

BioSyent Inc.

Interim Unaudited Condensed Consolidated Financial Statements

**For the three and six months ended June 30, 2025
and 2024**

Expressed in Canadian Dollars

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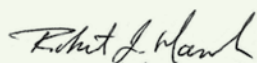


Management's Responsibility For Financial Reporting

To the Shareholders of BioSyent Inc.:

Management has prepared the interim unaudited condensed consolidated financial statements for BioSyent Inc. (the “**Company**”) in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* released by the Canadian Securities Administration. The Company discloses that its auditors have not reviewed these interim unaudited condensed consolidated financial statements for the three and six months ended June 30, 2025 and 2024.

Robert March



Vice-President and Chief Financial Officer, BioSyent Inc.

August 21, 2025

BioSynt Inc.
Interim Unaudited Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	AS AT	June 30, 2025	December 31, 2024
ASSETS			
Cash and cash equivalents (Note 6)		\$ 13,948,895	\$ 12,113,376
Short term investments (Note 7)		6,415,497	3,827,595
Trade and other receivables (Note 8)		4,867,796	2,906,829
Inventory (Note 9)		4,860,613	5,328,086
Prepaid expenses and deposits		443,573	201,971
Derivative asset (Note 10)		-	5,790
Loans receivable - current (Note 12)		56,098	87,433
CURRENT ASSETS		30,592,472	24,471,080
Long term investments (Note 11)		6,497,025	10,103,571
Loans receivable - non current (Note 12)		84,093	141,140
Deferred tax asset		371,104	401,166
Property and equipment (Note 13)		1,104,639	1,200,992
Intangible assets (Note 14)		4,846,156	5,041,501
TOTAL NON CURRENT ASSETS		12,903,017	16,888,370
TOTAL ASSETS		\$ 43,495,489	\$ 41,359,450
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payable and accrued liabilities		\$ 3,805,661	\$ 3,998,938
Income tax payable		192,598	396,343
Contract liability (Note 15)		121,577	155,166
Derivative liability (Note 10)		12,921	-
Lease liability - current (Note 16)		207,081	196,627
Customer advances		702,526	658,032
CURRENT LIABILITIES		5,042,364	5,405,106
Deferred tax liability		117,221	110,055
Lease liability - non current (Note 16)		735,151	841,104
TOTAL NON CURRENT LIABILITIES		852,372	951,159
Share capital (Note 17)		5,173,592	5,306,450
Contributed surplus		1,891,951	2,139,278
Cumulative translation adjustment		(179,191)	(171,554)
Retained earnings		30,714,401	27,729,011
TOTAL EQUITY		37,600,753	35,003,185
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 43,495,489	\$ 41,359,450

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

APPROVED ON BEHALF OF THE BOARD

René Goehrum

Joseph Arcuri




DIRECTOR

DIRECTOR

August 21, 2025

August 21, 2025

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

BioSynt Inc.
Interim Unaudited Condensed Consolidated Statements of Comprehensive Income

(Expressed in Canadian Dollars)

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Net revenues from contracts with customers (Note 26)	\$ 10,179,296	\$ 8,944,566	\$ 21,158,256	\$ 16,678,202
Cost of goods sold (Notes 9, 18)	2,266,734	1,873,731	4,908,502	3,463,493
Gross profit	7,912,562	7,070,835	16,249,754	13,214,709
Selling, general and administration expenses (Note 18)	5,316,753	5,098,992	10,608,692	9,089,551
Business development costs (Note 18)	48,301	45,569	103,090	109,679
Operating profit	2,547,508	1,926,274	5,537,972	4,015,479
Finance costs (Notes 16, 18)	12,631	15,009	25,734	30,602
Finance income (Note 18)	(210,934)	(238,789)	(389,944)	(571,608)
NET INCOME BEFORE TAXES	2,745,811	2,150,054	5,902,182	4,556,485
Current income tax	716,638	551,837	1,526,850	1,173,678
Deferred tax expense	11,002	17,928	37,228	33,791
NET INCOME AFTER TAXES	2,018,171	1,580,289	4,338,104	3,349,016
OTHER COMPREHENSIVE INCOME				
Currency translation gains (losses)	(6,966)	314	(7,637)	492
TOTAL COMPREHENSIVE INCOME	\$ 2,011,205	\$ 1,580,603	\$ 4,330,467	\$ 3,349,508
Basic weighted average number of shares outstanding (Note 19)	11,254,689	11,594,523	11,261,842	11,631,743
Basic earnings per share (Note 19)	\$ 0.179	\$ 0.136	\$ 0.385	\$ 0.288
Diluted weighted average number of shares outstanding (Note 19)	11,498,898	11,795,463	11,507,074	11,841,228
Diluted earnings per share (Note 19)	\$ 0.176	\$ 0.134	\$ 0.377	\$ 0.283

