BioSyent Inc.

Management's Discussion and Analysis

For the three months ended March 31, 2019 and 2018

May 28, 2019

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BioSyent

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Introduction

The following discussion of BioSyent Inc.'s ("**BioSyent**" or the "**Company**") operations, performance and financial condition is based on the Company's interim unaudited condensed consolidated financial statements for the three months ended March 31, 2019 and March 31, 2018 ("**Consolidated Financial Statements**"), which were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("**IAS34**"). The discussion of financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements, including the notes thereto. Additional information relating to the Company, including the Consolidated Financial Statements and the accompanying notes can be found at www.sedar.com.

Forward-Looking Statements

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

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Undue reliance should not be placed on such statements. Certain material assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Known and unknown factors could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Important assumptions, influencing factors, risks, and uncertainties are referred to in the body of this MD&A, in the press release announcing the Company's financial results for the three months ended March 31, 2019 and March 31, 2018 and in BioSyent's annual and interim financial statements and the notes thereto. These documents are available at www.sedar.com.

The forward-looking statements contained in this MD&A are made as at the date of this MD&A and, accordingly, are subject to change after such date. Except as required by law, BioSyent does not undertake any obligation to update or revise any forward-looking statements made or incorporated in this MD&A, whether as a result of new information, future events or otherwise.

Accounting Estimates and Accounting Policies

Effective as of January 1, 2019, the Company has adopted IFRS 16, *Leases* and has applied the requirements of IFRIC 23, *Uncertainty over Income Tax Treatments*. Please refer to Note 3 of the Consolidated Financial Statements for a summary of changes to the Company's accounting policies as well as recent accounting pronouncements impacting the Company.

The preparation of the Company's consolidated financial statements requires management to make critical judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. On an ongoing basis, management evaluates its judgments, estimates, and assumptions using historical experience and various other factors it believes to be reasonable under the given circumstances. In the future, actual experience may differ from these estimates and assumptions.

BioSyent's significant accounting judgments and estimates include recoverability of asset carrying values, impairment of trade and other receivables, income taxes, depreciation of equipment, amortization of intangible assets, share-based payments, inventory, and determination of the transaction price in revenue recognition. For a more detailed discussion of changes to the Company's critical accounting estimates, please refer to Note 4 of the Consolidated Financial Statements for the year ended December 31, 2018.

Non-IFRS Financial Measures

This MD&A makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS, and are unlikely to be comparable to similar measures presented by other companies. When used, these measures are defined in such terms as to allow the reconciliation to the closest IFRS measure. These measures are provided as additional information to complement those IFRS measures by providing a further understanding of the Company's results of operations from management's perspective.

Accordingly, these measures should not be considered in isolation nor as a substitute for analyses of the Company's financial information reported under IFRS. Management uses non-IFRS measures such as Earnings Before Interest, Taxes, Depreciation

and Amortization ("**EBITDA**"), Compound Annual Growth Rate ("**CAGR**") and Trailing Twelve Months Earnings per Share ("**TTM EPS**") to provide investors with supplemental measures of the Company's operating performance and thus highlight trends in the Company's core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also believes that securities analysts, investors, and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets, and to assess the Company's ability to meet future debt service, capital expenditure, and working capital requirements. The definition and a reconciliation of EBITDA, as used and presented by the Company, to the most directly comparable IFRS measures follows later in this MD&A.

Overview, Vision, Strategy, and Products

Overview

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

BioSyent's Vision

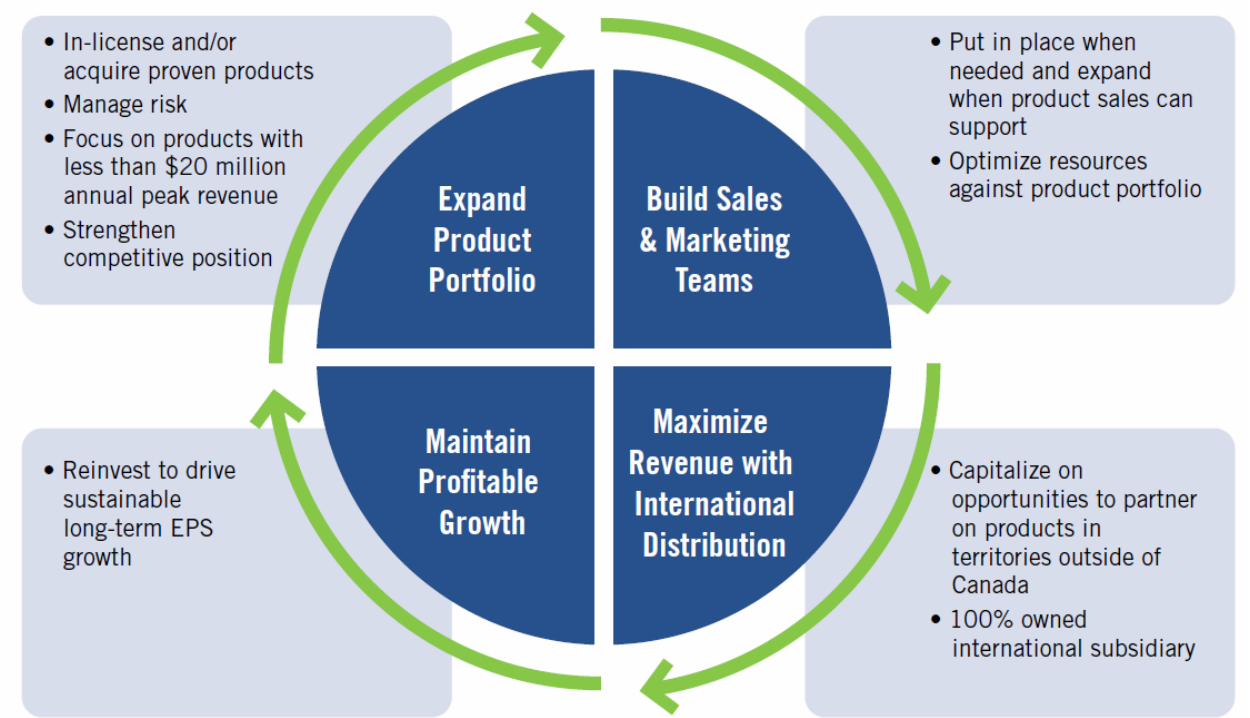
BioSyent's vision is to be the leading independent Canadian healthcare company focused on commercializing innovative products improving patient lives and supporting healthcare providers.

