

BioSyent Inc.

Audited Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

Expressed in Canadian Dollars

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Management's Responsibility For Financial Reporting

To the Shareholders of BioSyent Inc.:

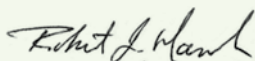
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements for BioSyent Inc. (the “**Company**”), including significant accounting judgments and estimates in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required. The consolidated financial statements for the years ended December 31, 2024 and 2023 are compliant with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board and Audit Committee are also responsible for recommending the appointment of the Company's external auditors. The Board of Directors has approved the information contained in the accompanying consolidated financial statements.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access, and meet periodically and separately with the Board, Audit Committee and management to discuss their audit findings.

Robert March



Vice-President and Chief Financial Officer, BioSyent Inc.

March 13, 2025

Independent Auditor's Report

To the Shareholders of BioSyent Inc.:

Opinion

We have audited the consolidated financial statements of BioSyent Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Tibelia / Tibella (tibolone) Acquisition

Key Audit Matter Description

As described in Note 5 of the consolidated financial statements, on September 20, 2024, the Company entered into an asset purchase agreement with the trustees of Novalon SA and Mithra Pharmaceuticals SA to acquire certain assets related to Tibelia / Tibella (tibolone).

We considered the accounting for the Tibelia / Tibella (tibolone) acquisition to be a key audit matter due to the significant judgment applied by management in concluding that this transaction did not represent a business under IFRS 3 Business Combinations, which, in applying the concentration test, included the use of significant estimates by management in estimating the fair value of the assets acquired as part of the transaction. This resulted in an increased extent of audit effort.

Audit Response

We responded to this matter by performing audit procedures relating to the accounting for the Tibelia / Tibella (tibolone) acquisition. Our audit work in relation to this included, but was not restricted to, the following:

- We obtained and examined the underlying agreements related to the acquisition;
- We evaluated management's assessment on whether the acquisition represents an asset acquisition or a business under IFRS 3 Business Combinations;

- We assessed the methodology and key inputs used to estimate the fair value of the assets acquired as part of the transaction, and utilized an internal valuations expert in doing so;
- We assessed the adequacy of the presentation and disclosures relating to the acquisition in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jonathan Mac Neil.

Toronto, Ontario
March 13, 2025


Chartered Professional Accountants
Licensed Public Accountants

BioSyent Inc.
Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	AS AT	December 31, 2024	December 31, 2023
ASSETS			
Cash and cash equivalents (Note 6)		\$ 12,113,376	\$ 7,984,534
Short term investments (Note 7)		3,827,595	18,202,477
Trade and other receivables (Note 8)		2,906,829	3,477,096
Inventory (Note 9)		5,328,086	5,894,495
Prepaid expenses and deposits		201,971	243,460
Derivative asset (Note 10)		5,790	-
Loans receivable - current (Note 12)		87,433	69,419
CURRENT ASSETS		24,471,080	35,871,481
Long term investments (Note 11)		10,103,571	2,500,000
Loans receivable - non current (Note 12)		141,140	205,182
Deferred tax asset (Note 25)		401,166	359,470
Property and equipment (Note 13)		1,200,992	1,439,930
Intangible assets (Note 14)		5,041,501	1,152,876
NON CURRENT ASSETS		16,888,370	5,657,458
TOTAL ASSETS		\$ 41,359,450	\$ 41,528,939
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payable and accrued liabilities		\$ 3,998,938	\$ 5,077,676
Income tax payable (Note 25)		396,343	111,114
Contract liability (Note 15)		155,166	134,461
Customer advances		658,032	-
Derivative liability (Note 10)		-	27,285
Lease liability - current (Note 16)		196,627	183,314
CURRENT LIABILITIES		5,405,106	5,533,850
Deferred tax liability (Note 25)		110,055	197,602
Lease liability - non current (Note 16)		841,104	1,037,731
NON CURRENT LIABILITIES		951,159	1,235,333
Share capital (Note 17)		5,306,450	5,122,350
Contributed surplus		2,139,278	2,286,934
Cumulative translation adjustment		(171,554)	(177,455)
Retained earnings		27,729,011	27,527,927
TOTAL EQUITY		35,003,185	34,759,756
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 41,359,450	\$ 41,528,939

Contingencies (Note 20)
 Commitments (Note 21)
 Related party transactions (Note 22)
 Subsequent events (Note 27)

APPROVED ON BEHALF OF THE BOARD

René Goehrhum



DIRECTOR

March 13, 2025

Joseph Arcuri



DIRECTOR

March 13, 2025

The accompanying notes are an integral part of these consolidated financial statements.

BioSyent Inc.
Consolidated Statements of Comprehensive Income

(Expressed in Canadian Dollars)

	For the years ended December 31,	
	2024	2023
Net revenues from contracts with customers <i>(Note 26)</i>	\$ 35,030,897	\$ 31,590,302
Cost of goods sold <i>(Notes 9, 18)</i>	7,174,824	5,992,359
Gross profit	27,856,073	25,597,943
Selling, general and administration expenses <i>(Note 18)</i>	18,854,328	18,008,872
Business development costs <i>(Note 18)</i>	248,681	117,931
Operating profit	8,753,064	7,471,140
Finance costs <i>(Notes 16, 18)</i>	59,152	68,411
Finance income <i>(Note 18)</i>	(1,088,586)	(1,131,124)
NET INCOME BEFORE TAXES	9,782,498	8,533,853
Current income tax <i>(Note 25)</i>	2,641,637	2,207,695
Deferred tax recovery <i>(Note 25)</i>	(129,243)	(133,969)
NET INCOME AFTER TAXES	7,270,104	6,460,127
OTHER COMPREHENSIVE INCOME		
Currency translation gains (losses)	5,901	(34,311)
TOTAL COMPREHENSIVE INCOME	\$ 7,276,005	\$ 6,425,816
Basic weighted average number of shares outstanding <i>(Note 19)</i>	11,586,767	11,949,895
Basic earnings per share <i>(Note 19)</i>	\$ 0.627	\$ 0.541
Diluted weighted average number of shares outstanding <i>(Note 19)</i>	11,807,876	12,170,410
Diluted earnings per share <i>(Note 19)</i>	\$ 0.616	\$ 0.531

The accompanying notes are an integral part of these consolidated financial statements.

BioSyent Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended December 31,	
	2024	2023
OPERATING ACTIVITIES		
Net income after taxes	\$ 7,270,104	\$ 6,460,127
Items not affecting cash:		
Depreciation - property and equipment (Notes 13, 18)	281,220	292,632
Amortization - intangible assets (Notes 14, 18)	308,728	162,706
Share-based payments (Note 17)	553,521	513,486
Change in derivative asset / liability (Note 10)	(33,075)	27,285
Net finance income (Note 18)	(1,029,434)	(1,062,713)
MSLP loan interest accrued (Note 12)	(13,288)	(16,598)
Deferred tax recovery (Note 25)	(129,243)	(133,969)
Expected credit losses (Notes 10, 18)	136,491	140,317
Intangible asset impairments (Note 14)	430,016	-
Inventory adjustments (Note 9)	-	122,597
Net change in non-cash working capital items:		
Trade and other receivables	395,318	241,363
Inventory	566,409	(1,481,749)
Prepaid expenses and deposits	41,489	11,498
Accounts payable and accrued liabilities	(1,078,738)	14,794
Contract liability	20,705	(23,139)
Customer advances	658,032	(6,772)
Income tax payable (Note 25)	285,229	(206,891)
Cash provided by operating activities	8,663,484	5,054,974
INVESTING ACTIVITIES		
Additions to property and equipment (Note 13)	(42,282)	(59,526)
Net additions to intangible assets (Note 14)	(4,627,369)	(114,704)
Decrease in short term investments (Note 7)	14,374,882	2,628,608
Increase in long term investments (Note 11)	(7,603,571)	(2,500,000)
Interest received	1,127,044	770,703
MSLP loan repayments received (Note 12)	59,316	158,766
Cash provided by investing activities	3,288,020	883,847
FINANCING ACTIVITIES		
Payments - lease liability principal (Note 16)	(183,314)	(174,055)
Payments - lease liability interest (Note 16)	(59,152)	(68,411)
Repurchase of common shares - NCIB (Note 17)	(5,176,660)	(3,068,899)
Purchase of RSU Plan Shares - held in Trust (Note 17)	(265,617)	(443,472)
Payments for employee withholding taxes - RSU settlements (Note 17)	(314,517)	(183,720)
Net dividends paid (Note 17)	(2,079,691)	(1,912,835)
Proceeds from stock options exercised (Note 17)	250,388	66,857
Cash used in financing activities	(7,828,563)	(5,784,535)
Effect of foreign currency translation adjustment	5,901	(34,311)
INCREASE IN CASH AND CASH EQUIVALENTS	4,128,842	119,975
Cash and cash equivalents, beginning of year	7,984,534	7,864,559
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 12,113,376	\$ 7,984,534
SUPPLEMENTARY DISCLOSURE:		
NET CHANGE IN CASH AND INVESTMENTS		
Cash, short term and long term investments, beginning of year	\$ 28,687,011	\$ 28,695,644
Decrease in short term investments	(14,374,882)	(2,628,608)
Increase in long term investments	7,603,571	2,500,000
Increase in cash and cash equivalents	4,128,842	119,975
CASH AND INVESTMENTS - END OF YEAR	\$ 26,044,542	\$ 28,687,011
CASH PAID FOR TAXES	\$ (2,356,408)	\$ (2,414,586)

The accompanying notes are an integral part of these consolidated financial statements.