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

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

	For the six months ended June 30,	
	2025	2024
OPERATING ACTIVITIES		
Net income after taxes	\$ 4,338,104	\$ 3,349,016
Items not affecting cash:		
Depreciation - property and equipment (Notes 13, 18)	134,982	138,809
Amortization - intangible assets (Notes 14, 18)	288,842	97,976
Share-based payments (Note 17)	307,439	261,496
Change in derivative asset / liability (Note 10)	18,711	(49,334)
Net finance income (Note 18)	(364,210)	(541,006)
MSLP loan interest accrued (Note 12)	(3,614)	(7,717)
Deferred tax expense	37,228	33,791
Net change in non-cash working capital items:		
Trade and other receivables	(1,844,513)	(2,532,090)
Inventory	467,473	(135,066)
Prepaid expenses and deposits	(241,602)	(567,493)
Accounts payable and accrued liabilities	(193,277)	(605,250)
Contract liability	(33,589)	(8,491)
Customer advances	44,493	68,435
Income tax payable	(203,745)	(57,829)
Cash provided by (used in) operating activities	2,752,722	(554,753)
INVESTING ACTIVITIES		
Additions to property and equipment (Note 13)	(38,629)	(11,350)
Net additions to intangible assets (Note 14)	(93,497)	(116,631)
(Increase) decrease in short term investments (Note 7)	(2,587,902)	12,594,005
Decrease (increase) in long term investments (Note 11)	3,606,546	(5,900,504)
Interest received	273,491	818,855
MSLP loan repayments received (Note 12)	91,996	58,694
Cash provided by investing activities	1,252,005	7,443,069
FINANCING ACTIVITIES		
Payments - lease liability principal (Note 16)	(95,499)	(90,631)
Payments - lease liability interest (Note 16)	(25,734)	(30,602)
Repurchase of common shares - NCIB (Note 17)	(215,000)	(1,400,305)
Purchase of RSU Plan Shares - held in Trust (Note 17)	(453,780)	(265,617)
Payments for employee withholding taxes - RSU settlements (Note 17)	(310,339)	(279,605)
Net dividends paid (Note 17)	(1,126,043)	(1,045,363)
Proceeds from stock options exercised (Note 17)	64,824	38,020
Cash used in financing activities	(2,161,571)	(3,074,103)
Effect of foreign currency translation adjustment	(7,637)	492
INCREASE IN CASH AND CASH EQUIVALENTS	1,835,519	3,814,705
Cash and cash equivalents, beginning of period	12,113,376	7,984,534
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 13,948,895	\$ 11,799,239
SUPPLEMENTARY DISCLOSURE:		
NET CHANGE IN CASH AND INVESTMENTS		
Cash, short term and long term investments, beginning of period	\$ 26,044,542	\$ 28,687,011
Increase (decrease) in short term investments	2,587,902	(12,594,005)
(Decrease) Increase in long term investments	(3,606,546)	5,900,504
Increase in cash and cash equivalents	1,835,519	3,814,705
CASH AND INVESTMENTS - END OF PERIOD	\$ 26,861,417	\$ 25,808,215
CASH PAID FOR TAXES	\$ (920,383)	\$ (1,231,507)

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

BioSynt Inc.**Interim Unaudited Condensed 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, 2025	\$ 5,306,450	\$ 2,139,278	\$ (171,554)	\$ 27,729,011	\$ 35,003,185
Comprehensive Income for the period	-	-	(7,637)	4,338,104	4,330,467
Common shares repurchased under Normal Course Issuer Bid (Note 17)	(9,263)	-	-	(205,737)	(215,000)
Common shares repurchased and held in RSU Plan Trust (Note 17)	(453,780)	-	-	-	(453,780)
Effect of Share-based payments: RSU expense (Note 17)	-	307,439	-	-	307,439
Effect of Share-based payments: Net Release of shares from RSU Plan Trust upon RSU vesting (Note 17)	202,642	(512,981)	-	-	(310,339)
Effect of Share-based payments: Options exercised (Note 17)	127,543	(62,719)	-	-	64,824
Dividends paid (Note 17)	-	20,934	-	(1,146,977)	(1,126,043)
Balance as of June 30, 2025	\$ 5,173,592	\$ 1,891,951	\$ (179,191)	\$ 30,714,401	\$ 37,600,753