BioSyent is independent and does not have access to large amounts of capital or a corporate pipeline of products funded by large investments in research and development. BioSyent is focused on innovative products that are sourced through international partnerships. These products are unique due to manufacturing complexities, novel technologies, therapeutic advantages and/or strong, defendable intellectual property rights. The Company's strategy allows it to commercialize these products as brands acquired or licensed to it by partners. The Company intends for its products to be differentiated and to improve patient lives. The Company works with, and supports, healthcare practitioners in achieving this objective.

BioSyent's Strategy

BioSyent has four key elements to achieving its strategic objectives:

1. Expand the product portfolio
2. Build sales and marketing teams
3. Maximize revenue with international distribution
4. Maintain profitable growth



BioSyent has developed sourcing arrangements with partners based in the U.S. and Europe. The Company has a flexible format for such arrangements.

The Company seeks long-term buy-sell agreements or in-licensing arrangements with or without royalties or payments linked to milestone events such as regulatory approvals or reimbursement by formularies.

The Company exercises diligence when sourcing new products. Some of the steps in this process involve reviewing market data and market trends, interviewing key healthcare practitioners or medical advisory boards and obtaining opinions on reimbursement possibilities with payers. Once the Company has decided to proceed with a new product opportunity, it acquires or licenses exclusive Canadian and/or international market rights to that product. After the acquisition or in-licensing of the product, the Company manages the product through the regulatory and product registration process and, once approved, commercializes the product in Canada and/or international markets.

The Company uses various means of reducing risk in the marketplace. The Company adopts a gradually accelerating investment approach in promoting its products in the marketplace by balancing its investment behind brands with brand revenue and growth and by segmenting the market into immediate and long-term growth opportunities. It pursues possible reimbursement avenues for its products in both the private and public sectors. The Company uses various marketing techniques throughout the product life cycle, as it deems appropriate, including healthcare practitioner detailing, direct to patient information, product differentiation materials, and expansion of patient and healthcare practitioner support services to increase awareness of product efficacy and safety. The Company employs a salesforce of qualified sales professionals across Canada with experience in pharmaceutical detailing to healthcare practitioners and hospitals.

The Company focuses on medications that occupy a niche in the market and are unique due to manufacturing complexities or novel technological and therapeutic advantages or are backed by strong partners holding defendable intellectual property rights. This strategy allows the Company to market these medications as brands it owns or licenses. By virtue of its strong growth record, the Company is able to attract partners for new products that have niche positioning.

Evolution of Strategy

The Company has not engaged in clinical trials due to the risks associated with such research activities. From time to time, the Company may acquire or in-license opportunities in late-stage development with which it, or its partners, have significant prior experience. Such experience and competency of the Company and its partners give the Company the ability to gauge risk in some depth. The Company may also seek in-licensing opportunities for new products launched in countries outside of Canada that require additional research and development work before being launched in the Canadian market. The Company considers opportunities where there is a high probability that additional research and development work is likely to extend the lifecycle of portfolio products. Such studies might include in vitro or in vivo studies (including bio-equivalency studies, efficacy studies, or safety studies).

Pharmaceutical Business

FeraMAX® 150

In keeping with its strategy, the Company has, through BioSyent Pharma, launched FeraMAX® 150 to the Canadian healthcare market. FeraMAX® 150 is an oral hematinic indicated for the prevention and treatment of iron deficiency anaemia. This non-ionic polysaccharide-iron complex formulation reduces adverse side effects common with other iron formulations. Shipments of FeraMAX® 150 commenced in April 2007.

FeraMAX® 150 continues to be a strong driver of growth in the Company's domestic and international pharmaceutical business. In 2015, the Company developed and launched a new Certified Vegan formulation of FeraMAX® 150. In 2016, the Company developed a 100mg formulation of FeraMAX® capsules ("FeraMAX® 100") for distribution in certain markets outside of Canada.

Cathejell®

In July 2011, BioSyent Pharma received marketing approval from Health Canada for Cathejell®. Cathejell® was in-licensed by BioSyent Pharma from Pharmazeutische Fabrik Montavit. Shipments of Cathejell® commenced in May 2012. In April 2017, BioSyent Pharma extended its in-license agreement with Pharmazeutische Fabrik Montavit, giving BioSyent Pharma exclusive Canadian rights to the Cathejell® product until March 31, 2024.

Cathejell® is an innovative pharmaceutical product that combines a sterile gel with lidocaine in a unique collapsible applicator syringe providing a safe and effective solution for patients to ease the discomfort of a range of medical procedures. Cathejell® is indicated for surface anesthesia and lubrication for various procedures including male and female cystoscopies, catheterizations and other endourethral operations, endoscopies, proctoscopies, rectoscopies, and tracheal intubations.

Cathejell® can also be used for the symptomatic treatment of pain in connection with cystitis and urethritis. Cathejell® has a unique collapsible syringe design with a trauma-free applicator tip that makes it easy to use for healthcare professionals and makes the application of the drug more comfortable for the subject patient.

FeraMAX® Powder

In July 2012, BioSyent Pharma received marketing approval from Health Canada for its unique new oral iron supplement FeraMAX® Powder. FeraMAX® Powder is the only oral iron product available in Canada in a dissolvable powder and comes in pleasant tasting grape and raspberry flavoured crystals, which can be conveniently dosed by diluting them in water or mixing them with soft foods. This innovative product is based upon the same non-ionic polysaccharide-iron complex technology found in FeraMAX®150.