BioSyent Inc.
Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Share Capital	Contributed Surplus	Cumulative Currency Translation Adjustment	Retained Earnings	Total Shareholders' Equity
Balance as of January 1, 2024	\$ 5,122,350	\$ 2,286,934	\$ (177,455)	\$ 27,527,927	\$ 34,759,756
Comprehensive Income for the year	-	-	5,901	7,270,104	7,276,005
Common shares repurchased under Normal Course Issuer Bid (Note 17)	(224,092)	-	-	(4,952,568)	(5,176,660)
Common shares repurchased and held in RSU Plan Trust (Note 17)	(265,617)	-	-	-	(265,617)
Effect of Share-based payments: RSU expense (Note 17)	-	553,521	-	-	553,521
Effect of Share-based payments: Net Release of shares from RSU Plan Trust upon RSU vesting (Note 17)	183,959	(498,476)	-	-	(314,517)
Effect of Share-based payments: Options exercised (Note 17)	489,850	(239,462)	-	-	250,388
Dividends paid (Note 17)	-	36,761	-	(2,116,452)	(2,079,691)
Balance as of December 31, 2024	\$ 5,306,450	\$ 2,139,278	\$ (171,554)	\$ 27,729,011	\$ 35,003,185

	Share Capital	Contributed Surplus	Cumulative Currency Translation Adjustment	Retained Earnings	Total Shareholders' Equity
Balance as of January 1, 2023	\$ 5,367,432	\$ 2,228,517	\$ (143,144)	\$ 25,909,718	\$ 33,362,523
Comprehensive Income for the year	-	-	(34,311)	6,460,127	6,425,816
Common shares repurchased under Normal Course Issuer Bid (Note 17)	(173,775)	-	-	(2,895,124)	(3,068,899)
Common shares repurchased and held in RSU Plan Trust (Note 17)	(183,720)	-	-	-	(183,720)
Effect of Share-based payments: Options vested (Note 17)	-	3,444	-	-	3,444
Effect of Share-based payments: Options exercised (Note 17)	130,184	(63,327)	-	-	66,857
Effect of Share-based payments: RSU Expense (Note 17)	-	510,042	-	-	510,042
Effect of Share-based payments: Net Release of shares from RSU Plan Trust upon RSU vesting (Note 17)	(17,771)	(425,701)	-	-	(443,472)
Dividends paid (Note 17)	-	33,959	-	(1,946,794)	(1,912,835)
Balance as of December 31, 2023	\$ 5,122,350	\$ 2,286,934	\$ (177,455)	\$ 27,527,927	\$ 34,759,756

The accompanying notes are an integral part of these consolidated financial statements.

1. General Information

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

The accompanying consolidated financial statements (the “**Financial Statements**”) of BioSyent include the accounts of BioSyent Inc. and its four wholly-owned subsidiaries: BioSyent Pharma Inc., BioSyent Pharma International Inc., Hedley Technologies Ltd., and Hedley Technologies (USA) Inc. (“**Hedley USA**”).

The Company changed its name from “Hedley Technologies Inc.” to “BioSyent Inc.” on June 13, 2006 to reflect the Company’s forward focus on the pharmaceutical market. BioSyent Pharma was incorporated on April 6, 2006 under the Canada Business Corporations Act and commenced operations in 2006. Hedley Technologies Ltd. was incorporated on January 30, 1996 in the province of British Columbia, Canada. Hedley USA was incorporated on May 13, 1994 in the state of Washington, USA. BioSyent Pharma International Inc. was incorporated on April 18, 2016 in Barbados. Subsequent to the reporting period on February 24, 2025, a fifth wholly-owned subsidiary of BioSyent Inc., BioSyent Pharma Europe B.V., was incorporated in the Netherlands.

BioSyent’s principal place of business is located at 2476 Argentia Road, Suite 402, Mississauga, Ontario, Canada L5N 6M1.

These Financial Statements were approved by the Board of Directors on March 13, 2025.

2. Basis of Presentation

The principal accounting policies adopted in the preparation of these Financial Statements on a historical cost basis, with the exception of those financial assets and liabilities at fair value through profit or loss (“**FVTPL**”), are set out below. The policies have been consistently applied to all the years presented.

Statement of Compliance

These consolidated financial statements for the years ended December 31, 2024 and 2023 have been prepared and are in compliance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis of Consolidation

All inter-company transactions have been eliminated in these Financial Statements.

Functional and Presentation Currency

The presentation currency of these Financial Statements is the Canadian dollar (“**CAD**”). The functional currency of the Company and two of its subsidiaries, BioSyent Pharma and Hedley Technologies Ltd., is the Canadian dollar. The functional currency of Hedley USA and BioSyent Pharma International Inc. is the U.S. dollar (“**USD**”).

All financial information has been rounded to the nearest dollar except where otherwise indicated.

3. Summary of Material Accounting Policies

Financial Instruments

All financial assets and financial liabilities, in respect of financial instruments, are recognized on the Company’s statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are incremental and are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs

directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The classification of financial instruments dictates how these assets and liabilities are measured subsequently in the Company's consolidated financial statements.

Financial Instruments Measured at Fair Value Through Profit or Loss (FVTPL)

Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of sale in the near term. Derivative financial instruments that are not designated and effective as hedging instruments are classified as FVTPL. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the year. Financial assets in this category include certain short-term investments and derivatives. The Company may enter into derivative financial instruments to manage exposure to foreign exchange fluctuations and to improve the returns on its cash assets. These instruments are non-hedge derivative instruments.

Financial Assets Measured at Amortized Cost

Financial assets measured at amortized cost are financial assets whereby the business model objective is to collect contractual cash flows and the cash flows represent SPPI (Solely Payments of Principal and Interest). Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Financial assets in this category include cash and cash equivalents, short-term and long-term investments, trade receivables, other receivables (which includes interest receivable), and loans receivable.

Loans receivable consist of full recourse loans issued to employees, as described in Note 12. As the loans are full recourse, they are not recorded as share-based payments, but instead as loans, which fall within the scope of IFRS 9 *Financial Instruments*.

Impairment of Financial Assets

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired.

The Company recognizes expected credit losses ("ECLs") for trade receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

Evidence of impairment may include disputed payment deductions by customers, indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Trade receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

The Company recognizes loss allowances for ECLs on its financial assets measured at amortized cost, including loans receivable. ECLs for trade receivables are a probability-weighted estimate of credit losses. The Company applies a three-stage approach to measure ECLs. The Company measures an ECL:

- at an amount equal to 12 months of expected losses for performing loans receivable if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1);
- at an amount equal to lifetime expected losses on loans receivable that have experienced a significant increase in credit risk since origination (Stage 2); and
- at an amount equal to lifetime expected losses which are credit impaired (Stage 3).

The Company considers a significant increase in credit risk to have occurred if contractual payments are more than 30 days past due and considers the loans receivable to be in default if they are 90 days past due. A significant increase in credit risk or default may have also occurred if there are other qualitative factors (including forward looking information) to consider; such as borrower specific information (i.e. change in credit assessment). Such factors include consideration relating to whether the counterparty is experiencing significant financial difficulty, there is a breach of contract, concessions are granted to the counterparty that would not normally be granted, or it is probable the counterparty will enter into bankruptcy or a financial reorganization.

At December 31, 2024 and 2023, loans receivable are a Stage 1 financial asset.

Financial Liabilities Measured at Amortized Cost

Financial liabilities measured at amortized cost are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired. Financial liabilities in this category include accounts payable and accrued liabilities.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's forward foreign exchange contract derivatives are measured at fair value through profit or loss using Level 2 inputs. There were no transfers between Levels 1 or 2 during the year.

Revenue Recognition

In accordance with IFRS 15 *Revenue*, The Company applies the following 5-step revenue recognition model based on the principle that an entity should recognize revenue as performance obligations are satisfied based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from the sale of goods is recognized at the point when the Company has satisfied its performance obligations in the contract and control is transferred to the customer, generally upon shipment or delivery of the goods to the customer. Revenue is recognized at an amount that reflects the consideration to which the Company ultimately expects to be entitled in exchange for those goods. In the Company's Canadian Pharmaceutical Business, promised consideration from a wholesaler customer can vary due to product returns, discounts, volume rebates, refunds, credits, price concessions, incentives, or similar items. Revenue is recorded net of these amounts. Where the consideration promised in a contract with a customer includes a variable amount, the Company estimates the amount of consideration to which it ultimately expects to be entitled in exchange for transferring the promised goods or services to the customer and the amount of revenue recognized is adjusted accordingly.

The Company may also offer other discount programs, including retail coupons and copay discount cards for the purchase of certain of its products by end-consumers. The Company estimates the amount of such discounts based on historical experience and the specific terms of each program. Revenue is recorded net of these amounts. The estimated amounts of such discounts are recorded as these retail coupons and copay discount cards are distributed.

The Company recognizes a contract liability based on its estimate of the amount of consideration it expects to refund to its customers. This contract liability is updated at the end of each reporting period for any changes in circumstances.

Property and Equipment

Property and equipment are recorded at historical cost less accumulated depreciation. The cost of property and equipment is its purchase price, together with any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company records depreciation of property and equipment at the following rates and methods based on the assets' estimated useful economic lives:

Furniture and fixtures	20%	declining balance method
Equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Computer software	30%	declining balance method
Lease right-of-use asset		Straight-line over 10-year term of lease
Leasehold improvements		Straight-line over 10-year term of lease

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the Statements of Comprehensive Income.

Cash and Cash Equivalents, Short-term and Long-term Investments

Cash and cash equivalents include cash held at financial institutions and highly liquid deposits with the ability to be converted into cash within 90 days or less of their acquisition date.

Short term investments are comprised of deposits with Chartered Canadian banks with original maturities of more than 90 days whereas long-term investments have maturities that will be realized 12 months after the date of the reporting period. These investments are held in Canadian dollars or in foreign currencies and are interest bearing.

Inventory

Inventory is measured on a first-in, first-out basis at the lower of cost and net realizable value. When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. A provision for obsolescence is determined based on historical experience and product expiration dates.