	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 period	-	-	492	3,349,016	3,349,508
Common shares repurchased under Normal Course Issuer Bid (Note 17)	(70,758)	-	-	(1,329,547)	(1,400,305)
Common shares repurchased and held in RSU Plan Trust (Note 17)	(265,617)	-	-	-	(265,617)
Effect of Share-based payments: RSU Expense (Note 17)	-	261,496	-	-	261,496
Effect of Share-based payments: Net Release of shares from RSU Plan Trust upon RSU vesting (Note 17)	171,055	(450,660)	-	-	(279,605)
Effect of Share-based payments: Options exercised (Note 17)	73,022	(35,002)	-	-	38,020
Dividends paid (Note 17)	-	18,416	-	(1,063,779)	(1,045,363)
Balance as of June 30, 2024	\$ 5,030,052	\$ 2,081,184	\$ (176,963)	\$ 28,483,617	\$ 35,417,890

The accompanying notes are an integral part of these interim unaudited condensed 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 interim unaudited condensed consolidated financial statements (the “**Financial Statements**”) of BioSyent include the accounts of BioSyent Inc. and its five wholly-owned subsidiaries: BioSyent Pharma Inc., BioSyent Pharma International Inc., BioSyent Pharma Europe B.V., 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. BioSyent Pharma Europe B.V. was incorporated in the Netherlands on February 24, 2025.

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 August 21, 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 periods presented.

Statement of Compliance

These Financial Statements are in compliance with International Accounting Standard 34, “Interim Financial Reporting” (“**IAS 34**”). Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS® Accounting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) have been omitted or condensed.

Since these Financial Statements do not include all disclosures required by IFRS for annual financial statements, they should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2024.

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**”). The functional currency of BioSyent Pharma Europe B.V. is the European Euro (“**EUR**”).

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

3. Summary of Material Accounting Policies

The accounting policies adopted in the preparation of these Financial Statements are consistent with those followed in the preparation of the Company’s consolidated financial statements for the year ended December 31, 2024.

4. 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.

5. Use of Estimates and Accounting Judgments by Management

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the Company's consolidated financial statements for the period ended June 30, 2025.

6. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

	June 30, 2025	December 31, 2024
Cash on deposit in banks	\$10,410,060	\$9,621,950
Redeemable GICs	3,538,835	2,491,426
Total cash and cash equivalents	\$13,948,895	\$12,113,376

7. Short term Investments

Short term investments consist of the following:

	June 30, 2025	December 31, 2024
Non-redeemable GICs	\$5,729,142	\$3,122,595
Dual currency deposits (Note 10)	686,355	705,000
Total short term investments	\$6,415,497	\$3,827,595

8. Trade and Other Receivables

Trade and other receivables is comprised of the following:

	June 30, 2025	December 31, 2024
Trade accounts receivable (Note 10)	\$4,248,145	\$2,394,929
Accrued interest receivable on GICs	583,796	477,709
Other receivables	35,855	34,191
Total trade and other receivables	\$4,867,796	\$2,906,829

9. Inventory

Inventory is comprised of the following:

	June 30, 2025	December 31, 2024
Raw and Packaging Materials	\$866,675	\$981,253
Finished Goods	3,993,938	4,346,833
Total inventory	\$4,860,613	\$5,328,086

Cost of Goods Sold consists of the following:

	Three months ended June 30,	
	2025	2024
Raw and Packaging Materials and Finished Goods	\$2,182,203	\$1,827,358
Freight	84,531	46,373
Total cost of goods sold	\$2,266,734	\$1,873,731

	Six months ended June 30,	
	2025	2024
Raw and Packaging Materials and Finished Goods	\$4,744,561	\$3,369,891
Freight	163,941	93,602
Total cost of goods sold	\$4,908,502	\$3,463,493

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 period.

