measure	FY 2022	% Change vs. FY 2021	% to Total Company Sales	CAGR* (FY 2020 - FY 2022)	Q4 2022	% Change vs. Q4 2021	% to Total Company Sales	Q3 2022	Q2 2022	Q1 2022
Canadian Pharma Sales	26,251,843	2%	94%		7,289,023	13%	98%	6,371,751	6,272,185	6,318,884
International Pharma Sales	683,578	-58%	2%		117,791	-63%	2%	-	-	565,787
Legacy Business Sales	989,766	-18%	4%		55,116	-87%	1%	419,220	362,690	152,740
Total Company Sales	27,925,187	-2%	100%	12%	7,461,930	3%	100%	6,790,971	6,634,875	7,037,411
Gross Profit	22,857,883	1%	82%		6,193,608	6%	83%	5,609,449	5,464,071	5,590,755
EBITDA	7,432,996	-15%	27%		1,568,032	-41%	21%	1,949,019	1,688,583	2,227,362
NIAT	5,458,345	-13%	20%	20%	1,199,516	-36%	16%	1,453,042	1,217,883	1,587,904
Diluted EPS	0.44	-10%			0.09	-40%		0.12	0.10	0.13
Net Change in Cash, Short term and Long term Investments	483,974				910,999			(113,905)	1,054,660	(1,367,780)

*CAGR – Compound Annual Growth Rate – See Non-IFRS Financial Measures

Q4 2023 vs. Q4 2022

Total Company sales grew by 11% in Q4 2023 over the comparative period, driven by record Canadian pharmaceutical sales for the quarter of \$7,989,098 with growth from across the Company’s product portfolio, including modest incremental sales growth from products newly launched in 2023: Feramax[®] Pd Maintenance 45, Inofolic[®], and Gelclair[®].

The Company’s EBITDA margin of 20% to sales in Q4 2023 decreased slightly from an EBITDA margin of 21% to sales in Q4 2022 as a result of planned selling and marketing investments during the quarter in 2023 launch products, Feramax[®] Pd Maintenance 45, Inofolic[®], and Gelclair[®]. There was also an

increase in the cost of goods on certain products during 2023 as well as changes in sales mix with some impact on gross margins overall for Q4 2023.

FY 2023 vs. FY 2022

FY 2023 total Company sales of \$31,590,302 grew by 13% over the prior year, driven by 13% year-over-year growth in the Company's Canadian pharmaceutical business.

The Company's FY 2023 EBITDA margin of 25% to sales decreased from an EBITDA margin of 27% to sales in FY 2022 as a result of additional selling and marketing investment in three new products launched in FY 2023. The Company will continue to invest in long-term growth in 2024 with continued selling and marketing support of its launch and growth brands and focused investment in its mature brands.

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

Sales

Total Company Sales:

Q4 2023 vs. Q4 2022

Total Company sales for Q4 2023 were \$8,273,686, increasing by 11% compared to Q4 2022 sales of \$7,461,930 which increased by 3% compared to Q4 2021.

FY 2023 vs. FY 2022

Total Company sales for FY 2023 were a record \$31,590,302, increasing by 13% compared to FY 2022 sales of \$27,925,187 which decreased by 2% compared to FY 2021.

Canadian Pharmaceutical Sales:

Q4 2023 vs. Q4 2022

Canadian pharmaceutical sales for Q4 2023 were a record \$7,989,098, increasing by 10% versus Q4 2022 sales of \$7,289,023 and increasing by 7% versus previous Q3 2023 sales of \$7,432,361.

The table below summarizes the Q4 2023 versus Q4 2022 percentage change in sales (dollars) by product:

Product	Q4 2023 vs. Q4 2022 Change
Feramax® Pd	+9%
RepaGyn®	+7%
Tibella®	+36%
Combogesic®	-71%
Inofolic®	*
Cathejell®	+10%
Gelclair®	*

*Newly-launched product – \$nil comparative sales for Q4 2022

Continued growth in Q4 2023 Canadian pharmaceutical sales was driven primarily by the Feramax® Pd product suite and Tibella®, with sales growth from these products (measured in dollars) in Q4 2023 of 9% and 36%, respectively.

The Company also recorded its first sales during Q4 2023 of the new Gelclair® oncology supportive care product for which distribution commenced in Canada in November 2023 as part of the Company's Specialty Business Unit. This product was commercialized by the Company less than one year after it was first in-licensed in December 2022.

FY 2023 vs. FY 2022

Canadian pharmaceutical sales for FY 2023 were \$29,554,899, increasing by 13% versus FY 2022 sales of \$26,251,843 which increased by 2% compared to FY 2021.