Intangible Assets

Intangible assets with definite useful lives consist of:

- new product dossier and filing costs, which represent professional, consulting, and regulatory fees incurred in obtaining regulatory approvals of products for marketing and manufacturing purposes;
- product licenses and rights, which represent contractual milestone payments and professional fees incurred in acquiring product licenses and distribution rights;
- new product development, which represents expenditure on materials and services in the development of new products;
- trademarks and patents, which represent legal and application fees incurred in registering trademarks and patents in various jurisdictions;
- trade certifications, which represent legal and registration fees incurred in obtaining international trade certifications of products; and
- future milestone payments associated with the acquisition of intangible assets are capitalized to the cost of the intangible asset when it is determined that the milestones have a high likelihood of being attained.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Amortization commences when the intangible asset is available for use. The amortization period and the amortization method for an intangible asset with a definite useful life are reviewed at least annually at the end of each financial reporting year. Intangible assets with definite useful lives are amortized on a straight-line basis over their estimated useful lives (see *Note 14*). New product dossier and filing costs are amortized over the estimated economic lives of the underlying products commencing upon their availability for use. Product licenses and rights are amortized over the expected useful life. New product development costs are amortized over the estimated economic useful life of the product commencing upon its availability for use. Trademarks and patents are amortized over the period covered by the registration period, ranging between 10 and 15 years, unless the economic life is shorter.

Development Costs

Research costs are expensed as incurred. Development costs are also expensed unless the Company can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of resources to complete the development of the asset; and
- the ability to measure reliably the expenditure during development.

Impairment of Non-Financial Assets

Equipment and intangible assets are reviewed for impairment at the end of each annual reporting period for events or circumstances that indicate that the carrying value of an asset may not be recoverable. In such cases where an indicator of impairment exists, the recoverable amount of the asset is estimated to determine whether there is an impairment loss. The recoverable amount of an asset is first tested on an individual basis.

Impairment exists when the carrying value of an asset or cash generating unit (“CGU”) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available market data less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market presence and trends, strength of customer relationships, strength of local management, strength of debt and capital markets, and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used

for extrapolation purposes. A change in any of the significant assumptions or estimates used to evaluate non-financial assets could result in a material change to the results of operations.

Foreign Currency Translation

Items included in the financial records of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in net income.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the year-end rates of exchange, and the results of their operations are translated at average rates of exchange for the year. The resulting translation adjustments are included in cumulative translation adjustment in shareholders’ equity. Additionally, foreign exchange gains and losses related to certain intercompany loans that are net investments in a foreign operation are included in cumulative translation adjustment account, as part of other comprehensive income.

Taxation

Tax expense comprises current and deferred tax. Tax is recognized in the Consolidated Statements of Comprehensive Income except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current Tax:

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that are enacted or substantively enacted at the end of the year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax:

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising from investments in subsidiaries that are not expected to reverse in the foreseeable future.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against

which the deferred tax asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share-Based Payments

The Company has equity-settled share-based payment plans, including a Restricted Share Unit (“RSU”) Plan, an Incentive Stock Option Plan, and an Employee Share Purchase Plan (“ESPP”) which are described in *Note 17*. The Company accounts for share-based payments under these plans in accordance with IFRS 2, *Share-based payment*.

RSU Plan

For RSUs granted to employees and directors, the Company recognizes an expense over the vesting period of the RSUs equal to the fair value at the grant date based on the closing market price of the Company’s common shares on the TSX Venture Exchange and an estimate of the number of RSUs expected to vest.

The Company classifies outstanding RSUs as equity instruments in accordance with IAS 32, *Financial instruments: presentation*. Over the vesting period of RSUs, as the Company recognizes an expense, it also recognizes a corresponding increase in contributed surplus for the fair value of such RSUs.

RSUs are settled with the issuance to RSU holders of common shares of the Company, either newly issued or purchased by the Company in the open market. Common shares purchased in the open market by the Company for future RSU settlements are held in an RSU Trust until the time of settlement when they are released to RSU holders. These common shares held in the RSU Trust are classified as equity and accounted for as Treasury Shares in accordance with IAS 32 and are measured at the price paid in the open market. Upon settlement of the RSUs and the release of the common shares to RSU holders, these common shares are reclassified to share capital.

Incentive Stock Option Plan

Compensation costs attributable to all stock options granted to employees and directors are measured at fair value, using the Black-Scholes option pricing model, at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. For options with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

Any consideration paid by employees upon the exercise of any stock options increases share capital. The Company does not repurchase stock options from option holders.

Options granted to non-employees are measured at the fair value of the goods and services received or to be received.

ESPP

Any Company matching of employee contributions to the ESPP is accounted for as an expense at the time of the cash contribution.

Repurchase of Shares under Normal Course Issuer Bid (“NCIB”)

Repurchases by the Company of its own common shares under a NCIB are accounted for in accordance with IAS 32, *Financial Instruments: Presentation*. Upon reacquiring shares under a NCIB, the Company deducts from equity the purchase price of these shares and any costs to acquire such shares. Any such shares held by the Company are considered treasury shares until they are cancelled.

Earnings per Share

Basic earnings per share is computed by dividing the net income after taxes by the weighted average number of common shares outstanding during the year. Diluted earnings per share information is calculated assuming the deemed exercise of all in-the-money stock options and that all deemed proceeds to the Company are used to repurchase the Company’s stock at the average market price during the year. No adjustment to diluted earnings per share is made if the result of this calculation is anti-dilutive.

Leases

The Company accounts for its leases in accordance with IFRS 16, *Leases*. All contracts that meet the definition of a lease are recorded in the statement of financial position with a “right of use” asset and a corresponding liability. The asset is accounted for as property, plant and equipment and is depreciated on a straight-line basis over the term of the lease contract. The liability is unwound using the interest rate inherent in the lease. The Company has recognized a right-of-use asset and a lease liability in respect of its lease for head office space (see *Notes 13 and 16*). The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of 12 months or less and for leases of low-value assets.

Business Combinations

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company.

In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value at the date of acquisition, as are the identifiable net assets acquired. Acquisition-related costs are expensed as incurred. The excess of the consideration over the fair value of the net identifiable assets acquired is recorded as goodwill.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date. The measurement period is the period from the date of acquisition to

the date that the Company obtains complete information about the facts and circumstances that existed as of the acquisition date and is subject to a maximum period of one year.

Newly Adopted Accounting Policies

Amendments to IAS 1, Presentation of Financial Statements

In October 2022, the IASB issued amendments to *IAS 1, Presentation of Financial Statements*, to clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the classification of liabilities as current or non-current based on rights that are in existence at the end of the reporting period and are unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments also clarify the definition of “settlement” of a liability. The amendments

were effective January 1, 2024. There was no material impact to the Company’s consolidated financial statements upon adoption of these amendments.

Accounting Pronouncements Issued but not yet Effective

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued *IFRS 18, Presentation and Disclosure in Financial Statements*. *IFRS 18* replaces *IAS 1 Presentation of Financial Statements* and introduces new presentation requirements within the statement of income or loss, including specified totals and subtotals, disclosure of management-defined performance measures, and aggregation and disaggregation of financial information based on identified roles of the primary financial statements and the notes. This new standard is effective for reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively. Earlier application is permitted. The Company is currently assessing the potential impact of adopting this standard.

4. Use of Estimates and Accounting Judgments by Management

The preparation of these 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.

Judgments

a. Recoverability of asset carrying values

The Company assesses its equipment and intangible assets for impairment if there are events or changes in circumstances that indicate that carrying values may not be recoverable at each statement of financial position date. Such indicators include changes in the Company’s business plans, changes in the market and evidence of physical damage.

Determination as to whether and how much an asset is impaired involves management’s judgment on highly uncertain matters such as future selling and purchasing prices, the effects of inflation on operating expenses, discount rates, and economics of different pharmaceutical or medical products.

b. Impairment of trade and other receivables

The Company performs ongoing credit evaluations of its customers and grants credit based on a review of historical collection experience, current aging status, financial condition of the customer, and anticipated industry conditions. Customer payments are regularly monitored and ECLs are established in accordance with IFRS 9.

c. Income taxes

The Company is subject to income tax assessment in multiple jurisdictions. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken in the ordinary course of business for which the ultimate tax determination is uncertain.

The Company recognizes liabilities based on the Company’s current understanding of tax laws as applied to the Company’s circumstances. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

The Company computes an income tax provision in each of the jurisdictions in which it operates. Actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occur subsequent to the issuance of these Financial Statements. Additionally, estimating income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income before such deductions expire. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period.

d. Acquisitions

The Company assesses whether an acquisition is an asset acquisition or a business combination. The Company accounts for an acquisition as a business combination if the assets acquired and liabilities assumed constitute a business and the Company obtains control of the business. When the cost of a business combination exceeds the fair value of the identifiable assets acquired or liabilities assumed, such excess is recognized as goodwill. Transaction related costs are expensed as incurred.

If an acquisition does not meet the definition of a business combination, the Company accounts for the acquisition as an asset acquisition.

Estimates

The most significant estimates made by management include the following:

a. Depreciation

Depreciation of the Company's equipment involves estimates of future useful lives and residual values. These estimates may change as more experience is obtained or as general market conditions change, thereby impacting the value of the Company's equipment.

b. Amortization of intangible assets

The amortization of the Company's intangible assets involves estimates of their useful lives. Such estimates may change as more experience is obtained or as general market conditions change, thereby impacting the value of the Company's intangible assets.

c. Share-based payments

Grants of RSUs and stock options are measured at their fair value on the grant date.

Management estimates the fair value of RSUs by reference to the closing price of the Company's common shares on the TSX Venture Exchange at the grant date. Management uses the Black-Scholes option pricing model to estimate the fair value of stock options determined at the grant date for options granted to employees and directors. Significant assumptions affecting the valuation of options include the term allowed for option exercise, a volatility factor relating to the Company's historical share price, dividend yield, forfeiture rate and risk-free interest rate.

The estimated forfeiture rate also affects the valuation of RSUs.

d. Inventory

Management has estimated the value of inventory based upon its assessment of the net realizable value. All slow-moving merchandise has been provided for by management. In making this estimate, management considers the product life of inventory. Product expiry dates are important in the determination of the net realizable value of inventory. Management ensures that systems are in place to identify and properly value inventory that may be approaching its expiry date.

e. Determination of transaction price

As a result of the existence of elements of variable consideration in the Company's contracts with customers arising from returns, discounts, rebates, retail coupons, copay discount cards, and other price incentives, the Company is required to estimate the amount of variable consideration from the customer to which it ultimately expects to be entitled and to adjust the transaction price and amount of revenue recognized accordingly.