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 June 30, 2025, the Company had entered into options to purchase up to a

total of USD 3,950,000 to USD 4,850,000 (December 31, 2024 – USD 2,300,000 to USD 4,100,000) at exchange rates expressed in CAD per USD ranging from 1.3550 to 1.3795 (December 31, 2024 – 1.3298 to 1.3850) which will be settled on various dates between April 2025 and July 2026 (December 31, 2024 – January 2025 and December 2025). The Company's right to buy USD 3,950,000 (December 31, 2024 – USD 2,300,000) on the respective settlement dates is subject to the spot exchange rates on the settlement dates being within a range of 1.3550 to 1.4050 CAD per USD (December 31, 2024 – above 1.3298 CAD per USD). The Company's obligation to buy USD 4,850,000 (December 31, 2024 – USD 4,100,000) on the respective settlement dates is subject to the spot exchange rates on the settlement dates being below a range of 1.3300 to 1.3495 CAD per USD (December 31, 2024 – within a range of 1.3190 to 1.3650 CAD per USD).

At June 30, 2025, the Company had also entered into forward contracts with a right to buy USD 350,000 at rates ranging from 1.3660 to 1.4193 (December 31, 2024 – USD 150,000 at a rate of 1.4227 CAD per USD).

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 liability of \$12,921 as at June 30, 2025 (December 31, 2024 – derivative asset of \$5,790).

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

June 30, 2025	Level 1	Level 2	Level 3
Foreign Exchange Options and Forwards	-	(\$12,921)	-

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

➤ **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

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:

June 30, 2025	Level 1	Level 2	Level 3
DCDs	-	\$686,355	-

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

At June 30, 2025, 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	1.3979	\$500,000	\$686,355	5.00%	August 19, 2025	1.4170

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

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

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.

➤ **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

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

Foreign Exchange Sensitivity Analysis - USD

	June 30, 2025	December 31, 2024
Description of Asset/(Liability)	USD	USD
Cash and cash equivalents	737,995	986,072
Short term investments	500,000	500,000
Accounts receivable	-	3,319
Less: Accounts payable	(271,715)	(387,463)
Net Total	966,280	1,101,928
Foreign Exchange Rate CAD per USD at the end of the period	1.3643	1.4389

At June 30, 2025, 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 \$96,895 higher or lower on an after-tax basis, respectively (December 31, 2024 - \$116,539 higher or lower, respectively).

Foreign Exchange Sensitivity Analysis - EUR

	June 30, 2025	December 31, 2024
Description of Asset/(Liability)	EUR	EUR
Cash and cash equivalents	1,663,240	1,677,342
Accounts receivable	221,268	-
Less: Accounts payable	(70,008)	(225,917)
Less: Customer advances	(397,371)	(396,900)
Net Total	1,417,129	1,054,525
Foreign Exchange Rate CAD per EUR at the end of the period	1.6030	1.4928

At June 30, 2025, 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 \$166,967 higher or lower on an after-tax basis, respectively (December 31, 2024 - \$115,703 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. 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	June 30, 2025	December 31, 2024
Current	\$ 3,675,783	\$ 1,686,276
Past due 1-30 days	678,448	733,714
Past due 31-60 days	27,999	38,943
Over 60 days	48,758	136,822
Expected Credit Losses	(182,843)	(200,826)
Closing Balance (<i>Note 8</i>)	\$ 4,248,145	\$ 2,394,929
Maximum Credit Risk	4,430,988	2,595,755

As of June 30, 2025, one customer represents 37% of net trade receivables (December 31, 2024 - 49%) while another customer represents 18% of net trade receivables (December 31, 2024 - 14%), and a third customer represents 17% of net trade receivables (December 31, 2024 - 18%).

The Company has provided for expected credit losses of \$182,843 (December 31, 2024 - \$200,826) 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 totalling \$3,340,000, 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 of \$1,500,000, and credit card facilities totalling \$90,000.

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 period ended June 30, 2025.