Other oral iron products made from common ferrous salts intended for infants and children either have an unpleasant heavy metallic taste which deters patient compliance or they come in formulations containing alcohol which healthcare professionals and caregivers prefer to avoid. The Canadian market launch of FeraMAX® Powder in May 2013 was the global introduction of this product and provides BioSyent Pharma with a unique offering for international marketing partners. The Company has also launched the product in several international markets through distribution agreements.

Aguettant System®

In August 2012, BioSyent Pharma signed an exclusive Licensing and Distribution Agreement (the "**Aguettant Agreement**") with Laboratoire Aguettant S.A.S. ("**Laboratoire Aguettant**"). Pursuant to the Aguettant Agreement, the Company in-licensed three pre-filled syringe ("**PFS**") products which are medical syringes pre-filled with a specific dosage of medication and marketed to hospitals and acute care settings.

The Aguettant System® for PFS offers a patented innovation that can be used for a variety of injectable medications. The Aguettant System® for PFS features a needleless, glassless, sterile plastic syringe with a ready-to-use dual tamper-evident seal. These products provide hospitals, clinics and healthcare professionals with improved patient safety as well as operational efficiencies.

Laboratoire Aguettant has been providing innovative and patented infusion delivery systems to hospitals for more than 100 years. The Aguettant System® for PFS has been available since 2009 and is used in several European countries including France, the United Kingdom and Belgium.

Aguettant System® – Atropine Sulphate

One Aguettant System® urgent care product contains atropine sulphate, a commonly used drug in emergency situations and anaesthetic procedures. The Company launched this product in February 2015 as the first of three drugs for use in urgent care.

Aguettant System® – Phenylephrine Hydrochloride

In May 2016, the Company received approval from Health Canada for a new urgent care product, phenylephrine hydrochloride injection, for use in Aguettant System® PFS in hospitals and acute care settings. Phenylephrine hydrochloride injection is indicated for the treatment of clinically important hypotensive states, including overcoming peripheral vascular failure (shock, or shock-like states), maintenance of blood pressure in the setting of

anesthesia, drug-induced hypotension, or hypersensitivity with circulatory compromise. The Company commenced distribution of this product in November 2016.

Regulatory work on a third urgent care PFS product was suspended by the Company in 2017.

RepaGyn®

RepaGyn®

In October 2013, the Company signed an exclusive Canadian Licensing and Distribution Agreement with Farma-Derma s.r.l. (the "**RepaGyn Agreement**"). Pursuant to the RepaGyn Agreement, the Company distributes a women's health product, RepaGyn®, which is an innovative vaginal suppository that has received approval from Health Canada. RepaGyn® helps relieve dryness and promotes healing of the vaginal mucosa. It is also recommended in situations where tissue repair is required after invasive vaginal surgeries and biopsy procedures. RepaGyn® vaginal suppositories can be used with or without local hormone therapy.

RepaGyn® is formulated with sodium hyaluronate, a naturally-occurring compound, and offers a hormone-free treatment alternative proven to deliver symptom relief, restoration of pH balance and tissue repair all in one ovule.

RepaGyn® is supported by clinical evidence of both efficacy and symptom relief and has been recommended by doctors and successfully used by women in several European countries including Italy, France, Belgium, Switzerland, Denmark and Poland for over 10 years under the brand names Cicatridine®, Cicatridina®, Cikatridina®, and Repadina®.

Proktis-M®

Proktis-M®
Rectal Suppositories • Sodium Hyaluronate

In March 2014, the Company entered into an in-licensing agreement for exclusive marketing and distribution rights in Canada of Proktis-M® rectal suppositories with Farma-Derma s.r.l. Proktis-M® rectal suppositories are designed to help the healing of the anus and rectum. Proktis-M® rectal suppositories, which were launched by the Company in November 2014, have been studied and tested in conditions such as operated severe internal hemorrhoids, anal fissures, and prevention of radiation-induced proctitis.

Proktis-M® rectal suppositories are formulated with sodium hyaluronate, a naturally-occurring compound, and offer a temporary matrix to facilitate cell proliferation which enhances wound healing. Proktis-M® rectal suppositories can be used on their own or in combination with other products. Proktis-M® rectal suppositories are supported by clinical evidence and have been successfully used to treat men and women in several European countries.

Cysview®

CYSVIEW®
HEXAMINOLEVULINATE HCL

In August 2015, BioSyent Pharma signed a Distribution and Supply Agreement with Photocure ASA granting BioSyent Pharma an exclusive license to import, promote and sell the Cysview® product in Canada.

Cysview® is a patented, innovative technology that aids in the diagnosis and management of non-muscle-invasive bladder cancer. It is designed to selectively target malignant cells in the bladder and induce fluorescence during cystoscopic procedures using a blue-light enabled cystoscope.

This technology can lead to a 25% improvement in the detection of bladder cancer tumors as compared with traditional white light cystoscopy (Burger et al. 2013), leading to a reduced risk of recurrence. Cysview® has been successfully marketed in the U.S. and Europe and was approved by Health Canada in January 2015. The Company commenced the Canadian promotional launch of Cysview® in November 2015.

Tibella®

Tibella®
tibolone tablets, Mfr. Std.

In November 2016, the Company signed an exclusive License and Supply Agreement with a European partner for a prescription product in the women's health therapeutic area for the Canadian market – Tibella®. Tibella® is a hormone replacement therapy ("HRT") consisting of tibolone. Tibella® is indicated for the short-term treatment of vasomotor symptoms due to estrogen deficiency in postmenopausal women, more than one year after menopause. Tibolone has been approved and marketed in Europe for over 30 years, and is also approved and marketed in other countries around the world. The Company received regulatory approval from Health Canada for Tibella® in May 2019 and is currently preparing for the launch of this product to the Canadian market. In Canada, Tibella® belongs in a sub-segment of the women's health market valued at approximately CAD $200 million (source: *IQVIA* market data for the 12 months ending December 2018).