The table below summarizes the FY 2023 versus FY 2022 percentage change in sales (dollars) by product:

Product	FY 2023 vs. FY 2022 Change
Feramax® Pd	+13%
RepaGyn®	+3%
Tibella®	+46%
Combogesic®	-53%
Inofolic®	*
Cathejell®	+5%
Gelclair®	*

*Newly-launched product – \$nil comparative sales for FY 2022

Feramax® Pd sales (measured in dollars) increased by 13% in FY 2023 versus FY 2022, including incremental sales contributed by the Feramax® Pd Maintenance 45 product launched in March 2023. With increased selling, promotional and media investment behind the Feramax® Pd brand, the Company has observed growing consumer demand for these products. The Tibella® product showed strong growth in 2023 with sales (measured in dollars) increasing by 46% over 2022. Focused salesforce investment by the Company and growing patient awareness of menopause treatment options contributed to this sales growth. As a result of certain temporary sales promotion initiatives during the year, the value of Combogesic® product sales decreased by 53% in FY 2023 versus FY 2022.

In addition to the launch of Feramax® Pd Maintenance 45 in 2023, the Company also launched the Inofolic® women's health product and the Gelclair® oncology supportive care product, all of which were revenue-generating during the year and contributed modest incremental growth to total Company revenues overall.

The Company's mature brands, RepaGyn® and Cathejell® continued to deliver sales growth during FY 2023 with sales of these brands increasing by 3% and 5%, respectively, over FY 2022.

International Pharmaceutical Sales:

Q4 2023 vs. Q4 2022

International FeraMAX[®] sales for Q4 2023 were \$54,750, decreasing by 54% compared to Q4 2022 sales of \$117,791 which decreased by 63% compared to Q4 2021.

FY 2023 vs. FY 2022

International FeraMAX[®] sales for FY 2023 were \$1,047,747, increasing by 53% compared to FY 2022 sales of \$683,578 which decreased by 58% compared to FY 2021. Although encouraged by this rebound in 2023 international FeraMAX[®] sales, the Company continues to experience unevenness in the timing of international FeraMAX[®] sales to its export markets from year to year as the Company's distribution partners navigate the regulatory, logistical

and trade challenges of the business environment in certain of these markets. The Company secured a distribution agreement with a partner in a new international market during 2023.

Legacy Business Sales:

Q4 2023 vs. Q4 2022

Legacy Business sales of Protect-It[®] for Q4 2023 were \$229,838, increasing by 317% compared to Q4 2022 sales of \$55,116 which decreased by 87% as compared to Q4 2021.

FY 2023 vs. FY 2022

Protect-It[®] sales for FY 2023 were \$987,656, consistent with FY 2022 sales of \$989,766 which decreased by 18% as compared to FY 2021 with timing of demand for grain insecticides influenced by several factors, including weather conditions, prices of agricultural inputs, the quality and quantity of the food grain harvest, and the level of infestation of stored grain.

Expenses

Q4 2023 vs. Q4 2022

	Q4 2023	% Change vs. Q4 2022	% to Total Company Sales	Q4 2022	% Change vs. Q4 2021	% to Total Company Sales
Cost of goods sold	\$ 1,569,181	24%	19%	\$ 1,268,322	-9%	17%
Selling and marketing	\$ 3,609,952	12%	44%	\$ 3,209,021	61%	43%
General and administration	\$ 1,508,284	-1%	18%	\$ 1,528,954	10%	20%
New business development costs	\$ 57,320	33%	1%	\$ 42,968	-10%	1%
Finance costs	\$ 16,394	-12%	0%	\$ 18,652	-10%	0%
Subtotal	\$ 6,761,131	11%	82%	\$ 6,067,917	25%	81%
Finance income	\$ (342,183)	33%	4%	\$ (258,037)	357%	3%

Total expenses for Q4 2023 (including the cost of goods sold) were \$6,761,131, increasing by 11% overall versus Q4 2022 expenses of \$6,067,917 which increased by 25% versus Q4 2021. The ratio of total expenses to sales in Q4 2023 was 82%, increasing slightly from a ratio of 81% in Q4 2022.

The cost of goods sold increased to 19% of sales in Q4 2023 as compared to 17% in Q4 2022 with input cost pressures on certain products and changes in sales mix impacting the overall gross margin.

Total selling and marketing expenses for Q4 2023 were \$3,609,952, increasing by 12% as compared to Q4 2022 selling and marketing expenses of \$3,209,021. During the quarter, the Company incurred incremental promotional expenses related to the launch of the Inofolic[®] product (distribution commenced in August 2023) and Gelclair[®] (distribution commenced in November 2023), as well as continued marketing support of the FeraMAX[®] Pd Maintenance 45 product which was launched in March 2023. As a result of these incremental promotional expenses on launch products, the overall ratio of selling and marketing expenses to sales increased to 44% in Q4 2023 as compared to 43% in Q4 2022.

General and administration expenses for Q4 2023 were \$1,508,284, decreasing marginally as compared to Q4 2022 general and administration expenses of \$1,528,954. The ratio of general and administration expenses to total Company sales for Q4 2023 was 18%, decreasing from a ratio of 20% in Q4 2022 as a result of 11% overall sales growth for the quarter.