11. Long term Investments

	June 30, 2025	December 31, 2024
Non-redeemable GICs	\$6,497,025	\$10,103,571
Total long term investments	\$6,497,025	\$10,103,571

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, 2023	274,601
Repayments	(59,316)
Accrued Interest	13,288
Balance, December 31, 2024	228,573
Repayments	(91,996)
Accrued Interest	3,614
Balance, June 30, 2025	140,191
Current portion, June 30, 202	56,098
Non-current portion, June 30, 2025	84,093
Current portion, December 31, 2024	87,433
Non-current portion, December 31, 2024	141,140

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 \$3,614 was accrued on the loans for the six months ended June 30, 2025 (six months ended June 30, 2024 - \$7,717) at a prescribed interest rate of 4.00% per annum (six months ended June 30, 2024 - 6.00% 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, 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
2025 Additions	4,075	9,737	10,442	14,375	-	-	38,629
June 30, 2025	\$ 272,378	\$ 276,104	\$ 422,310	\$ 422,757	\$ 1,330,455	\$ 680,511	\$ 3,404,515
ACCUMULATED DEPRECIATION:							
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)
Changes in 2025	(6,118)	(8,664)	(12,983)	(6,668)	(66,523)	(34,026)	(134,982)
June 30, 2025	\$ (206,860)	\$ (198,968)	\$ (343,523)	\$ (377,785)	\$ (776,101)	\$ (396,639)	\$ (2,299,876)
CARRYING AMOUNT							
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
June 30, 2025	\$ 65,518	\$ 77,136	\$ 78,787	\$ 44,972	\$ 554,355	\$ 283,872	\$ 1,104,639

14. Intangible Assets

	New Product Dossier and Filing Costs	Product Licenses and Rights	New Product Development	Trademarks and Patents	Total
COST:					
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
2025 Additions	-	93,497	-	-	93,497
June 30, 2025	\$ 1,848,154	\$ 5,728,374	\$ 345,945	\$ 114,711	\$ 8,037,184
ACCUMULATED AMORTIZATION:					
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)
Changes in 2025	(58,811)	(219,204)	(2,882)	(7,945)	(288,842)
June 30, 2025	\$ (667,382)	\$ (800,563)	\$ (59,492)	\$ (58,868)	\$ (1,586,305)
ACCUMULATED IMPAIRMENT LOSSES:					
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)
Changes in 2025	-	-	-	-	-
June 30, 2025	\$ (866,114)	\$ (640,057)	\$ (86,455)	\$ (12,097)	\$ (1,604,723)
CARRYING AMOUNT					
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
June 30, 2025	\$ 314,658	\$ 4,287,754	\$ 199,998	\$ 43,746	\$ 4,846,156

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, 2024 - \$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, 2024 - \$346,139) 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.

No impairment losses were recognized on these intangible assets for the six months ended June 30, 2025. For the year ended December 31, 2024, the Company recognized an impairment loss of \$152,773 related to certain new product dossier and filing costs, representing the excess of the carrying amount of these costs over their estimated recoverable amount.

No intangible assets were disposed of during the six months ended June 30, 2025. For the year ended December 31, 2024, certain new product dossier and filing costs, totalling \$136,222, became recoverable upon the disposal of the underlying product rights by the Company.

For the six months ended June 30, 2025, \$58,811 of amortization expense on New Product Dossier and Filing Costs (six months ended June 30, 2024 - \$71,203) 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. 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.

No impairment losses were recognized on these intangible assets for the three months ended June 30, 2025. For the year ended December 31, 2024, the Company recognized an impairment loss of \$178,691 related to certain product licenses and rights, representing the excess of the carrying amount of these assets over their estimated recoverable amount.

For the six months ended June 30, 2025, \$219,204 of amortization expense on Product Licenses and Rights (six months ended June 30, 2024 - \$12,107) 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 June 30, 2025, the Company had incurred cumulative new product development costs consisting of labour, laboratory and professional fees totalling \$345,945 (December 31, 2024 - \$345,945) 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.

No impairment losses were recognized on these intangible assets for six months ended June 30, 2025. During the year ended December 31, 2024, the Company recognized an impairment loss of \$86,455 related to certain new product development costs, representing the excess of the carrying amount of these costs over their estimated recoverable amount.

For the six months ended June 30, 2025, \$2,882 of amortization expense on New Product Development costs (six months ended June 30, 2024 - \$6,335) 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 June 30, 2025, the Company has incurred cumulative trademark and patent application and filing costs of \$114,711 (December 31, 2024 - \$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).

No impairment losses were recognized on these intangible assets for six months ended June 30, 2025. For the year ended December 31, 2024, the Company recognized an impairment loss of \$12,097 related to certain new product development costs, representing the excess of the carrying amount of these costs over their estimated recoverable amount.

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 the year ended December 31, 2024 and the six months ended June 30, 2025:

For the six months ended June 30, 2025, \$7,945 of amortization expense on Trademarks and Patents costs (six months ended June 30, 2024 - \$8,331) 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*).