The Company uses historical customer return data to determine the expected return percentages. These percentages are applied to determine the amount of the variable consideration. Any significant changes in experience as compared to historical return patterns will impact the expected return percentages estimated by the Company.

The Company provides for estimated payments to customers based on various trade programs and sales promotional incentives. These arrangements with purchasing organizations and other payers are dependent upon the submission of claims after the initial recognition of the revenue.

The Company estimates the amount payable to each customer for each trade and incentive program separately using: i) historical redemption patterns; ii) sales lead times; and iii) customer rates for discounts and rebates. Estimates incorporate the usage of internal data and other wholesaler and third-party analyses.

The Company updates its expected returns and sales promotional incentives on a quarterly basis and the contract liability, trade and promotional accruals are adjusted accordingly. To the extent that payments differ from the estimates of the related liabilities, accounts payable and accrued liabilities, contract liability, net income and comprehensive income will be affected in future periods.

f. Determination of incremental borrowing rate

When the Company enters into leases as lessee and where the interest rate implicit in a lease cannot be readily determined, the Company determines its incremental borrowing rate in order to measure its lease liability. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-to-use asset in a similar economic environment. In determining its incremental borrowing rate, the Company considers the term of the lease, the nature of the leased asset, and its level of indebtedness with reference to market risk-free interest rates.

g. Determination of lease term

When the Company enters into leases as lessee, it determines the lease term as the non-cancellable period of the lease together with periods covered by an option to extend the lease if it reasonably expects to exercise such option and periods covered by an option to terminate the lease if it reasonably expects not to exercise such option. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Company considers: the contractual terms and conditions for the optional periods compared with market rates; whether any significant leasehold improvements have been undertaken; the costs of terminating the lease; the importance of the underlying asset to the Company's operations; and any conditionality associated with exercising the option (see *Note 17*).

5. Acquisition of Tibelia® / Tibella® (tibolone) Global Product Distribution Rights

On September 20, 2024, the Company entered into an Asset Purchase Agreement with the trustees of Novalon SA and Mithra Pharmaceuticals SA (the "Vendors") to acquire certain assets

related to Tibelia® / Tibella® (tibolone), a hormone replacement therapy drug for the treatment of the symptoms of menopause, including intellectual property, global rights, certain licensing,

distribution, supply agreements and other key contracts as well as certain inventory and equipment (the “Acquisition”), for total cash consideration of EUR 2,782,959 (CAD 4,213,123).

In accordance with the Company’s accounting policies and *IFRS 3 – Business Combinations*, the Company conducted a concentration test on the Acquisition and determined that substantially all of the

fair value of the gross assets acquired is concentrated in a single identifiable asset, namely, the tibolone global product distribution rights. Based on this assessment, the Company determined that the Acquisition is not a business combination and accounted for the transaction as an acquisition of intangible assets in accordance with *IAS 38 – Intangible Assets* (see Note 14).

6. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

	December 31, 2024	December 31, 2023
Cash on deposit in banks	\$9,621,950	\$4,906,014
Redeemable GICs	2,491,426	3,078,520
Total cash and cash equivalents	\$12,113,376	\$7,984,534

7. Short term Investments

Short term investments consist of the following:

	December 31, 2024	December 31, 2023
Non-redeemable GICs	\$3,122,595	\$18,202,477
Dual currency deposits (Note 10)	705,000	-
Total short term investments	\$3,827,595	\$18,202,477

8. Trade and Other Receivables

Trade and other receivables is comprised of the following:

	December 31, 2024	December 31, 2023
Trade accounts receivable (Note 10)	\$2,394,929	\$2,797,882
Accrued interest receivable on GICs	477,709	653,885
Other receivables	34,191	25,329
Total trade and other receivables	\$2,906,829	\$3,477,096

9. Inventory

Inventory is comprised of the following:

	December 31, 2024	December 31, 2023
Raw and Packaging Materials	\$981,253	\$1,269,980
Finished Goods	4,346,833	4,624,515
Total inventory	\$5,328,086	\$5,894,495

For the year ended December 31, 2023, the Company donated inventory with a cost of \$122,597 to a Canadian registered charity. The cost of this donated inventory was included in selling, general and administration expenses in the Company’s Consolidated Statements of Comprehensive Income for the period.

No inventory donations were recorded for the year ended December 31, 2024.

Cost of Goods Sold consists of the following:

	Years ended December 31,	
	2024	2023
Raw and Packaging Materials and Finished Goods	\$6,966,581	\$5,783,767
Freight	208,243	208,592
Total cost of goods sold	\$7,174,824	\$5,992,359

10. Financial Instruments and Financial Risk Management

Fair Value Measurement

Fair Value Estimation of Financial Instruments

The carrying value of the Company's cash and cash equivalents, short term and long term investments, trade and other receivables, loans receivable, and accounts payable and accrued liabilities approximate their fair values. The difference between the carrying value and the fair value of the loans receivable due to interest being charged at the prescribed rate (see *Note 12*) is insignificant for the year.

Risks

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including foreign exchange risk, interest rate risk, and credit risk) and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out under the policies described below. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated with the approved policies.

➤ Foreign Exchange Options and Forwards:

The Company periodically enters into foreign exchange options with financial institutions with investment grade credit ratings to manage its foreign exchange risk on contracts denominated in U.S. dollars. Such options are classified as derivative financial instruments and measured at fair value through profit and loss. As at December 31, 2024, the Company had entered into options to purchase up to

December 31, 2024	Level 1	Level 2	Level 3
Foreign Exchange Options and Forwards	-	\$5,790	-

December 31, 2023	Level 1	Level 2	Level 3
Foreign Exchange Options	-	(\$27,285)	-

➤ Dual Currency Deposits:

The Company also periodically enters into dual currency deposits ("DCD"). A DCD is a CAD or foreign currency denominated transaction that provides an enhanced guaranteed interest payment at maturity. The original denominated currency is converted to another specified currency at a specified exchange rate depending

December 31, 2024	Level 1	Level 2	Level 3
DCDs	-	\$705,000	-

December 31, 2023	Level 1	Level 2	Level 3
DCDs	-	-	-

At December 31, 2024, the Company also had the following USD denominated DCD that was convertible into CAD:

Type of Financial Instrument	Spot Rate on Transaction Date	Principal (USD)	Net Fair Value (CAD)	Guaranteed Interest Rate	Maturity Date	Fixed Maturity Conversion Rate
DCD	1.3761	\$500,000	\$705,000	5.00%	January 15, 2025	1.4100

a total of USD 2,300,000 to USD 4,100,000 (December 31, 2023 - USD 1,425,000 to USD 2,512,500) at exchange rates expressed in CAD per USD ranging from 1.3298 to 1.3850 (December 31, 2023 - 1.3198 to 1.3200) which will be settled on various dates between January 2025 and December 2025 (December 31, 2023 - January 2024 and November 2024). The Company's right to buy USD 2,300,000 (December 31, 2023 - USD 1,425,000) on the respective settlement dates is subject to the spot exchange rates on the settlement dates being above 1.3298 CAD per USD (December 31, 2023 - 1.3198 to 1.3900 CAD per USD). The Company's obligation to buy USD 4,100,000 (December 31, 2023 - USD 2,512,500) on the respective settlement dates is subject to the spot exchange rates on the settlement dates being below a range of 1.3190 to 1.3650 CAD per USD (December 31, 2023 - within a range of 1.2995 to 1.3200 CAD per USD).

At December 31, 2024, the Company had also entered into forward contracts with a right to buy USD 150,000 at a rate of 1.4227 CAD per USD. No such forward contracts were entered into as of December 31, 2023.

The fair value of foreign exchange options and forwards is estimated based on quoted values from financial institutions. The Company's foreign exchange options and forwards resulted in a derivative asset of \$5,790 as at December 31, 2024 (December 31, 2023 - derivative liability of \$27,285).

The following table illustrates the Company's investment in foreign exchange options and forwards that are measured at fair value through profit and loss:

on whether the spot rate on the maturity date is above or below a specified fixed exchange rate. The fair value of DCDs is estimated based on quoted values from financial institutions.

The following table illustrates the Company's investment in DCDs measured at fair value through profit and loss:

The fair value of dual currency deposits is estimated based on quoted values from financial institutions.

At December 31, 2023, the Company had nil DCDs.

➤ **Foreign Exchange Risk:**

The Company currently earns revenue in Canadian dollars, U.S. dollars and Euros and incurs costs in Canadian dollars, U.S. dollars and Euros. Management monitors the foreign currency net liability position on an ongoing basis during the year and adjusts the total

Foreign Exchange Sensitivity Analysis - USD

Description of Asset/(Liability)	December 31, 2024	December 31, 2023
	USD	USD
Cash and cash equivalents	986,072	604,011
Short term investments	500,000	-
Accounts receivable	3,319	15,352
Less: Accounts payable	(387,463)	(1,355,966)
Net Total	1,101,928	(736,603)
Foreign Exchange Rate CAD per USD at the end of the year	1.4389	1.3226

At December 31, 2024, if the U.S. dollar had been stronger or weaker by 10% against the Canadian dollar with all other variables held constant, comprehensive income would have been \$116,539 higher or lower on an after-tax basis, respectively (December 31, 2023 - \$71,606 lower or higher, respectively).

Foreign Exchange Sensitivity Analysis - EUR

Description of Asset/(Liability)	December 31, 2024	December 31, 2023
	EUR	EUR
Cash and cash equivalents	1,677,342	686,448
Less: Accounts payable	(225,917)	(97,616)
Less: Customer advances	(396,900)	-
Net Total	1,054,525	588,832
Foreign Exchange Rate CAD per EUR at the end of the year	1.4928	1.4626

At December 31, 2024, if the Euro had been stronger or weaker by 10% against the Canadian dollar with all other variables held constant, comprehensive income would have been \$115,703 higher or lower on an after-tax basis, respectively (December 31, 2023 - \$63,300 higher or lower, respectively).