Finance income for Q4 2023, consisting of interest earned on short term and long term investments, was \$342,183, increasing by 33% as compared to Q4 2022 finance income of \$258,037 as the impact of higher interest rates in Canada and the U.S. increased the yields earned on the Company's short term investments in Q4 2023 over the comparative quarter.

FY 2023 vs. FY 2022

	FY 2023	% Change vs. FY 2022	% to Total Company Sales	FY 2022	% Change vs. FY 2021	% to Total Company Sales
Cost of goods sold	\$ 5,992,359	18%	19%	\$ 5,067,304	-15%	18%
Selling and marketing	\$ 11,884,054	15%	38%	\$ 10,290,546	13%	37%
General and administration	\$ 6,124,818	12%	19%	\$ 5,487,865	4%	20%
New business development costs	\$ 117,931	21%	0%	\$ 97,474	-16%	0%
Finance costs	\$ 68,411	-11%	0%	\$ 77,142	-10%	0%
Subtotal	\$ 24,187,573	15%	77%	\$ 21,020,331	2%	75%
Finance income	\$ (1,131,124)	115%	4%	\$ (525,795)	238%	2%

Total expenses for FY 2023 (including the cost of goods sold) were \$24,187,573, increasing by 15% versus FY 2022 expenses of \$21,020,331 which increased by 2% versus FY 2021. The ratio of total expenses to sales in FY 2023 was 77%, increasing from a ratio of 75% in FY 2022.

The cost of goods sold increased marginally to 19% of sales in FY 2023 as compared to 18% in FY 2022 with input cost pressures on certain products and changes in sales mix.

Total selling and marketing expenses for FY 2023 were \$11,884,054, increasing by 15% as compared to FY 2022 selling and marketing expenses of \$10,290,546 as the Company commercialized three new products during 2023, expanded its field salesforce to support its growing product portfolio, and made promotional and media investments behind its growth brands. The ratio of selling and marketing expenses to sales in FY 2023 was 38%, increasing from a ratio of 37% in FY 2022 as a result of incremental selling and marketing expenditures on Feramax[®] Pd Maintenance 45, Inofolic[®] and Gelclair[®]. Management plans

to make further selling and marketing investment in these three launch products in 2024 to support their acceptance and growth trajectory in their respective markets.

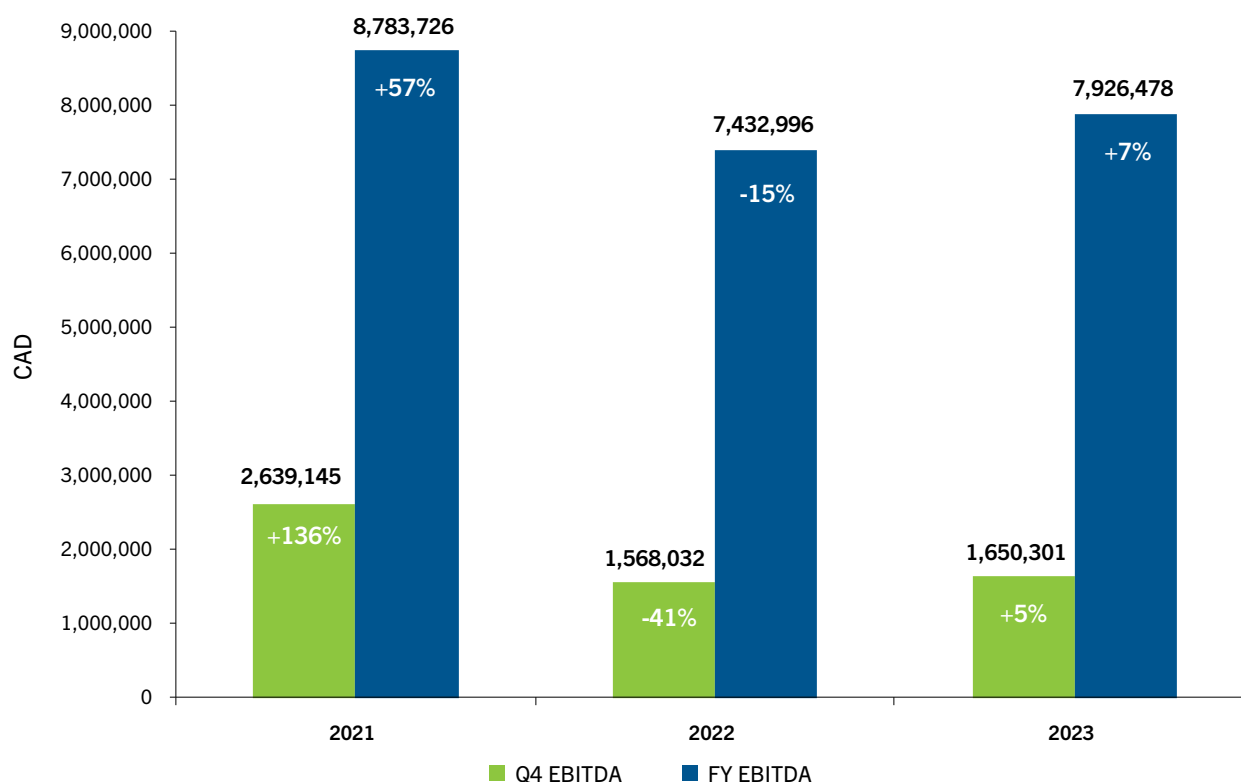
General and administration expenses for FY 2023 were \$6,124,818, increasing by 12% as compared to FY 2022 general and administration expenses of \$5,487,865. This overall increase was a result of increasing employee costs, pervasive cost increases as a result of inflationary pressures, the provision for expected credit losses on accounts receivable, and unrealized foreign exchange losses on the mark-to-market revaluation of the Company's USD-denominated monetary assets on the reporting date. However, the ratio of general and administration expenses to total Company sales for FY 2023 was 19%, decreasing from a ratio of 20% in FY 2022 as a result of 13% revenue growth during the year.