	Contract Liability (\$)
Balance, December 31, 2023	134,461
Estimated variable consideration	129,573
Settlement of variable consideration	(108,868)
Balance, December 31, 2024	155,166
Estimated variable consideration	54,088
Settlement of variable consideration	(87,677)
Balance, June 30, 2025	121,577

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, 2023	1,221,045
Interest expense	59,152
Payments	(242,466)
Balance, December 31, 2024	1,037,731
Interest expense	25,734
Payments	(121,233)
Balance, June 30, 2025	942,232
Current portion, June 30, 2025	207,081
Long-term portion, June 30, 2025	735,151
Current portion, December 31, 2024	196,627
Long-term portion, December 31, 2024	841,104

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

Fiscal Year	Lease Payments
2025	\$ 124,747
2026	\$ 253,008
2027	\$ 253,008
2028	\$ 253,008
2029	\$ 168,672
Total	\$ 1,052,443

For the six months ended June 30, 2025, not included in the lease liability, the Company incurred occupancy costs, net of recoveries, related to its office leases of \$71,296 (six months ended June 30, 2024 - \$67,333) 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, 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
Cancellation of shares held in Treasury	(5,000)	5,000	-	-
Options exercised (c)	6,970	-	6,970	127,543
Shares repurchased under NCIB for cancellation (d)	(19,500)	-	(19,500)	(9,263)
Shares repurchased for RSU Plan Trust and held in Treasury (e)	-	(40,000)	(40,000)	(453,780)
Release of shares from RSU Plan Trust upon RSU Vesting (g)	-	27,570	27,570	202,642
Balance, June 30, 2025	11,471,686	(214,629)	11,257,057	\$ 5,173,592

c. Options exercised

During the six months ended June 30, 2025, 6,970 common shares were issued against options exercised (six months ended June 30, 2024 – 5,190 common shares) for total proceeds on exercise of \$64,824 (six months ended June 30, 2024 – \$38,020) and \$62,719 in fair value was transferred from contributed surplus to share capital (six months ended June 30, 2024 – \$35,002).

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, 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.

During the six months ended June 30, 2025, the Company repurchased and cancelled 19,500 of its common shares for an aggregate price of \$214,805 and incurred costs of \$195 related to the repurchase of these shares. The Company's retained earnings were reduced by \$205,737 upon the repurchase of these shares, representing the excess of the aggregate repurchase price over the reduction in share capital of \$9,263.

e. RSU Plan Trust

During the six months ended June 30, 2025, the Company purchased 40,000 of its common shares (year ended December 31, 2024 – 30,800 common shares) pursuant to its RSU Plan (*see note 17(g)*) for an aggregate purchase price of \$453,780 (year ended December 31, 2024 – aggregate purchase price of \$265,617).

214,629 treasury shares are held in trust as of June 30, 2025 (December 31, 2024 – 207,199 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 June 30, 2025 (December 31, 2024 – 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 six months ended June 30, 2025 and the year ended December 31, 2024:

Grant Date	Number of RSUs Granted	Grant Price per Unit	Grantees	Vesting Term	Vesting Dates
18-Mar-25	50,210	\$11.25	Management and Employees	3 Years	31-Mar-28
18-Mar-25	6,557	\$11.25	Directors	3 Years	31-Mar-28 30-Jun-28 30-Sep-28 31-Dec-28
H1 2025 Total:	56,767	\$ 638,629			
27-Mar-24	55,976	\$8.70	Management and Employees	3 Years	27-Mar-27
27-Mar-24	10,044	\$8.70	Directors	3 Years	31-Mar-27 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 six months ended June 30, 2025 and the year ended December 31, 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-25	51,441	\$ 467,599	25,716	\$ 286,733	25,725	\$ 286,834	\$ 180,765
30-Jun-25	3,846	\$ 45,382	1,854	\$ 21,877	1,992	\$ 23,505	\$ 21,877
H1 2025 Totals:	55,287	\$ 512,981	27,570	\$ 308,610	27,717	\$ 310,339	202,642
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 June 30, 2025, there were 211,804 RSUs outstanding (December 31, 2024 – 208,500), as shown below:

	June 30, 2025		December 31, 2024	
	Number of RSUs	Weighted average grant price	Number of RSUs	Weighted average grant price
Outstanding, beginning of period	208,500	\$8.44	203,798	\$7.75
Granted	56,767	\$11.25	75,080	\$8.88
Dividend reinvestment	1,824	\$8.72	3,667	\$8.25
Vested	(55,287)	\$9.06	(71,902)	\$6.93
Forfeited	-		(2,143)	\$7.89
Outstanding, end of period	211,804	\$9.04	208,500	\$8.44

The weighted-average remaining contractual life of the 211,804 RSUs outstanding at June 30, 2025 is 1.69 years (December 31, 2024 – 1.41 years).