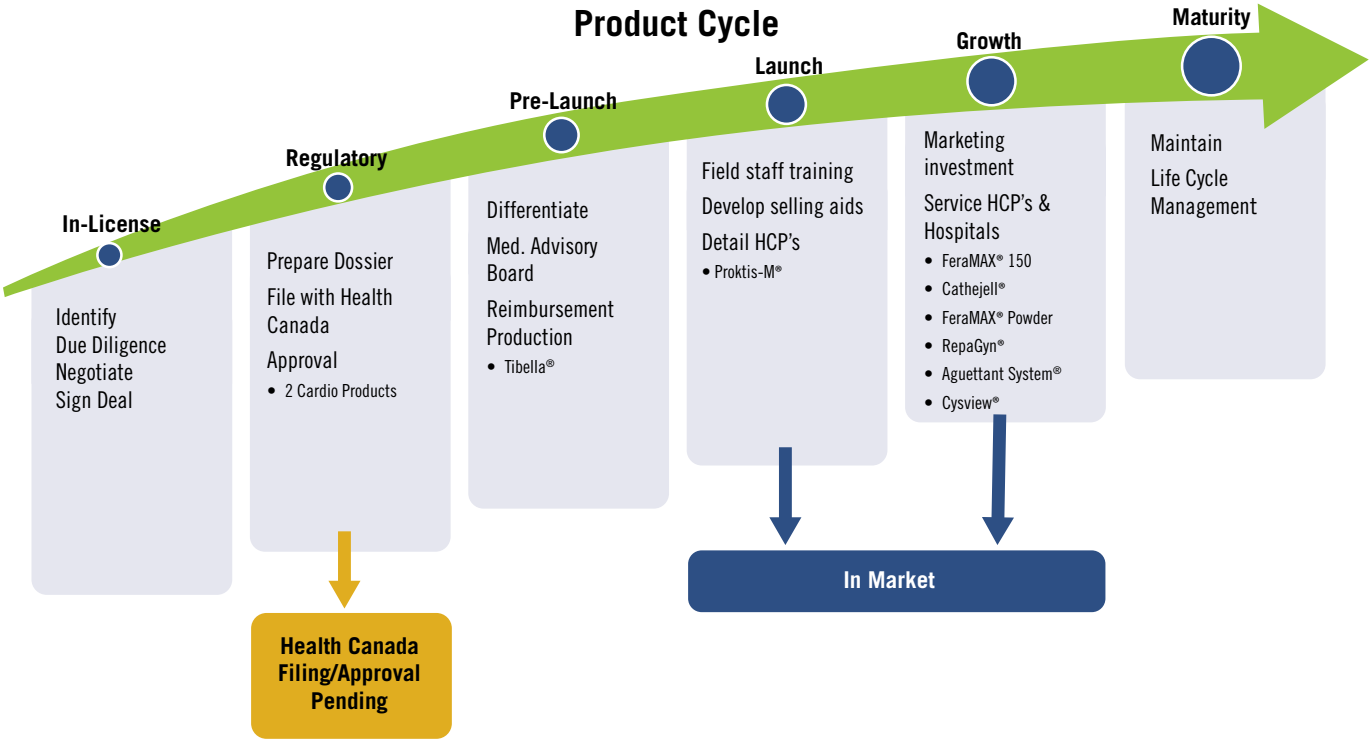
Cardiovascular Products

In May 2016, the Company signed an exclusive Distribution Agreement with a European partner for two products in the cardiovascular therapeutic area for the Canadian market. These products have been approved in Europe and certain other markets around the world. The Company made a submission seeking marketing approval of the products in Canada in December 2017 and received a Notice of Deficiency from Health Canada in respect of this submission in April 2019. The Company is currently working towards providing Health Canada with the necessary additional information requested in respect of these products.

Pharmaceutical Product Cycle

The Company organizes its product lifecycle into six stages: (i) the in-license stage, (ii) the regulatory stage, (iii) the pre-launch stage, (iv) the launch stage, (v) the growth stage, and (vi) the maturity stage.

The Company currently has seven products in the growth stage (FeraMAX®150, Cathejell® FeraMAX® Powder, RepaGyn®, Cysview® ,and Aguettant System® Atropine and Phenylephrine), one product in the launch stage (Proktis-M®), one product in the pre-launch stage (Tibella®) and two products in the regulatory stage subject to Health Canada approval (two Cardiovascular Products).