Finance income for FY 2023, consisting of interest earned on short term and long term investments, was \$1,131,124, increasing by 115% as compared to FY 2022 finance income of \$525,795 as the impact of higher interest rates in Canada and the U.S. increased the yields earned on the Company's investments during the year.

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

EBITDA for the three months and full years ended December 31



Q4 2023 vs. Q4 2022

EBITDA for Q4 2023 of \$1,650,301 increased by 5% compared to EBITDA for Q4 2022 of \$1,568,032 which decreased by 41% compared to Q4 2021. While revenues increased by 11% in Q4 2023 over Q4 2022, the Company's EBITDA margin of 20% to sales in Q4 2023 decreased slightly from an EBITDA margin of

21% to sales in Q4 2022 as a result of incremental selling and marketing expenditures in Q4 2023 in launch products. There was also an increase in the cost of goods on certain products during 2023, impacting Q4 2023 gross margins and EBITDA margins.

A reconciliation of EBITDA to NIAT for the three months ended December 31, 2023, 2022, and 2021 is provided in the table below:

RECONCILIATION OF EBITDA TO NIAT FOR THE THREE MONTHS (Q4) ENDED DECEMBER 31

	2023	2022	2021
Q4 EBITDA	\$ 1,650,301	\$ 1,568,032	\$ 2,639,145
Add: Interest Income	342,183	258,037	38,029
Less: Depreciation of Property and Equipment	(76,964)	(79,224)	(84,101)
Amortization of Intangible Assets	(44,388)	(76,143)	(25,792)
Interest Expense	(16,394)	(18,652)	(20,743)
Income Tax Expense	(403,947)	(452,534)	(668,734)
Q4 NIAT	\$ 1,450,791	\$ 1,199,516	\$ 1,877,804

FY 2023 vs. FY 2022

EBITDA for FY 2023 of \$7,926,478 increased by 7% compared to EBITDA for FY 2022 of \$7,432,996 which decreased by 15% compared to FY 2021. The Company's FY 2023 EBITDA margin

of 25% to sales decreased from an EBITDA margin of 27% to sales in FY 2022 primarily as a result of additional selling and marketing investment in three new products launched in FY 2023.

A reconciliation of EBITDA to NIAT for the full years ended December 31, 2023, 2022, and 2021 is provided in the table below:

**RECONCILIATION OF EBITDA TO NIAT
FOR THE YEAR ENDED DECEMBER 31**

	2023	2022	2021
FY EBITDA	\$ 7,926,478	\$ 7,432,996	\$ 8,783,726
Add: Interest Income	1,131,124	525,795	137,047
Less: Depreciation of Property and Equipment	(292,632)	(305,350)	(314,839)
Amortization of Intangible Assets	(162,706)	(145,648)	(142,267)
Interest Expense	(68,411)	(77,142)	(85,246)
Income Tax Expense	(2,073,726)	(1,972,306)	(2,096,855)
FY NIAT	\$ 6,460,127	\$ 5,458,345	\$ 6,281,566