During the six months ended June 30, 2025, the Company recorded aggregate share-based payment expense of \$307,439 on the amortization of outstanding RSUs (six months ended June 30, 2024 – \$261,496).

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, May 16, 2024, and May 15, 2025. 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 six months ended June 30, 2025 or during the year ended December 31, 2024.

As at June 30, 2025, there were 108,716 options outstanding (December 31, 2024 – 124,282), as shown below:

	June 30, 2025		December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	124,282	\$8.34	154,947	\$8.44
Granted	-	-	-	-
Exercised	(6,970)	\$9.30	(28,107)	\$8.91
Expired	(8,596)	\$10.97	(2,558)	\$8.24
Outstanding, end of period	108,716	\$8.07	124,282	\$8.34

As of June 30, 2025, 108,716 options have vested and are exercisable by the option holders (December 31, 2024 – 124,282). These exercisable options have a weighted average exercise price of \$8.07 (December 31, 2024 – \$8.34).

The weighted-average remaining contractual life of the 108,716 (December 31, 2024 – 124,282) options outstanding is 2.16 years (December 31, 2024 – 2.52 years) and the range of exercise prices for these options is \$6.20 – \$9.94 (December 31, 2024 – \$6.20 – \$10.97).

6,970 options were exercised during the six months ended June 30, 2025 (six months ended June 30, 2024 – 5,190). The weighted average share price on the date of exercise of options exercised during the six months ended June 30, 2025 was \$11.24 (six months ended June 30, 2024 – \$9.17).

Employee Share Purchase Plan

On January 1, 2017, the Company introduced an Employee Share Purchase Plan (“ESPP”). Under the ESPP, eligible BioSynt 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 six months ended June 30, 2025, the Company recorded share-based payment expense of \$54,982 (six months ended June 30, 2024 – \$63,608) 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 six months ended June 30, 2025, 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
\$0.05	March 14, 2025	February 28, 2025	\$573,421	\$10,110	\$563,311
\$0.05	June 13, 2025	May 30, 2025	\$573,556	\$10,824	\$562,732
TOTAL:			\$1,146,977	\$20,934	\$1,126,043

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

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:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cost of goods sold (Note 9)	\$ 2,266,734	\$ 1,873,731	\$ 4,908,502	\$ 3,463,493
Selling and marketing	\$ 3,653,544	\$ 3,543,767	\$ 7,117,740	\$ 6,019,173
Advertising, Promotion and Selling Costs	1,716,108	1,875,291	3,287,066	2,806,273
Employee Costs	1,546,156	1,371,210	3,160,454	2,758,633
Logistics, Quality Control & Regulatory	355,474	277,149	607,240	417,133
Share-based Payments (Note 17)	35,806	20,117	62,980	37,134
General and administration	\$ 1,663,209	\$ 1,555,225	\$ 3,490,952	\$ 3,070,378
Employee Costs	729,214	768,883	1,508,154	1,631,865
Corporate Expenses	262,539	200,939	600,883	353,621
Share-based Payments (Note 17)	138,508	154,272	299,441	287,970
Amortization - Intangible Assets (Note 14)	144,566	52,150	288,842	97,976
Professional Fees	118,860	119,017	223,740	209,817
Information Technology	80,266	84,264	203,447	166,545
Research and Development	47,944	27,669	137,324	51,769
Depreciation - Property and Equipment (Note 13)	68,075	69,647	134,982	138,809
Insurance	54,148	52,090	116,918	104,180
Net Foreign Exchange (Gains) Losses	19,089	26,294	(22,779)	27,826
New business development costs	\$ 48,301	\$ 45,569	\$ 103,090	\$ 109,679
Finance costs	\$ 12,631	\$ 15,009	\$ 25,734	\$ 30,602
Interest expense - lease liability (Note 16)	12,631	15,009	25,734	30,602
Finance income	\$ (210,934)	\$ (238,789)	\$ (389,944)	\$ (571,608)
Interest Income	(210,934)	(238,789)	(389,944)	(571,608)