➤ **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 and long-term investments consist of non-redeemable GICs which also earn interest at fixed rates during their tenure. These GICs have original maturities of 9 to 36 months.

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.

net monetary liability balance accordingly. When it is appropriate to de-risk future foreign exchange transactions, the Company uses foreign exchange options, forward contracts, and DCDs to manage foreign exchange transaction exposure.

The following tables present foreign exchange sensitivity analyses for the assets and liabilities of the Company denominated in foreign currencies:

Fluctuations in market rates of interest when these GICs are renewed may have an impact on the Company's finance income for the year. The Company actively manages the tenor of its GIC investments in order to maximize interest income over the short-term and long-term while maintaining the liquidity necessary to meet its operating, investing, and financing needs.

➤ **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 and long 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 12) 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 year to indicate a significant increase in credit risk has occurred and there are no defaults on the loans receivable.

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.

Aged Trade Accounts Receivable	December 31, 2024	December 31, 2023
Current	\$ 1,686,276	\$ 2,246,964
Past due 1-30 days	733,714	579,832
Past due 31-60 days	38,943	8,464
Over 60 days	136,822	55,074
Expected Credit Losses	(200,826)	(92,452)
Closing Balance (Note 8)	\$ 2,394,929	\$ 2,797,882
Maximum Credit Risk	2,595,755	2,890,334

As of December 31, 2024, one customer represents 49% of net trade receivables (December 31, 2023 - 42%) while another customer represents 18% of net trade receivables (December 31, 2023 - 19%), a third customer represents 14% of net trade receivables (December 31, 2023 - 10%), and a fourth customer represents 9% of net trade receivables (December 31, 2023 - 16%).

The Company has provided for expected credit losses of \$200,826 (December 31, 2023 - \$92,452) related primarily to disputed deductions on trade receivables adjusted for forward looking factors specific to certain Canadian pharmaceutical wholesale customers.

Cash, cash equivalents, short-term investments 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, subject to certain conditions, and are maintained with Canadian financial institutions of reputable credit and therefore bear minimal credit risk.

➤ 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 financial liabilities where the carrying value does not approximate fair value.

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 including a revolving demand credit facility of \$1,750,000 which it has not drawn down as at the date hereof, a foreign exchange facility, and credit card facilities totalling \$30,000.

There were no changes to the Company's exposure to liquidity risk, credit risk, or interest rate risk or to its approach to managing these risks during the year ended December 31, 2024.

11. Long term Investments

	December 31, 2024	December 31, 2023
Non-redeemable GICs	\$10,103,571	\$2,500,000
Total long term investments	\$10,103,571	\$2,500,000

12. Loans Receivable

On December 8, 2016, the Board of Directors approved a Management Share Loan Program ("MSLP") under which the Company offered secured loans to certain management personnel employed by the Company (each a "Borrower") up to a maximum of fifty percent of each Borrower's base annual salary for the sole

purpose of their purchase of the Company's issued and outstanding common shares at prevailing market prices through the facilities of the TSX Venture Exchange.

Loans Receivable (\$)	
Balance, December 31, 2022	416,769
Repayments	(158,766)
Accrued Interest	16,598
Balance, December 31, 2023	274,601
Repayments	(59,316)
Accrued Interest	13,288
Balance, December 31, 2024	228,573
Current portion, December 31, 2024	87,433
Non-current portion, December 31, 2024	141,140
Current portion, December 31, 2023	69,419
Non-current portion, December 31, 2023	205,182

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 \$13,288 was accrued on the loans for the year ended December 31, 2024 (year ended December 31, 2023 - \$16,598) at prescribed interest rates of 5.00% to 6.00% per annum (year ended December 31, 2023 - 4.00% to 5.00% per annum) 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.

13. Property and Equipment

	Furniture and Fixtures	Equipment	Computer Equipment	Computer Software	Right-of-Use Asset (see Note 16)	Leasehold Improvements	Total
COST:							
December 31, 2022	\$ 254,939	\$ 240,005	\$ 359,709	\$ 398,459	\$ 1,330,455	\$ 680,511	\$ 3,264,078
2023 Additions	-	26,362	32,866	298	-	-	59,526
December 31, 2023	\$ 254,939	\$ 266,367	\$ 392,575	\$ 398,757	\$ 1,330,455	\$ 680,511	\$ 3,323,604
2024 Additions	13,364	-	19,293	9,625	-	-	42,282
December 31, 2024	\$ 268,303	\$ 266,367	\$ 411,868	\$ 408,382	\$ 1,330,455	\$ 680,511	\$ 3,365,886
ACCUMULATED DEPRECIATION:							
December 31, 2022	\$ (169,165)	\$ (145,308)	\$ (267,108)	\$ (339,464)	\$ (443,486)	\$ (226,511)	\$ (1,591,042)
Changes in 2023	(17,155)	(23,925)	(32,711)	(17,744)	(133,046)	(68,051)	(292,632)
December 31, 2023	\$ (186,320)	\$ (169,233)	\$ (299,819)	\$ (357,208)	\$ (576,532)	\$ (294,562)	\$ (1,883,674)
Changes in 2024	(14,422)	(21,071)	(30,721)	(13,909)	(133,046)	(68,051)	(281,220)
December 31, 2024	\$ (200,742)	\$ (190,304)	\$ (330,540)	\$ (371,117)	\$ (709,578)	\$ (362,613)	\$ (2,164,894)
CARRYING AMOUNT							
December 31, 2022	\$ 85,774	\$ 94,697	\$ 92,601	\$ 58,995	\$ 886,969	\$ 454,000	\$ 1,673,036
December 31, 2023	\$ 68,619	\$ 97,134	\$ 92,756	\$ 41,549	\$ 753,923	\$ 385,949	\$ 1,439,930
December 31, 2024	\$ 67,561	\$ 76,063	\$ 81,328	\$ 37,265	\$ 620,877	\$ 317,898	\$ 1,200,992

14. Intangible Assets

	New Product Dossier and Filing Costs	Product Licenses and Rights	New Product Development	Trademarks and Patents	Total
COST:					
December 31, 2022	\$ 1,879,554	\$ 1,017,212	\$ 190,137	\$ 114,711	\$ 3,201,614
2023 Net Additions	100,371	-	14,333	-	114,704
December 31, 2023	\$ 1,979,925	\$ 1,017,212	\$ 204,470	\$ 114,711	\$ 3,316,318
2024 Additions	4,451	4,617,665	141,475	-	4,763,591
2024 Disposals	(136,222)	-	-	-	(136,222)
December 31, 2024	\$ 1,848,154	\$ 5,634,877	\$ 345,945	\$ 114,711	\$ 7,943,687
ACCUMULATED AMORTIZATION:					
December 31, 2022	\$ (343,760)	\$ (424,630)	\$ (19,547)	\$ (38,906)	\$ (826,843)
Changes in 2023	(135,494)	(6,797)	(11,710)	(7,891)	(161,892)
December 31, 2023	\$ (479,254)	\$ (431,427)	\$ (31,257)	\$ (46,797)	\$ (988,735)
Changes in 2024	(129,317)	(149,932)	(25,353)	(4,126)	(308,728)
December 31, 2024	\$ (608,571)	\$ (581,359)	\$ (56,610)	\$ (50,923)	\$ (1,297,463)
ACCUMULATED IMPAIRMENT LOSSES:					
December 31, 2022	\$ (713,341)	\$ (461,366)	\$ -	\$ -	\$ (1,174,707)
Changes in 2023	-	-	-	-	-
December 31, 2023	\$ (713,341)	\$ (461,366)	\$ -	\$ -	\$ (1,174,707)
Changes in 2024	(152,773)	(178,691)	(86,455)	(12,097)	(430,016)
December 31, 2024	\$ (866,114)	\$ (640,057)	\$ (86,455)	\$ (12,097)	\$ (1,604,723)
CARRYING AMOUNT					
December 31, 2022	\$ 822,453	\$ 131,216	\$ 170,590	\$ 75,805	\$ 1,200,064
December 31, 2023	\$ 787,330	\$ 124,419	\$ 173,213	\$ 67,914	\$ 1,152,876
December 31, 2024	\$ 373,469	\$ 4,413,461	\$ 202,880	\$ 51,691	\$ 5,041,501

New Product Dossier and Filing Costs

Tibella®

In 2016, the Company entered into a License and Supply Agreement with a European partner to acquire the exclusive Canadian rights to use the product registration documentation of a women's health pharmaceutical product and a license to sell, market and distribute this product in Canada under the brand name Tibella®. The Company has marketed this product in Canada since 2020. To date, the Company has incurred \$781,864 in regulatory and development costs related to this product (December 31, 2023 - \$781,864). Such costs are included in intangible assets as New Product Dossier and Filing Costs and are being amortized on a straight-line basis over the 8-year estimated useful life of the product. On September 20, 2024, the Company acquired the global rights to tibolone, including its license for the Canadian rights to the product.

Combogesic®

In 2019, the Company entered into a License and Exclusive Supply Agreement with a New Zealand partner to acquire a license to market, sell and distribute a portfolio of pain management products in Canada under the brand name Combogesic®. The Company has marketed one of these products in Canada since 2020. To date, the Company has incurred \$346,139 in regulatory and development costs (December 31, 2023 - \$341,688) related to these products which are included in intangible assets as New Product Dossier and Filing Costs and were being amortized on a straight-line basis over the 15-year term of the License and Exclusive Supply Agreement.

For the year ended December 31, 2024, the Company recognized an impairment loss of \$152,773 (year ended December 31, 2023 - \$nil) related to certain new product dossier and filing costs, representing the excess of the carrying amount of these costs over their estimated recoverable amount. This impairment loss is included in selling, general and administration expenses in the Company's

Consolidated Statements of Comprehensive Income (see Note 18). Additionally, certain new product dossier and filing costs, totalling \$136,222, became recoverable upon the disposal of the underlying product rights by the Company during the year ended December 31, 2024 (year ended December 31, 2023 - \$nil).

For the year ended December 31, 2024, \$129,317 of amortization expense on New Product Dossier and Filing Costs (year ended December 31, 2023 - \$135,494) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these assets (see Note 18).