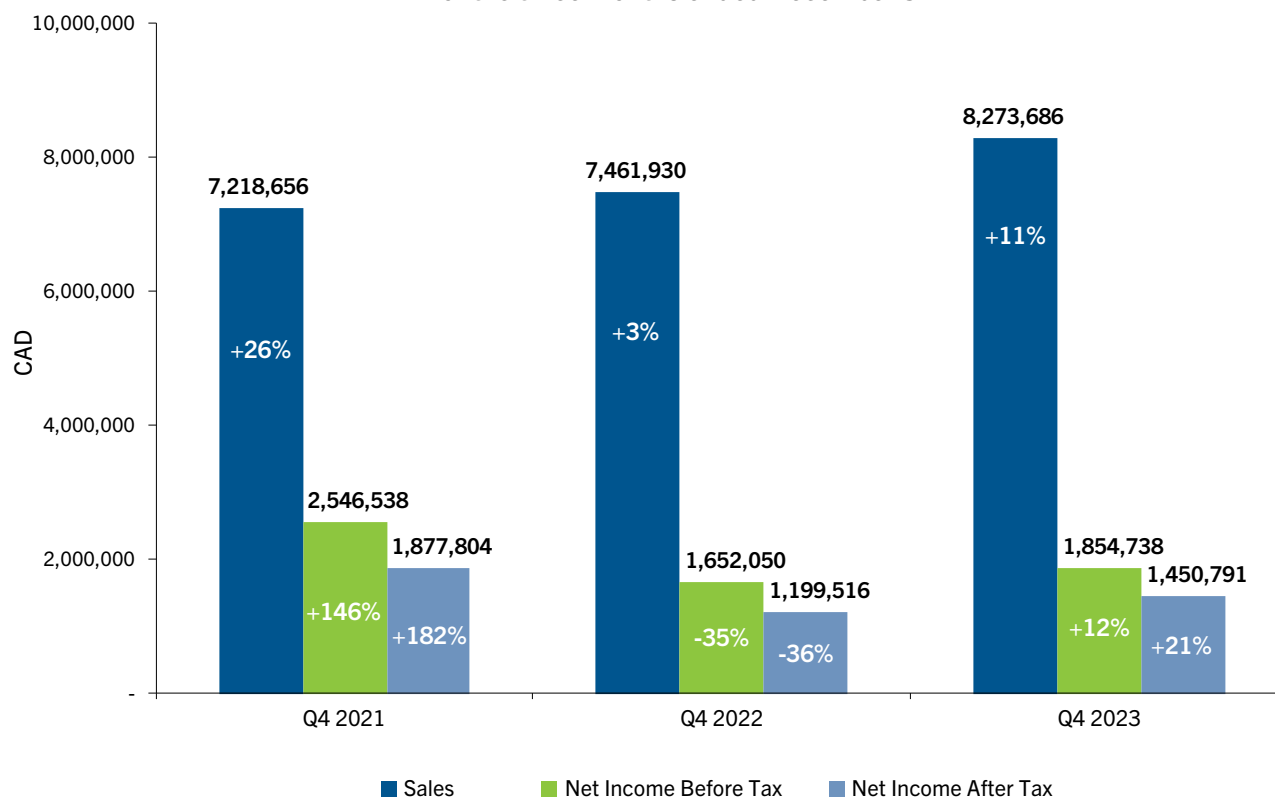
Net Income After Taxes (NIAT)

Q4 2023 vs. Q4 2022

NIAT for Q4 2023 of \$1,450,791 increased by 21% compared to NIAT for Q4 2022 of \$1,199,516 which decreased by 36% compared to Q4 2021. While the Company's Q4 2023 pre-tax net profit margin of 22% was consistent with Q4 2022, the Company's

NIAT margin increased to 18% of sales in Q4 2023 from 16% of sales in Q4 2022 as a result of certain one-time income tax deductions on equity compensation and an inventory donation in 2023.