19. Earnings per Share

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

	Three months ended June 30		Six months ended June 30,	
	2025	2024	2025	2024
Numerator				
Net income attributable to common shareholders	\$ 2,018,171	\$ 1,580,289	\$ 4,338,104	\$ 3,349,016
Denominator				
Basic				
Weighted average number of shares outstanding	11,254,689	11,594,523	11,261,842	11,631,743
Effect of dilutive securities	244,209	200,940	245,232	209,485
Weighted average number of shares outstanding	11,498,898	11,795,463	11,507,074	11,841,228
Basic earnings per share	\$ 0.179	\$ 0.136	\$ 0.385	\$ 0.288
Diluted earnings per share	\$ 0.176	\$ 0.134	\$ 0.377	\$ 0.283

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 June 30, 2025, 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 six months ended June 30, 2025 and 2024 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 six months ended June 30, 2025 and 2024, 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	\$ 192,560
2026	\$ 388,633
2027	\$ 388,633
2028	\$ 388,633
2029	\$ 259,089
Total	\$ 1,617,548

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.

The table below summarizes compensation for key management personnel of the Company for the three and six months ended June 30, 2025 and 2024:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Number of Key Management Personnel	5	7	5	7
Salary, Benefits, and Bonus	\$332,713	\$433,748	\$656,826	\$777,039
Share-Based Payments	\$96,634	\$107,223	\$170,650	\$198,383

During the six months ended June 30, 2025, the Company recorded share-based payment expense of \$170,650 (six months ended June 30, 2024 - \$198,383) related to the amortization of RSUs granted to key management under the Company's RSU Plan, the vesting of options granted prior to 2020 under the Company's SOP, as well as the Company's contributions to the ESPP for the purchase of common shares on behalf of participating key management personnel.

As at June 30, 2025, there were loans receivable under the MSLP from key management personnel of \$126,996 (December 31, 2024 - \$207,923). During the six months ended June 30, 2025, MSLP loan repayments of \$84,163 were received (six months ended June 30,

2024 - \$58,694). Interest accrued on these MSLP loans during the six months ended June 30, 2025 totalled \$3,392 (six months ended June 30, 2024 - \$7,717).

Transactions with Directors

During the six months ended June 30, 2025, the Company paid cash fees to its directors in the amount of \$75,732 (six months ended June 30, 2024 - \$63,564) and recorded share-based payments expense for accounting purposes of \$43,779 (six months ended June 30, 2024 - \$41,229) 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:

June 30, 2025	\$37,600,753
December 31, 2024	\$35,003,185

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 June 30, 2025. There were no changes in the Company's approach to capital management during the period.

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 June 30, 2025, a foreign exchange facility, and a credit card facility of \$90,000. 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% (2024 – 26.5%) in the Canadian jurisdiction, 22.1% (2024 – 22.1%) in the U.S. jurisdiction, and 9.0% (2024 – 9.0%) in the Barbados jurisdiction.

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

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Canada				
Pharmaceutical Business	\$9,327,224	\$8,535,480	\$18,486,876	\$16,081,624
Insecticide Business	342,997	110,698	627,089	278,495
Total Canada	\$9,670,221	\$8,646,178	\$19,113,965	\$16,360,119
International Jurisdictions				
Pharmaceutical Business - Global	\$445,614	\$157,217	\$1,980,830	\$157,217
Insecticide Business - United States	63,461	141,171	63,461	160,866
Total International Jurisdictions	\$509,075	\$298,388	\$2,044,291	\$318,083
Total Revenue	\$10,179,296	\$8,944,566	\$21,158,256	\$16,678,202

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.

	June 30, 2025	December 31, 2024
Canada	\$12,859,273	\$16,836,681
Barbados	43,744	51,689
Total Non-current Assets	\$12,903,017	\$16,888,370

27. Subsequent Event

Dividend Declaration

On August 21, 2025, the Company's Board of Directors declared a dividend of \$0.05 per common share to shareholders of record on August 29, 2025 payable on September 15, 2025.

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Peter D. Lockhard (Lead Director)

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Stephen Wilton

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Stock Listing

TSX Venture Exchange

Trading symbol: RX