Product Licenses and Rights

Tibelia® / Tibella® (tibolone) - Global Rights

On September 20, 2024, the Company entered into an Asset Purchase Agreement to acquire the global product distribution rights to Tibelia® / Tibella® (tibolone), a hormone replacement therapy drug for the treatment of the symptoms of menopause in women, from the trustees of Mithra Pharmaceuticals SA and Novalon SA (see Note 5). The total cost of these rights was \$4,384,077, including cash purchase consideration of \$4,213,123 plus professional fees of \$426,999 less the settlement of certain prior licensing costs of \$256,045. These assets are being amortized on a straight-line basis over their estimated 10-year economic life.

Endocrinology Product® - Canadian License

On June 12, 2024, the Company announced that it had entered into a Distribution Agreement with a European partner to acquire an exclusive license to register, market, sell and distribute a new endocrinology product in Canada. The Company paid an initial license fee of EUR 50,000 (CAD 73,295) upon signing the Distribution Agreement and is committed to additional license fee payments of EUR 50,000 (CAD 73,295) upon the regulatory submission of the product for Canada, and EUR 100,000 (CAD 146,590) upon the grant of the Marketing Authorization of the product in Canada. This product has not yet been approved by Health Canada. Amortization of these license fees will commence upon the commercial launch of the product in Canada.

Gelclair® - Canadian License

In 2022, the Company entered into a 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 paid an initial license fee of EUR 70,000 (CAD 94,192) upon signing the Distribution Agreement and an additional license fee of EUR 55,000 (CAD 80,625) in June 2024 subsequent to the launch of the Gelclair® product in Canada. The license fee was being amortized on a straight-line basis over 10 years.

Inofolic® - Canadian License

In 2020, the Company entered into an exclusive License and Supply Agreement to acquire the exclusive rights to distribute a women's health product, Inofolic®, in Canada and a license of certain trademarks and technology related thereto. The Company has marketed this product in Canada since 2023. The \$30,000 cost

of these rights and license is included in intangible assets as product licenses and rights and were being amortized on a straight-line basis over the initial license term to December 31, 2030.

For the year ended December 31, 2024, the Company recognized an impairment loss of \$178,691 (year ended December 31, 2023 - \$nil) related to certain product licenses and rights, representing the excess of the carrying amount of these assets over their estimated recoverable amount. This impairment loss is included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income (see Note 18).

For the year ended December 31, 2024, \$149,932 of amortization expense on Product Licenses and Rights (year ended December 31, 2023 - \$6,797) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these assets (see Note 18).

New Product Development

As of December 31, 2024, the Company had incurred cumulative new product development costs consisting of labour, laboratory and professional fees totalling \$345,945 (December 31, 2023 - \$204,470) relating to the development of several new products, three of which have been launched commercially and are currently being marketed. The Company has commenced amortization of certain new product development costs upon the completion of development work.

For the year ended December 31, 2024, the Company recognized an impairment loss of \$86,455 (year ended December 31, 2023 - \$nil) related to certain new product development costs, representing the excess of the carrying amount of these costs over their estimated recoverable amount. This impairment loss is included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income (see Note 18).

For the year ended December 31, 2024, \$25,353 of amortization expense on New Product Development costs (year ended December 31, 2023 - \$11,710) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these assets (see Note 18).

Trademarks and Patents

As of December 31, 2024, the Company has incurred cumulative trademark and patent application and filing costs of \$114,711 (December 31, 2023 - \$114,711) relating to product registration application costs in various jurisdictions. These assets have finite lives and are being amortized on a straight-line basis over the terms of the respective trademarks and patents (ranging from 10 to 15 years).

For the year ended December 31, 2024, the Company recognized an impairment loss of \$12,097 (year ended December 31, 2023 - \$nil) related to certain new product development costs, representing the excess of the carrying amount of these costs over their estimated recoverable amount. This impairment loss is included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income (see Note 18).

For the year ended December 31, 2024, \$4,126 of amortization expense on New Product Development costs (year ended December 31, 2023 - \$7,891) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these assets (see Note 18).

15. Contract Liability

The Company recognizes a contract liability based on its estimate of the amount of consideration it expects to refund to its customers, including consideration payable resulting from coupons and volume rebates. This contract liability is updated at the end of each period for any changes in circumstances.

The table below summarizes changes in the contract liability for years ended December 31, 2024 and 2023:

	Contract Liability (\$)
Balance, December 31, 2022	157,600
Estimated variable consideration	123,047
Settlement of variable consideration	(146,186)
Balance, December 31, 2023	134,461
Estimated variable consideration	129,573
Settlement of variable consideration	(108,868)
Balance, December 31, 2024	155,166

16. Lease Liability

The Company leases its head office space in Mississauga, Ontario, Canada. The Company's current office lease commenced on September 1, 2019 and extends to August 31, 2029. The Company has an option to extend this lease beyond the 10-year non-cancellable term for a further term of 5 years. As per IFRS 16 *Leases*, the Company has recognized a right-of-use asset in respect of this office lease based on a 10-year lease term (see Note 13).

The Company has also recognized a lease liability for this office lease based on a weighted average incremental borrowing rate of 5.20%. The carrying amount of the Company's lease liability for this office lease is summarized in the table below:

	Lease Liability (\$)
Balance, December 31, 2022	1,395,100
Interest expense	68,411
Payments	(242,466)
Balance, December 31, 2023	1,221,045
Interest expense	59,152
Payments	(242,466)
Balance, December 31, 2024	1,037,731
Current portion, December 31, 2024	196,627
Long-term portion, December 31, 2024	841,104
Current portion, December 31, 2023	183,314
Long-term portion, December 31, 2023	1,037,731

The Company's future undiscounted lease payments under this lease agreement are as follows:

Fiscal Year	Lease Payments
2025	\$ 245,980
2026	\$ 253,008
2027	\$ 253,008
2028	\$ 253,008
2029	\$ 168,672
Total	\$ 1,173,676

For the year ended December 31, 2024, not included in the lease liability, the Company incurred occupancy costs, net of recoveries, related to its office leases of \$146,439 (year ended December 31, 2023 - \$133,046) which have been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income.

17. Share Capital

a. Authorized

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.

b. Issued and outstanding common shares

	Number of Issued Common Shares	Number of Treasury Shares	Number of Outstanding Common Shares	Amount
Balance, December 31, 2022	12,339,161	(241,300)	12,097,861	\$ 5,367,432
Options exercised (c)	9,348	-	9,348	130,184
Shares repurchased under NCIB for cancellation (d)	(394,100)	(6,000)	(400,100)	(173,775)
Shares repurchased for RSU Plan Trust and held in Treasury (e)	-	(25,000)	(25,000)	(183,720)
Net Release of shares from RSU Plan Trust upon RSU Vesting (g)	-	58,957	58,957	(17,771)
Balance, December 31, 2023	11,954,409	(213,343)	11,741,066	\$ 5,122,350
Cancellation of shares held in Treasury	(6,000)	6,000	-	-
Options exercised (c)	28,107	-	28,107	489,850
Shares repurchased under NCIB for cancellation (d)	(487,300)	(5,000)	(492,300)	(224,092)
Shares repurchased for RSU Plan Trust and held in Treasury (e)	-	(30,800)	(30,800)	(265,617)
Release of shares from RSU Plan Trust upon RSU Vesting (g)	-	35,944	35,944	183,959
Balance, December 31, 2024	11,489,216	(207,199)	11,282,017	\$ 5,306,450

c. Options exercised

During the year ended December 31, 2024, 28,107 common shares were issued against options exercised (year ended December 31, 2023 – 9,348 common shares) for total proceeds on exercise of \$250,388 (year ended December 31, 2023 – \$66,857) and \$239,462 in fair value was transferred from contributed surplus to share capital (year ended December 31, 2023 – \$63,327).

d. Normal Course Issuer Bid (NCIB)

Pursuant to the policies of the TSX Venture Exchange, the Company may be permitted from time to time to repurchase its own common shares for cancellation under a NCIB. The policies of the TSX Venture Exchange permit an issuer, upon the approval of the TSX Venture Exchange, to purchase by normal market purchases up to 2% of a class of its own shares in a given 30-day period up to a maximum in a 12-month period, of the greater of 5% of the outstanding shares or 10% of the Public Float, as such term is defined in the policies of the TSX Venture Exchange.

On December 13, 2022, the Company announced that the TSX Venture Exchange had accepted its renewal of the NCIB, pursuant to which the Company would be permitted to purchase up to 690,000 of its own common shares for cancellation over a further 12-month period commencing on December 19, 2022 and ending on December 18, 2023. Purchases of shares by the Company under the NCIB are made through the facilities of the TSX Venture Exchange or alternative Canadian trading systems at the market price of the shares at the time of acquisition.

During the year ended December 31, 2023, the Company repurchased 400,100 of its common shares for an aggregate price of \$3,064,898 and incurred costs of \$4,001 related to the repurchase of these shares. The Company's retained earnings were reduced by \$2,895,124 upon the repurchase of these shares, representing the excess of the aggregate repurchase price over the reduction in share capital of \$173,775. Of the 400,100 common shares repurchased in 2023, 394,100 were cancelled during the year and 6,000 were held in treasury as of December 31, 2023 and were subsequently cancelled.

On December 13, 2023, the Company announced that the TSX Venture Exchange had accepted its renewal of the NCIB, pursuant to which the Company would be permitted to purchase up to 650,000 of its own common shares for cancellation over a further 12-month period commencing on December 19, 2023 and ending on December 18, 2024. Purchases of shares by the Company under the NCIB are made through the facilities of the TSX Venture Exchange or alternative Canadian trading systems at the market price of the shares at the time of acquisition.

During the year ended December 31, 2024, the Company repurchased 492,300 of its common shares for an aggregate price of \$5,076,421 and incurred costs of \$100,239, including a tax on share buybacks introduced in 2024, related to the repurchase of these shares. The Company's retained earnings were reduced by \$4,952,568 upon the repurchase of these shares, representing the excess of the aggregate repurchase price over the reduction in share capital of \$224,092. Of the 492,300 common shares repurchased in 2024, 487,300 were cancelled during the year and 5,000 were held in treasury as of December 31, 2024 and were subsequently cancelled.