**Sales and Net Income Before & After Tax
For the three months ended December 31**

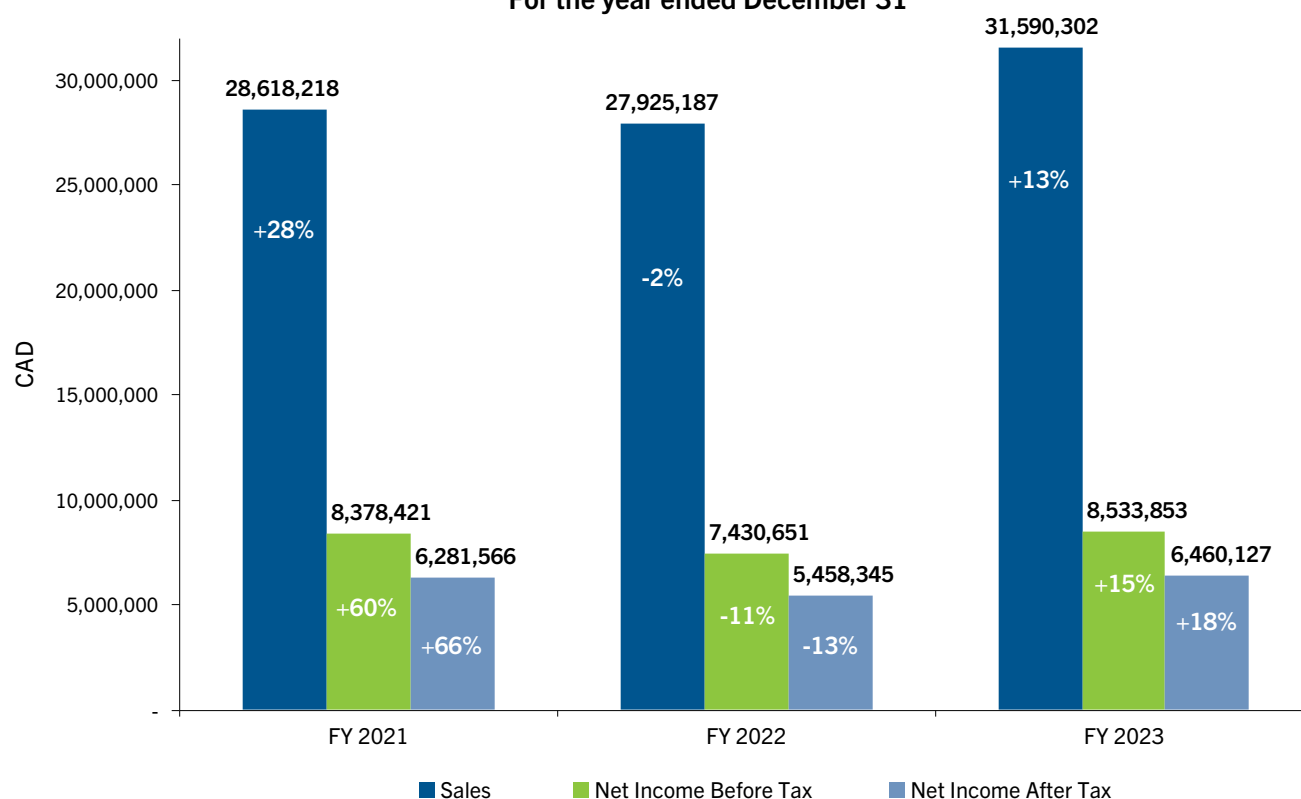


Including currency translation losses of \$152,085, total comprehensive income for Q4 2023 was \$1,298,706, increasing by 9% compared to total comprehensive income for Q4 2022 of \$1,196,146, which decreased by 37% compared to total comprehensive income for Q4 2021.

FY 2023 vs. FY 2022

NIAT for FY 2023 of \$6,460,127 increased by 18% compared to NIAT for FY 2022 of \$5,458,345 which decreased by 13% compared to FY 2021. While the Company's FY 2023 pre-tax net profit margin of 27% was consistent with FY 2022, the Company's NIAT margin increased marginally in FY 2023 as a result of certain one-time income tax deductions in 2023.

Sales and Net Income Before & After Tax For the year ended December 31



Including currency translation losses of \$34,311, total comprehensive income for FY 2023 was \$6,425,816, increasing by 17% compared to total comprehensive income for FY 2022 of \$5,500,461 which decreased by 12% compared to total comprehensive income for FY 2021.

Earnings per Share (EPS)

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

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Total Company Sales (\$)	8,273,686	8,871,122	7,962,800	6,482,694	7,461,930	6,790,971	6,634,875	7,037,411
Net Income After Taxes (\$)	1,450,791	2,350,900	1,483,190	1,175,246	1,199,516	1,453,042	1,217,883	1,587,904
Earnings Per Share – Basic (\$)	0.12	0.20	0.12	0.10	0.09	0.12	0.10	0.13
Earnings Per Share – Fully Diluted (\$)	0.12	0.20	0.12	0.10	0.09	0.12	0.10	0.13
TTM EPS – Diluted (\$)	0.53	0.50	0.43	0.41	0.44	0.49	0.50	0.49

Fully diluted EPS for Q4 2023 was \$0.12, increasing by \$0.03 compared with fully diluted EPS of \$0.09 for Q4 2022 which decreased by \$0.06 versus Q4 2021.

Fully diluted EPS for FY 2023 was a record \$0.53, increasing by \$0.09 compared with fully diluted EPS of \$0.44 for FY 2022 which decreased by \$0.05 versus FY 2021.

Financial Resources and Liquidity

Working capital, defined here as the difference between current assets and current liabilities, decreased to \$30,337,631 as at December 31, 2023 from \$31,423,515 as at December 31, 2022. Cash and short term investments of \$26,187,011 accounted for 86% of working capital as at December 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.

During the year, the Company deployed cash to secure its inventory position, with inventory increasing by \$1,359,152 year-over-year. This increase in inventory levels was planned as the Company launched and began stocking three new products during 2023. The Company also increased inventory levels of certain of its existing products during the fourth quarter of 2023 in response to continued demand and expected sales growth in 2024.

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, as well as commercialization of new product in-licensing and acquisition opportunities.

In addition to significant investment 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 Normal Course Issuer Bid share buybacks and cash dividends. Between December 10, 2018 and March 13, 2024, the Company repurchased and cancelled approximately 2.7 million common shares with a total expenditure of approximately \$18.4 million (average price per share of \$6.75).