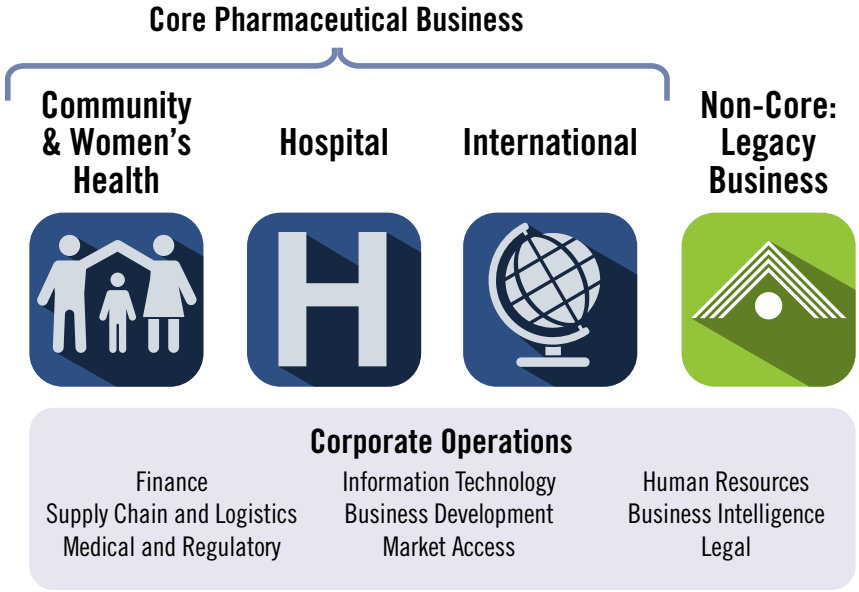
Pharmaceutical Product Pipeline

The Company is committed to expanding its product portfolio and accelerating its product pipeline with a focus on innovative products that are unique. The Company is currently in discussions with several potential partners for new pharmaceutical product opportunities. Although launched in markets outside of Canada, some of these products may require some additional investment before the Company seeks approval from Health Canada for the Canadian market or other international government regulatory bodies for international markets.

Pharmaceutical Business Structure

The Company has three pharmaceutical business units: (i) the Community and Women's Health Business Unit which commercializes pharmaceutical products focused on improving family and women's health in Canada (the "**Community Business**"); (ii) the Hospital Business Unit which sells pharmaceutical and healthcare products to Canadian hospitals and hospital specialists (the "**Hospital Business**"); and (iii) the International Pharmaceutical Business Unit which sells pharmaceutical products to markets outside of Canada (the "**International Business**").

These three business units, collectively, the "**Pharmaceutical Business**", are supported by the Company's Corporate Operations, including the finance, supply chain and logistics, medical and regulatory affairs, information technology, investor relations, business development, market access, human resources, business intelligence, and legal functions. As the Company expands its product portfolio into new therapeutic areas, new specialty business units may be established as part of the pharmaceutical business structure as and when considered appropriate.



Legacy Business

Protect-It®

The Company continues to manufacture and market Protect-It®, a bio-friendly, non-chemical, food-safe grain insecticide. Protect-It® was developed through collaborative research between the Cereal Research Centre of Agriculture and Agri-Food Canada. Protect-It® is used as a preventative treatment against insect infestations in stored grains. The Legacy Business provides an additional source of stable cash flows for the Company allowing it to focus on its strategic areas of growth in the Pharmaceutical Business.

New Capabilities and Awards

In May 2019, the Company's FeraMAX® brand was named the #1 Doctor and Pharmacist recommended over-the-counter oral iron supplement brand in Canada for the fourth consecutive year *(EnsembleIQ Healthcare Group: Pharmacy Practice + Business, The Medical Post, Profession Santé*, CanadianHealthcareNetwork.ca, and ProfessionSanté.ca 2019 Survey on OTC Counselling and Recommendations).

In May 2019, the Company received approval from Health Canada for Tibella®, a prescription hormone replacement therapy ("HRT") consisting of tibolone. Tibella® substitutes for the loss of estrogen production in postmenopausal women and alleviates menopausal symptoms. This drug will form part of the Company's women's health product portfolio.

Key Performance Measures

Key performance measures for the first quarter ("Q1") ended March 31, 2019, 2018 and 2017 are summarized in the table below:

	Q1 2019	Q1 2018	Q1 2017	CAGR*
Sales	$4,478,814	$4,447,147	$3,821,262	8%
Sales Growth %	1%	16%	1%	-
Net Income Before Taxes	$1,278,668	$1,493,699	$1,182,427	4%
Net Income Before Taxes Growth %	-14%	26%	-9%	-
Net Income Before Taxes Margin	29%	34%	31%	-
Income Tax (Current and Deferred)	$300,487	$350,569	$280,871	-
Net Income After Taxes	$978,181	$1,143,130	$901,556	4%
Net Income After Taxes Growth %	-14%	27%	-5%	-
Net Income After Taxes Margin	22%	26%	24%	-
Net (Decrease) Increase in Cash and Short-term Investments	$(1,966,168)	$301,171	$305,311	-
Basic EPS	$0.07	$0.08	$0.06	-
Diluted EPS	$0.07	$0.08	$0.06	-

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

Sales CAGR between Q1 2017 and Q1 2019 was 8%. Net Income After Taxes CAGR was 4% between Q1 2017 and Q1 2019.

Results of Operations for the quarters ended March 31, 2019 and 2018

Sales

Sales Overview

Total Company sales for Q1 2019 were $4,478,814, increasing 1% compared to total company sales for Q1 2018 of $4,447,147.

Canadian pharmaceutical sales for Q1 2019 were $4,270,140, increasing 13% compared to Canadian pharmaceutical sales for Q1 2018 of $3,765,638.

International pharmaceutical sales for Q1 2019 were $nil as compared to sales for Q1 2018 of $565,841. Although the Company had recorded International pharmaceutical sales in sixteen consecutive quarters to Q4 2018, $nil sales were recorded in Q1 2019 due to the additional complexities inherent to this business. International FeraMAX® shipments are typically high value but low frequency compared to Canadian FeraMAX® shipments. The timing of International FeraMAX® shipments is affected by import quotas in certain international markets.

Legacy Business sales for Q1 2019 were $208,674, increasing 80% compared to Legacy Business sales for Q1 2018 of $115,668.