On December 16, 2024, the Company announced that the TSX Venture Exchange had accepted its renewal of the NCIB, pursuant to which the Company would be permitted to purchase up to 690,000 of its own common shares for cancellation over a further 12-month period commencing on December 19, 2024 and ending on December 18, 2025. Purchases of shares by the Company under the NCIB are made through the facilities of the TSX Venture Exchange or alternative Canadian trading systems at the market price of the shares at the time of acquisition.

e. RSU Plan Trust

During the year ended December 31, 2024, the Company purchased 30,800 of its common shares pursuant to its RSU Plan (see note 17(g)) for an aggregate purchase price of \$265,617.

202,199 treasury shares are held in trust as of December 31, 2024 (December 31, 2023 – 207,343 shares) for future settlement of vested RSUs granted to employees, senior management, and directors of the Company.

f. Preferred Shares

There are nil preferred shares outstanding as of December 31, 2024 (December 31, 2023 – nil).

g. Share-Based Payments

Restricted Share Unit (“RSU”) Plan

The Board adopted a Restricted Share Unit Plan on March 4, 2020, which was approved by shareholders on May 27, 2020 and 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.

The table below summarizes the RSUs granted during the years ended December 31, 2023 and 2024:

Grant Date	Number of RSUs Granted	Grant Price per Unit	Grantees	Vesting Term	Vesting Dates
31-Mar-23	62,378	\$7.50	Management and Employees	3 Years	31-Mar-26
					31-Mar-26
31-Mar-23	9,642	\$7.50	Directors	3 Years	30-Jun-26
					30-Sep-26
					31-Dec-26
2023 Total:	72,020	\$ 540,150			
27-Mar-24	55,976	\$8.70	Management and Employees	3 Years	27-Mar-27
					31-Mar-27
27-Mar-24	10,044	\$8.70	Directors	3 Years	30-Jun-27
					30-Sep-27
					31-Dec-27
26-Aug-24	9,060	\$10.21	Management	3 Years, subject to certain performance conditions	26-Aug-27
2024 Total:	75,080	\$ 666,877			

The table below summarizes the RSUs vested during the years ended December 31, 2023 and 2024:

Vest Date	Number of RSUs Vested	Value transferred from Contributed Surplus to Share Capital	Number of Common Shares released from RSU Trust	Fair Value of Common Shares released from RSU Trust	Number of Common Shares withheld in RSU Trust	Fair Value of Common Shares withheld in RSU Trust	Net Settlement Amount
31-Mar-23	103,720	\$ 374,429	51,858	\$ 388,935	51,862	\$ 388,965	\$ (14,536)
30-Jun-23	7,086	\$ 25,580	3,542	\$ 26,522	3,544	\$ 26,537	\$ (957)
02-Oct-23	7,117	\$ 25,692	3,557	\$ 27,946	3,560	\$ 27,970	\$ (2,278)
2023 Totals:	117,923	\$ 425,701	58,957	\$ 443,403	58,966	\$ 443,472	\$ (17,771)
02-Jan-24	7,157	\$ 25,837	3,577	\$ 32,014	3,580	\$ 32,041	\$ (6,204)
19-Mar-24	56,031	\$ 409,026	28,013	\$ 238,111	28,018	\$ 238,153	\$ 170,873
01-Apr-24	2,164	\$ 15,797	1,081	\$ 9,394	1,083	\$ 9,411	\$ 6,386
02-Jul-24	2,175	\$ 15,878	1,087	\$ 10,870	1,088	\$ 10,880	\$ 4,998
30-Sep-24	2,183	\$ 15,936	1,091	\$ 11,954	1,092	\$ 11,965	\$ 3,971
31-Dec-24	2,192	\$ 16,002	1,095	\$ 12,045	1,097	\$ 12,067	\$ 3,935
2024 Totals:	71,902	\$ 498,476	35,944	\$ 314,388	35,958	\$ 314,517	\$ 183,959

As at December 31, 2024, there were 208,500 RSUs outstanding (December 31, 2023 – 203,798), as shown below:

	December 31, 2024		December 31, 2023	
	Number of RSUs	Weighted average grant price	Number of RSUs	Weighted average grant price
Outstanding, beginning of year	203,798	\$7.75	244,123	\$5.85
Granted	75,080	\$8.88	72,020	\$7.50
Dividend reinvestment	3,667	\$8.25	6,105	\$7.07
Vested	(71,902)	\$6.93	(117,923)	\$3.61
Forfeited	(2,143)	\$7.89	(527)	\$3.61
Outstanding, end of year	208,500	\$8.44	203,798	\$7.75

The weighted-average remaining contractual life of the 208,500 RSUs outstanding at December 31, 2024 is 1.41 years (December 31, 2023 – 1.35 years).

During the year ended December 31, 2024, the Company recorded aggregate share-based payment expense of \$553,521 on the amortization of outstanding RSUs (December 31, 2023 – \$510,042).

Incentive Stock Option Plan

On March 11, 2014, the Board approved an incentive stock option plan (the “SOP”) which was adopted by the shareholders of the Company on June 13, 2014. The Board approved an amended SOP on March 4, 2020 which was approved by shareholders on May 27, 2020 and re-approved on May 26, 2021, May 17, 2022, May 25, 2023, and May 16, 2024. The purpose of the SOP is to assist the Company in attracting, retaining and motivating directors, officers, employees and other persons who provide ongoing services to the

Company and its affiliates and to closely align the personal interests of such participants with those of the Company’s shareholders, by providing them with the opportunity to acquire common shares of the Company, and thereby a proprietary interest in the Company and its subsidiaries, through the exercise of share purchase options.

No options were granted by the Company during the year ended December 31, 2024 or during the year ended December 31, 2023.

During the year ended December 31, 2024, the Company recorded \$nil net share-based payment expense (year ended December 31, 2023 – \$3,444) relating to previous option grants to employees, directors, officers and advisors under the SOP, which is included in selling, general and administration expenses in the Consolidated Statements of Comprehensive Income.

As at December 31, 2024, there were 124,282 options outstanding (December 31, 2023 – 154,947), as shown below:

	December 31, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	154,947	\$8.44	164,295	\$8.37
Granted	-	-	-	-
Exercised	(28,107)	\$8.91	(9,348)	\$7.15
Expired	(2,558)	\$8.24	-	-
Outstanding, end of year	124,282	\$8.34	154,947	\$8.44

As of December 31, 2024, 124,282 options have vested and are exercisable by the option holders (December 31, 2023 – 154,947). These exercisable options have a weighted average exercise price of \$8.34 (December 31, 2023 – \$8.44).

The weighted-average remaining contractual life of the 124,282 (December 31, 2023 – 154,947) options outstanding is 2.52 years (December 31, 2023 – 3.43 years) and the range of exercise prices for these options is \$6.20 – \$10.97 (December 31, 2023 – \$6.20 – \$10.97).

28,107 options were exercised during the year ended December 31, 2024 (year ended December 31, 2023 – 9,348 options). The weighted average share price on the date of exercise of options exercised during the year ended December 31, 2024 was \$11.04 (year ended December 31, 2023 – \$8.50).

Employee Share Purchase Plan

On January 1, 2017, the Company introduced an Employee Share Purchase Plan (“ESPP”). Under the ESPP, eligible BioSyent employees, including certain key management personnel, are permitted to contribute up to a maximum of 10 per cent of their gross base salary to purchase the Company’s common shares in the open market through the facilities of the TSX Venture Exchange. The contributions are matched by the Company up to a maximum of 2.5 percent of the applicable employee’s gross base salary.

During the year ended December 31, 2024, the Company recorded share-based payment expense of \$108,137 (year ended December 31, 2023 – \$94,912) relating to the Company’s contributions to the ESPP for the purchase of common shares on behalf of participating employees. Such share-based payment expense related to the Company’s ESPP contributions has been included in selling, general and administrative expenses in the Consolidated Statements of Comprehensive Income.

h. Dividends

During the year ended December 31, 2024, the Company paid cash dividends to common shareholders as follows:

Amount per Common Share	Payment Date	Record Date	Aggregate Amount	Amount held in RSU Plan Trust	Net Amount
\$0.045	March 15, 2024	February 29, 2024	\$533,259	\$9,169	\$524,090
\$0.045	June 15, 2024	May 31, 2024	\$530,520	\$9,247	\$521,273
\$0.045	September 15, 2024	September 4, 2024	\$530,634	\$9,197	\$521,437
\$0.045	December 16, 2024	November 29, 2024	\$522,039	\$9,148	\$512,891
		TOTAL:	\$2,116,452	\$36,761	\$2,079,691

During the year ended December 31, 2023, the Company paid cash dividends to common shareholders as follows:

Amount per Common Share	Payment Date	Record Date	Aggregate Amount	Amount held in RSU Plan Trust	Net Amount
\$0.040	March 15, 2023	February 28, 2023	\$493,542	\$9,652	\$483,890
\$0.040	June 15, 2023	June 2, 2023	\$491,311	\$7,578	\$483,733
\$0.040	September 15, 2023	August 31, 2023	\$481,352	\$8,436	\$472,916
\$0.040	December 15, 2023	November 30, 2023	\$480,589	\$8,293	\$472,296
		TOTAL:	\$1,946,794	\$33,959	\$1,912,835

18. Expenses by Nature

The expenses on the Consolidated Statements of Comprehensive Income have been grouped by function to focus reader attention on the macro movements in cost from period to period while giving the reader an option to see the detail of expenses according to their nature, which are included below:

	Years ended December 31,	
	2024	2023
Cost of goods sold (Note 9)	\$ 7,174,824	\$ 5,992,359
Selling and marketing	\$ 12,125,260	\$ 11,884,054
Advertising, Promotion and Selling Costs	5,986,740	6,625,247
Employee Costs	5,186,142	4,252,542
Logistics, Quality Control & Regulatory	865,066	937,268
Share-based Payments (Note 17)	87,312	68,997
General and administration	\$ 6,729,068	\$ 6,124,818
Employee Costs	3,038,795	3,119,597
Corporate Expenses	839,538	884,737
Share-based Payments (Note 17)	574,346	539,401
Professional Fees	479,678	388,663
Impairment of Intangible Assets (Note 14)	430,016	-
Information Technology	384,117	287,052
Amortization - Intangible Assets (Note 14)	308,728	162,706
Depreciation - Property and Equipment (Note 13)	281,220	292,632
Insurance	203,527	163,328
Research and Development	171,373	83,271
Expected Credit Losses (Note 10)	136,491	140,317
Net Foreign Exchange Losses (Gains)	(118,761)	63,114
New business development costs	\$ 248,681	\$ 117,931
Finance costs	\$ 59,152	\$ 68,411
Interest expense - lease liability (Note 16)	59,152	68,411
Finance income	\$ (1,088,586)	\$ (1,131,124)
Interest Income	(1,088,586)	(1,131,124)

19. Earnings per Share

The following table reconciles the numerator and denominator for the calculation of basic and diluted earnings per share:

	Years ended December 31,	
	2024	2023
Numerator		
Net income attributable to common shareholders	\$ 7,270,104	\$ 6,460,127
Denominator		
Basic		
Weighted average number of shares outstanding	11,586,767	11,949,895
Effect of dilutive securities	221,109	220,515
Weighted average number of shares outstanding	11,807,876	12,170,410
Basic earnings per share	\$ 0.627	\$ 0.541
Diluted earnings per share	\$ 0.616	\$ 0.531

20. Contingencies

Litigations

From time to time, the Company may be exposed to claims and legal actions in the normal course of business. As at December 31, 2024, the Company was not aware of any litigation or threatened claims either outstanding or pending.

Combogesic® License and Exclusive Supply Agreement

Under the terms of the 2019 License and Exclusive Supply Agreement for Combogesic® (see Note 14), the Company is required to make royalty payments to the licensor based on net sales of the pain management products in Canada and contingent on the market share of competing products in Canada over the 15-year term of the agreement. The royalty rates range from 0% to 6.5% on net sales. For

the years ended December 31, 2024 and 2023, such fees have been expensed and included in the Company's Consolidated Statements of Comprehensive Income.

Inofolic® License and Supply Agreement

Under the terms of the 2020 License and Supply Agreement for Inofolic® (see Note 14), the Company is required to make certain royalty payments to the Licensor equal to 6.00% of the estimated net selling price of the product, which are included in the per unit purchase price of product purchased by the Company from the Licensor. For the years ended December 31, 2024 and 2023, such fees have been expensed and included in the Company's Consolidated Statements of Comprehensive Income.

21. Commitments

Office Lease

The Company's current office lease agreement commenced on September 1, 2019 and extends to August 31, 2029 (see Note 16).

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 are approximately as follows:

Fiscal Year	Annual Rent and Occupancy Costs
2025	\$ 381,605
2026	\$ 388,633
2027	\$ 388,633
2028	\$ 388,633
2029	\$ 259,089
Total	\$ 1,806,593

Purchase Commitments

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

22. 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.

	Years ended December 31,	
	2024	2023
Number of Key Management Personnel	5	6
Salary, Benefits, and Bonus	\$1,570,065	\$1,777,806
Share-Based Payments	\$323,136	\$378,786

During the year ended December 31, 2024, the Company recorded share-based payment expense of \$323,136 (year ended December 31, 2023 - \$378,786) 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, 2024, there were loans receivable under the MSLP from key management personnel of \$207,923 (December 31, 2023 - \$274,601). MSLP loan repayments of \$59,316 were received from key management personnel during the year ended December

The table below summarizes compensation for key management personnel of the Company for the years ended December 31, 2024 and December 31, 2023:

31, 2024 (year ended December 31, 2023 - \$135,306). Interest accrued on these MSLP loans during the year ended December 31, 2024 totalled \$11,971 (year ended December 31, 2023 - \$16,375).

Transactions with Directors

During the year ended December 31, 2024, the Company paid cash fees to its directors in the amount of \$127,128 (year ended December 31, 2023 - \$129,188) and recorded share-based payments expense for accounting purposes of \$85,440 (year ended December 31, 2023 - \$81,265) related to the amortization of RSUs under the Company's RSU Plan.

23. Capital Disclosures

For capital management purposes, the Company defines capital as its shareholders' equity that includes share capital, contributed surplus, cumulative translation adjustment and retained earnings.

The amounts included in the Company's capital for the relevant years are as follows:

December 31, 2024	\$35,003,185
December 31, 2023	\$34,759,756

The Company's principal objectives in managing capital are:

- to ensure that it will continue to operate as a going concern;
- to be flexible in order to take advantage of contract and growth opportunities that are expected to provide satisfactory returns to its shareholders;
- to maintain a strong capital base in order to maintain customers, investors, creditors and market confidence; and

- to provide an adequate rate of return to its shareholders.

The Company manages and adjusts its capital structure in light of changes in economic conditions.

In order to maintain or adjust its capital structure, the Company may issue debt or new shares. Financing decisions are generally made on a specific transaction basis and depend on such things as the Company's needs, capital markets and economic conditions at the time of the transaction. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable, given the size of the Company.

The Company does not have any externally imposed capital compliance requirements at December 31, 2024. There were no changes in the Company's approach to capital management during the year.

24. Credit Facilities

The Company has credit facilities available with Royal Bank of Canada including a revolving demand credit facility of \$1,750,000, which has not been utilized as of December 31, 2024, a foreign exchange facility, and a credit card facility of \$30,000. The revolving demand 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.

25. Taxes

The Company computes an income tax provision in each of the jurisdictions in which it operates. Actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occur subsequent to the issuance of the financial statements.

Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income.

The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period. The operations are subject to income tax rates of 26.5% (2023 – 26.5%) in the Canadian jurisdiction, 22.1% (2023 – 22.1%) in the U.S. jurisdiction, and 9.0% (2023 – 5.5%) in the Barbados jurisdiction.

The reconciliation of the combined Canadian federal and provincial statutory tax rate of 26.5% (2023 – 26.5%) to the effective tax rate is as follows:

	2024	2023
Net Income Before Taxes	9,782,498	8,533,853
Combined statutory income tax rate	26.50%	26.50%
Expected income tax expense at current rate	2,592,362	2,261,471
Foreign tax differential	(43,212)	(62,559)
Non-deductible expenses	70,422	29,649
RSU deduction	(6,981)	(176,256)
Non-taxable portion of capital gains	(1,615)	-
Investment tax credits	(124,931)	-
Book to filing adjustment	8,506	(5,612)
Tax rate changes and other adjustments	17,843	27,033
Provision for tax	2,512,394	2,073,726
Current income tax expense	2,641,637	2,207,695
Deferred tax recovery	(129,243)	(133,969)
	2,512,394	2,073,726
Current income tax payable	(396,343)	(111,114)

Deferred tax:

Deferred tax assets have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax assets (liabilities):

	2024	2023
Balance at the beginning of the year	161,868	27,899
Recognized in profit/loss	129,243	133,969
Balance at the end of the year	291,111	161,868

Deferred tax balances:

	2024	2023
Contract liability	5,064	12,005
RSU shares in trust	377,071	345,311
Lease liability	274,998	323,577
Deferred tax assets	657,133	680,893
Equipment and intangibles	(201,489)	(319,235)
Right of Use Asset	(164,533)	(199,790)
Deferred tax liabilities	(366,022)	(519,025)

26. Segment Reporting

A segment is a component of the Company:

- that engages in business activities from which it may earn revenue and incur expenses;
- whose operating results are reviewed by the board of directors; and
- for which discrete financial information available.

Though the Company has a legacy business in biologically and health friendly insecticides, management of the Company is primarily focused on growing the pharmaceutical business and

does not account for administrative overhead separately for the insecticide business. Consequently, the Company has one reportable segment for all of its operations.

The revenue breakdown by business is provided below:

- for both the pharmaceutical and insecticide business; and
- for both Canadian and international jurisdictions

	Years ended December 31,	
	2024	2023
Canada		
Pharmaceutical Business	\$32,931,149	\$29,554,899
Insecticide Business	903,215	745,846
Total Canada	\$33,834,364	\$30,300,745
International Jurisdictions		
Pharmaceutical Business - Middle East	\$929,975	\$1,047,747
Insecticide Business - United States	266,558	241,810
Total International Jurisdictions	\$1,196,533	\$1,289,557
Total Revenue	\$35,030,897	\$31,590,302

For the year ended December 31, 2024, in the Canadian Pharmaceutical Business, net revenues from transactions with three major customers each amounted to 10% or more the Company's total revenues. The amount of revenues from each of these three

customers totalled \$13,173,251, \$7,254,603 and \$5,460,122, respectively, during 2024 (2023 – three customers with revenues of \$11,816,097, \$6,526,305 and \$5,301,431 respectively).

Non-Current Assets consist of long-term investments, equipment, intangible assets, loans receivable, and deferred tax asset. As indicated in the table below, Non-Current Assets are located in Canada and international jurisdictions.

	December 31, 2024	December 31, 2023
Canada	\$16,836,681	\$5,596,289
Barbados	51,689	61,169
Total Non-current Assets	\$16,888,370	\$5,657,458

27. Subsequent Events

Dividend Declaration

On January 30, 2025, the Company's Board of Directors declared a dividend of \$0.05 per common share to shareholders of record on February 28, 2025 payable on March 14, 2025.

BioSyent Pharma Europe B.V.

On February 24, 2025, the Company established BioSyent Pharma Europe B.V., a wholly-owned subsidiary of BioSyent Inc., as a private limited company (*besloten vennootschap* / B.V.) domiciled in the Netherlands.

Corporate Information

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René C. Goehrum (Chair)

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Peter D. Lockhard (Lead Director)

Ontario, Canada

Stephen Wilton

Ontario, Canada

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Robert J. March

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Stock Listing

TSX Venture Exchange

Trading symbol: RX