On August 23, 2022, the Company's Board of Directors adopted a Dividend Policy. Subsequent quarterly cash dividends were declared and paid on the dates indicated in the table below:

Declaration Date	Record Date	Payment Date	Amount per Common Share
October 12, 2022	November 30, 2022	December 15, 2022	\$0.040
February 1, 2023	February 28, 2023	March 15, 2023	\$0.040
May 25, 2023	June 2, 2023	June 15, 2023	\$0.040
August 22, 2023	August 31, 2023	September 15, 2023	\$0.040
November 15, 2023	November 30, 2023	December 15, 2023	\$0.040
February 6, 2024	February 29, 2024	March 15, 2024	\$0.045

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.

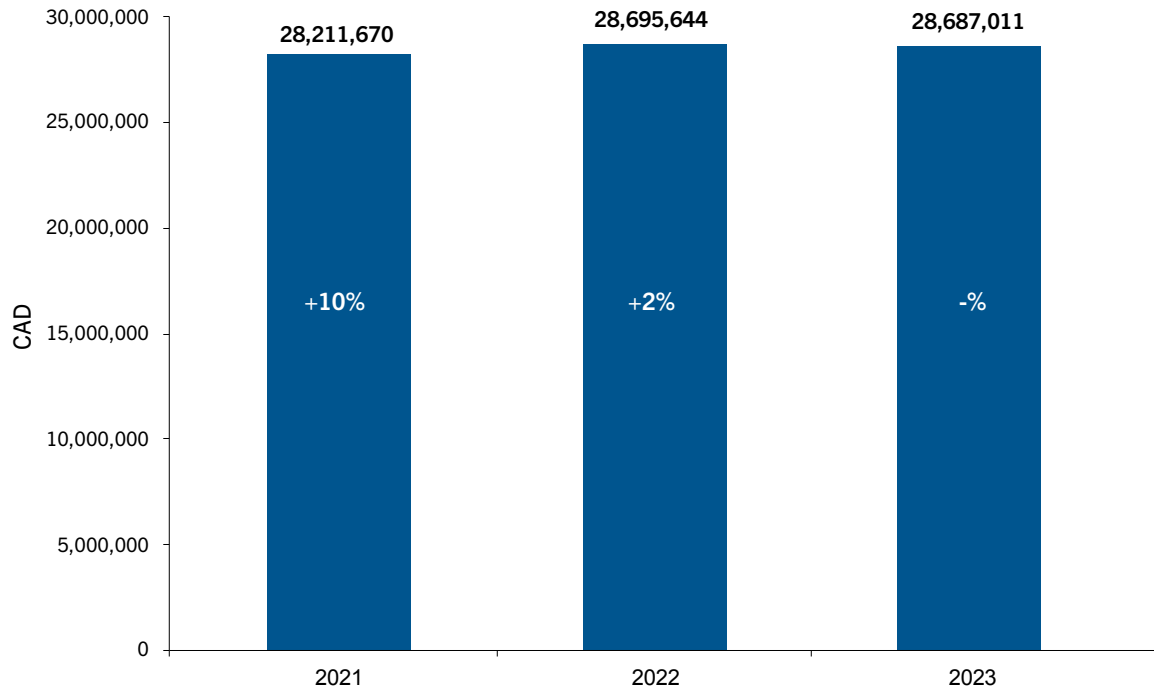
During FY 2023, there was a net decrease in cash, short-term and long-term investments of \$8,633 as compared to a net increase of \$483,974 during FY 2022. With FY 2023 NIAT of \$6,460,127, the Company generated \$5,054,974 in cash flows from operations after changes in non-cash working capital items during the year. Comparatively, with FY 2022 NIAT of \$5,458,345, the Company generated \$4,948,756 in cash flows from operations after changes in non-cash working capital during FY 2022.

The Company expended \$3,068,899 in FY 2023 for the repurchase and cancellation of its own common shares under a Normal Course Issuer Bid ("NCIB") and a further \$627,192 for the purchase and withholding of common shares held in trust for the Company's Restricted Share Unit ("RSU") Plan. The Company also paid net aggregate cash dividends to common shareholders of \$1,912,835 during FY 2023. Comparatively, during FY 2022, the Company expended \$3,368,691 for the repurchase and cancellation of common shares under its NCIB

and a further \$319,966 on the purchase of common shares for the Company's RSU Plan. Cash dividends of \$483,958 were paid to common shareholders in FY 2022.

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

Cash, Cash Equivalents and Investments at December 31



Total shareholders' equity increased to \$34,759,756 at December 31, 2023 from \$33,362,523 at December 31, 2022. While the Company generated comprehensive income of \$6,425,816 during FY 2023, it repurchased 400,100 of its own common shares during the period under its NCIB and a further 25,000 common shares, in aggregate, held in trust for future settlements under the RSU Plan, reducing shareholders' equity by a total of \$3,252,619 as a result. Shareholders' equity was further reduced by the payment of net aggregate quarterly dividends of \$1,912,835 during the year. The Company's return on average equity increased to 19% for FY 2023 as compared to 17% for FY 2022.

The Company's total assets at December 31, 2023 were \$41,528,939 increasing by 3% compared to total assets of \$40,485,264 as at December 31, 2022. This compares to an increase of 5% in total assets during FY 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 December 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. 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.