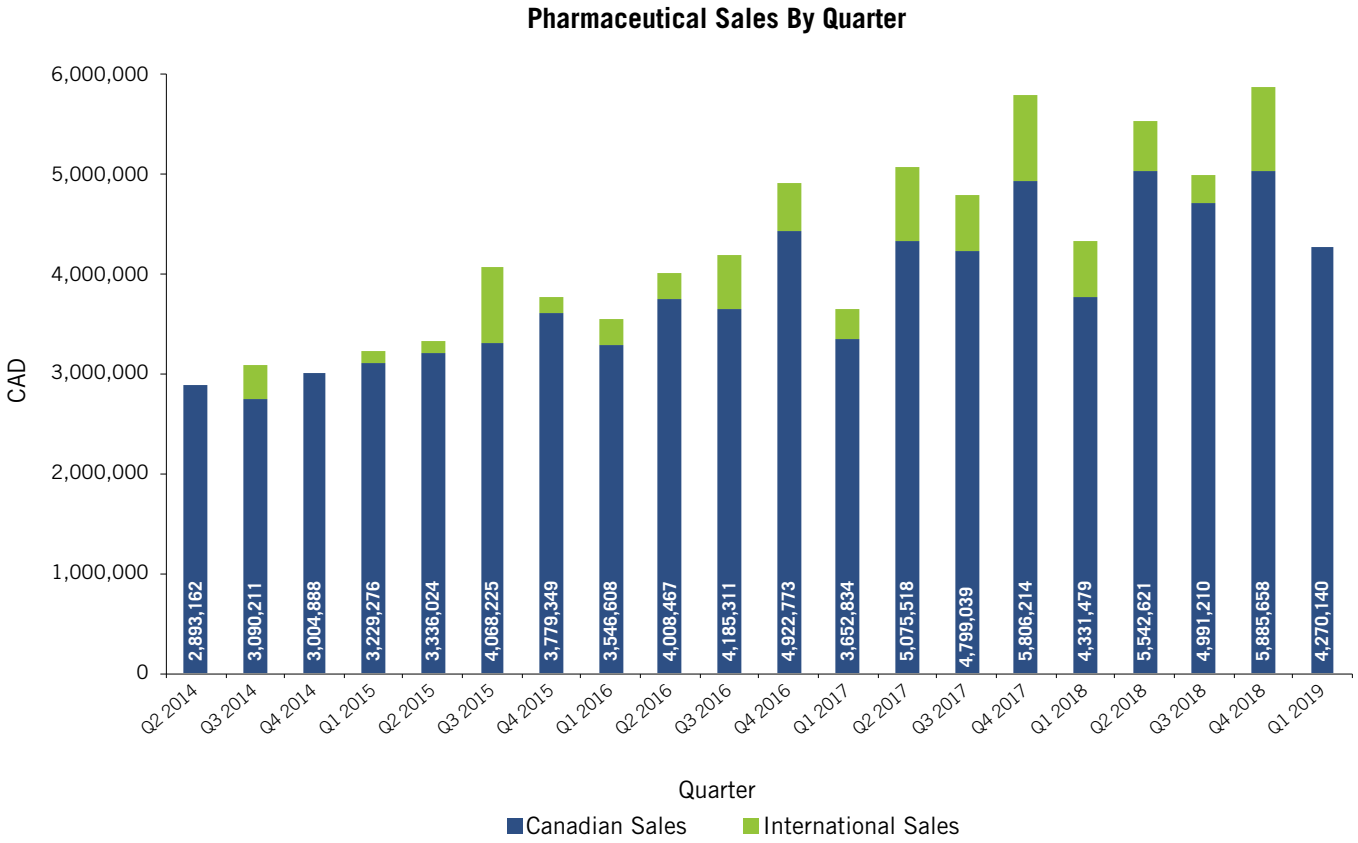
Below is a summary of the Company's sales by business for the eight most recently completed quarters:

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Sales								
Pharmaceutical Business	4,270,140	5,885,658	4,991,210	5,542,621	4,331,479	5,806,214	4,799,039	5,075,518
Growth% vs. prior year period	-1%	1%	4%	9%	19%	18%	15%	27%
Legacy Business	208,674	25,307	268,283	366,802	115,668	95,274	604,561	560,887
Growth% vs. prior year period	80%	-73%	-56%	-35%	-31%	10%	4%	54%
Total Sales	4,478,814	5,910,965	5,259,493	5,909,423	4,447,147	5,901,488	5,403,600	5,636,405
Growth% vs. prior year period	1%	0%	-3%	5%	16%	18%	13%	29%

Sales Mix

The Pharmaceutical Business accounted for 95% of total sales in Q1 2019 while the Legacy Business accounted for 5% of total sales. This sales mix is in line with management's focus on continuing to grow the Pharmaceutical Business while supporting the Legacy Business in a limited way.

Pharmaceutical Sales Trend



Total pharmaceutical sales for Q1 2019 were $4,270,140, decreasing 1% compared to total pharmaceutical sales for Q1 2018 of $4,331,479, which increased 19% compared to Q1 2017. Q1 2019 total pharmaceutical sales decreased by 27% compared to Q4 2018 pharmaceutical sales of $5,885,658, which is typical for the Company's first quarter sales. This seasonal pattern occurred as a decrease of 25% in Q1 2018 versus Q4 2017 pharmaceutical sales and as a decrease of 26% in Q1 2017 versus Q4 2016 pharmaceutical sales.

Canadian Pharmaceutical Sales Trend:

Canadian pharmaceutical sales for Q1 2019 were $4,270,140, increasing 13% compared to Canadian pharmaceutical sales for Q1 2018 of $3,765,638 which increased 12% compared to Q1 2017.

In the Community Business, Q1 2019 Canadian sales volumes (units) of FeraMAX® 150 and FeraMAX® Powder increased by 6% and 2%, respectively, over Q1 2018 sales volumes.

Sales volumes (units) of the RepaGyn® product increased by 7% in Q1 2019 over Q1 2018.

In the Hospital Business, Q1 2019 Canadian sales volumes (units) of the Company's established Cathejell® product declined by 14% versus Q1 2018 while sales volumes (units) of Aguettant System® PFS products increased by 232% versus Q1 2018 as a result of increased market penetration of the phenylephrine hydrochloride PFS as well as an intermittent shortage in supply of competing urgent care products in the market.