2. 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.

3. Interest Rate Risk

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 and long-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.

4. 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 11 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 at December 31, 2023 of \$2,890,334 was consistent with gross trade accounts receivable at December 31, 2022 of \$2,893,885.

The Company has provided for expected credit losses of \$92,452 (December 31, 2022 - \$102,980) related primarily to disputed deductions on trade receivables adjusted for forward looking factors specific to certain Canadian pharmaceutical wholesale customers.

b. Concentration of Receivables

As of December 31, 2023, one customer represents 42% of net trade receivables (December 31, 2022 - 56%) while another customer represents 19% of net trade receivables (December 31, 2022 - 17%), a third customer represents 16% of net trade receivables (December 31, 2022 - 8%), and a fourth customer represents 10% of net trade receivables (December 31, 2022 - 10%).

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% - 3.00% 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 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.

On December 11, 2023, the Company entered into an amended loan agreement with a certain Borrower under this extended repayment schedule. Under the terms of this amended loan agreement, the Borrower was required to repay 10% of the MSLP

loan principal amount plus any and all accrued interest on the MSLP loan principal amount as of December 11, 2023. The MSLP loan principal amount which remains outstanding following such repayment continues 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 Borrower on each of December 11, 2024, December 11, 2025, and December 11, 2026 with the final 40% repayment due and payable no later than May 26, 2027.

The modification of this MSLP loan on December 11, 2023 resulted in no change to the gross carrying amount of such loan; as such, the Company recognized no modification gain or loss on this MSLP loan.

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 \$16,598 was accrued on the loans for the year ended December 31, 2023 (year ended December 31, 2022 - \$6,223) at prescribed interest rates ranging from 4.00% to 5.00% (year ended December 31, 2022 - 1.00% to 3.00%) 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, Cash Equivalents, Short-term and Long-term Investments

Cash, cash equivalents, short-term and long-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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. Regulatory Risks

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

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

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

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

Furthermore, there can be no assurance that the regulators will not require modification to any submissions, which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of

the Company to utilize its technology, thereby adversely affecting operations. Further, there can be no assurance that the Company's products will prove to be safe and effective in clinical trials or receive the requisite regulatory approval.

15. Specific Risks

The Company has insurance policies in place against risks relating to general commercial liability, product liability, product recall, loss of Company assets, IT security, and business interruption. The Company reviews its insurance coverage on a regular basis as part of its risk management program and adjusts this coverage

as appropriate, based its current risk profile and operations. The Company is exposed to the potential risk that claims made on the Company or losses incurred may be in excess of the level of insurance coverage undertaken by the Company.

Disclosure of Outstanding Share Data

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

As at March 13, 2024 the following common shares, stock options, and Restricted Share Units were outstanding:

	No. of Shares	Exercise Price Range
Issued common shares	11,815,945	
Treasury shares: RSU Plan in Trust	(203,766)	
Outstanding common shares	11,612,179	
Stock options outstanding	154,947	\$6.20 - \$ 10.97
RSUs outstanding	196,641	
Fully Diluted at March 13, 2024	11,963,767	

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. 390,800 common shares were repurchased and cancelled by the Company under this NCIB between December 19, 2022 and December 18, 2023.

On December 13, 2023, 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, 2024 during which the Company would be permitted to purchase up to 650,000 of its own common shares for cancellation. 136,800 common shares have been repurchased and cancelled by the Company under this NCIB between December 19, 2023 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, 203,766 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. As of the date hereof, there are 196,641 unvested RSUs outstanding.

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	\$ 283,568
2025	\$ 381,605
2026	\$ 388,633
2027	\$ 388,633
2028	\$ 388,633
Beyond Next 5 Fiscal Years	\$ 259,089
Total	\$ 2,090,161

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 years ended December 31, 2023 and December 31, 2022:

	Years ended December 31,	
	2023	2022
Number of Key Management Personnel	6	6
Salary, Benefits, and Bonus	\$1,777,806	\$1,659,654
Share-Based Payments	\$378,786	\$337,470

During the year ended December 31, 2023, the Company recorded share-based payment expense of \$378,786 (year ended December 31, 2022 - \$337,470) 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 December 31, 2023, there were loans receivable under the MSLP from key management personnel of \$274,601 (December 31, 2022 - \$393,532). MSLP loan repayments of \$135,306 were received from key management personnel during the year ended December 31, 2023 (year ended December 31, 2022 - \$164,608). Interest accrued on these MSLP loans during the year ended December 31, 2023 totalled \$16,375 (year ended December 31, 2022 - \$5,801).

Transactions with Directors

During the year ended December 31, 2023, the Company paid cash fees to its directors in the amount of \$129,188 (year ended December 31, 2022 - \$119,252) and recorded share-based payments expense for accounting purposes of \$81,265 (year ended December 31, 2022 - \$60,041) 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.