Sales volumes (units) of the Company's growth-stage hospital product, Cysview®, also increased significantly in Q1 2019 when compared to a low base in Q1 2018, with seven of nine live hospital sites ordering product during the quarter. While the Company has experienced a long selling and implementation cycle for Cysview®, management is encouraged by the rate of adoption and implementation of the product by Canadian hospitals in the second half of 2018 which has translated into repeat customer orders in Q1 2019.

International Pharmaceutical Sales Trend:

Pharmaceutical sales in the International Business for Q1 2019 were $nil, as compared to sales for Q1 2018 of $565,841 which increased 90% compared to Q1 2017. While demand for FeraMAX® continues to grow in its major international markets, the Company's ability to supply these markets is affected by certain import restrictions. As such, shipments to these markets are large and irregular, as compared to the Canadian pharmaceutical business. This variability in the timing of international FeraMAX® shipments is more acute in 2019.

Legacy Business Sales Trend:

Legacy Business sales for Q1 2019 were $208,674, increasing by 80% compared to Legacy Business sales for Q1 2018 of $115,668. Legacy Business customers are generally less responsive to marketing and promotion, with demand for grain insecticides influenced more by weather conditions, prices of agricultural inputs, the quality and quantity of the food grain harvest, and the level of infestation of stored grain.

Expenses

	Three months ended March 31,		% Change vs. Prior Period
	2019	2018	
Cost of Goods Sold	$958,424	$1,030,894	-7%
Selling and Marketing	$1,371,815	$1,208,762	13%
General and Administration	$985,701	$958,083	3%
New Business & Development Costs	$7,123	$17,665	-60%
Subtotal	$3,323,063	$3,215,404	3%
Finance Income	$ (122,917)	$ (261,956)	-53%

Total expenses, including the cost of goods sold ("**COGS**") and excluding finance income, for Q1 2019 were $3,323,063, increasing 3% compared to total expenses for Q1 2018 of $3,215,404. The ratio of total expenses to sales for Q1 2019 was 74%, higher than a ratio for Q1 2018 of 72%.

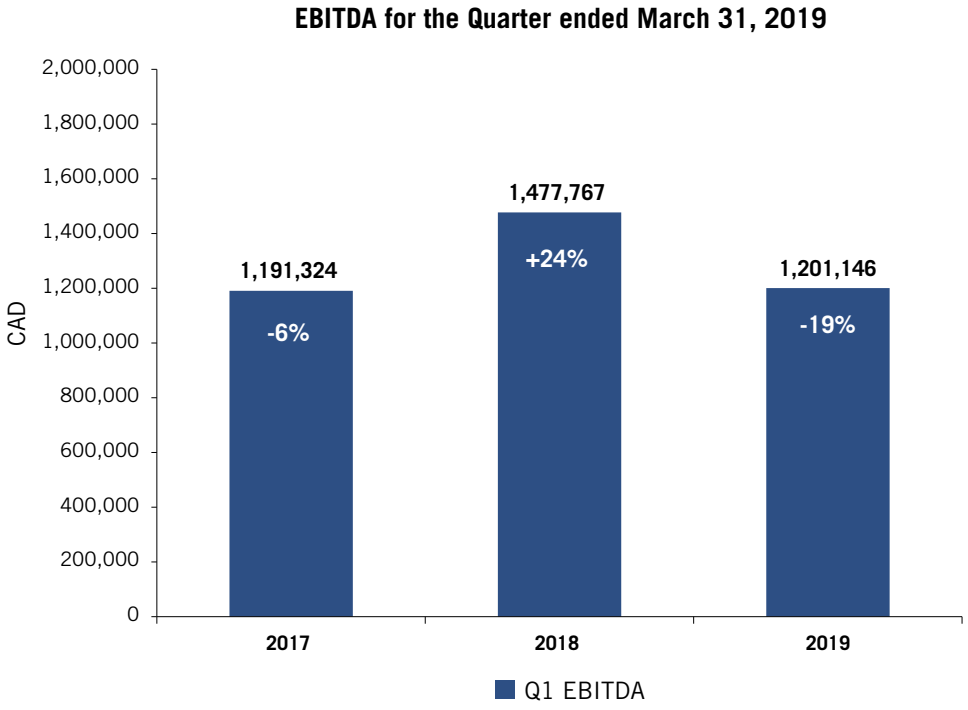
This increase in total expenses in relation to sales was primarily due to selling and marketing expenses for Q1 2019 of $1,371,815, increasing 13% compared to selling and marketing expenses for Q1 2018 of $1,208,762. The Company expanded its field sales force, resulting in an increase in selling and marketing employee costs of 14% in Q1 2019 versus Q1 2018. The Company also increased its promotional spend on its growth stage products and made investments in its market intelligence software, data, and services, resulting in an increase in advertising, promotion and selling costs of 15% in Q1 2019 versus Q1 2018.

General and administration expenses for Q1 2019 were $985,701, increasing 3% compared to general and administration expenses for Q1 2018 of $958,083. In relation to sales, general and administration expenses remained consistent at 22% of sales in both Q1 2019 and Q1 2018.

Finance income, including interest income and certain realized foreign exchange gains, for Q1 2019 of $122,917 decreased by 53% compared to finance income for Q1 2018 of $261,956. While interest income more than doubled in Q1 2019 versus Q1 2018 as the Company increased its investment in short-term GICs, the Company did not realize any foreign exchange gains in Q1 2019. By comparison, the Company realized $201,492 in such foreign exchange gains in Q1 2018 as a result of a higher level of foreign-currency denominated monetary assets held as well as greater variation in relevant foreign exchange rates during Q1 2018 versus during Q1 2019.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA is a non-IFRS financial measure. The term EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Company defines EBITDA as earnings before interest income or expense, income taxes, depreciation and amortization. A summary of the Company's EBITDA for the quarters ended March 31, 2017, 2018, and 2019 is provided in the graph below:



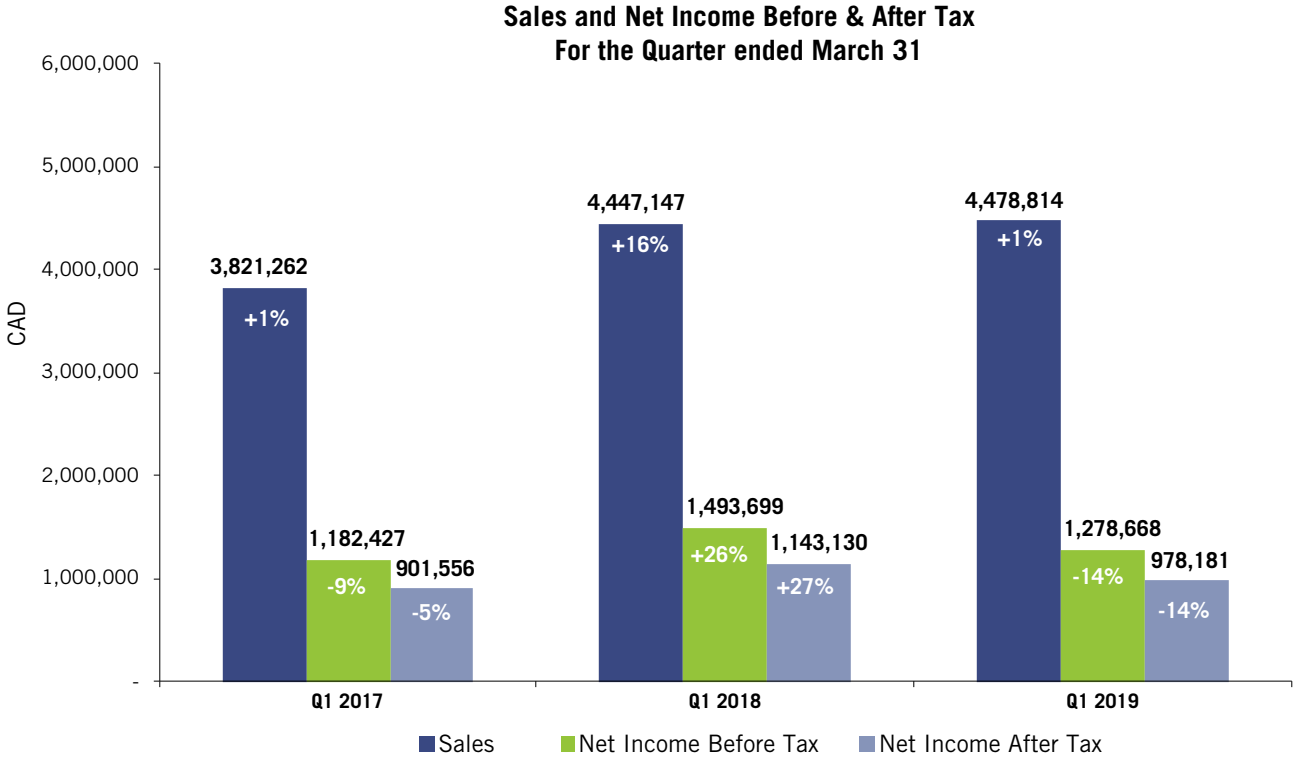
EBITDA for Q1 2019 of $1,201,146 decreased by 19% compared to EBITDA for Q1 2018 of $1,477,767. This decline in EBITDA was due primarily to the Company's Net Income Before Taxes declining by 14% in Q1 2019 versus Q1 2018. Additionally, the Company earned higher interest income in Q1 2019 versus Q1 2018, with such income being exluded from EBITDA. A reconciliation of EBITDA to Net Income After Taxes (NIAT) for the quarters ended March 31, 2019, 2018, and 2017 is provided in the table below:

RECONCILIATION OF EBITDA TO NIAT

	FOR THE QUARTER ENDED MARCH 31		
	2019	2018	2017
Q1 EBITDA	$1,201,146	$1,477,767	$1,191,324
Add: Interest Income	122,917	60,464	34,427
Less: Depreciation of Equipment	(21,123)	(19,920)	(20,538)
Amortization of Intangible Assets	(24,272)	(24,612)	(22,786)
Income Tax Expense	(300,487)	(350,569)	(280,871)
NIAT	$978,181	$1,143,130	$901,556

Net Income After Taxes (NIAT)

NIAT for Q1 2019 of $978,181 decreased by 14% compared to NIAT for Q1 2018 of $1,143,130 which increased by 27% compared to Q1 2017. The Company's NIAT margin for Q1 2019 was 22%, compared to a NIAT margin for Q1 2018 of 26%. While the Company's sales increased by 1% overall in Q1 2019 versus Q1 2018, its operating expenses, including COGS increased by 3% during this period and its finance income decreased by 53%, resulting in a lower NIAT margin for Q1 2019 overall.



Including currency translation gains of $23,578, total comprehensive income for Q1 2019 was $1,001,759, decreasing 12% compared to total comprehensive income for Q1 2018 of $1,138,615.

Earnings per Share (EPS)

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

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Sales ($)	4,478,814	5,910,965	5,259,493	5,909,423	4,447,147	5,901,488	5,403,600	5,636,405
Net Income After Taxes ($)	978,181	1,671,410	1,270,613	1,620,233	1,143,130	1,457,228	1,294,575	1,552,918
Earnings Per Share – Basic ($)	0.07	0.11	0.09	0.11	0.08	0.10	0.09	0.11
Earnings Per Share – Diluted ($)	0.07	0.11	0.09	0.11	0.08	0.10	0.09	0.11

Diluted EPS for Q1 2019 was $0.07, decreasing $0.01 compared with diluted EPS for Q1 2018 of $0.08. For the trailing twelve months ("TTM") ended March 31, 2019, diluted EPS was $0.38, consistent with TTM diluted EPS of $0.38 for period ended March 31, 2018.

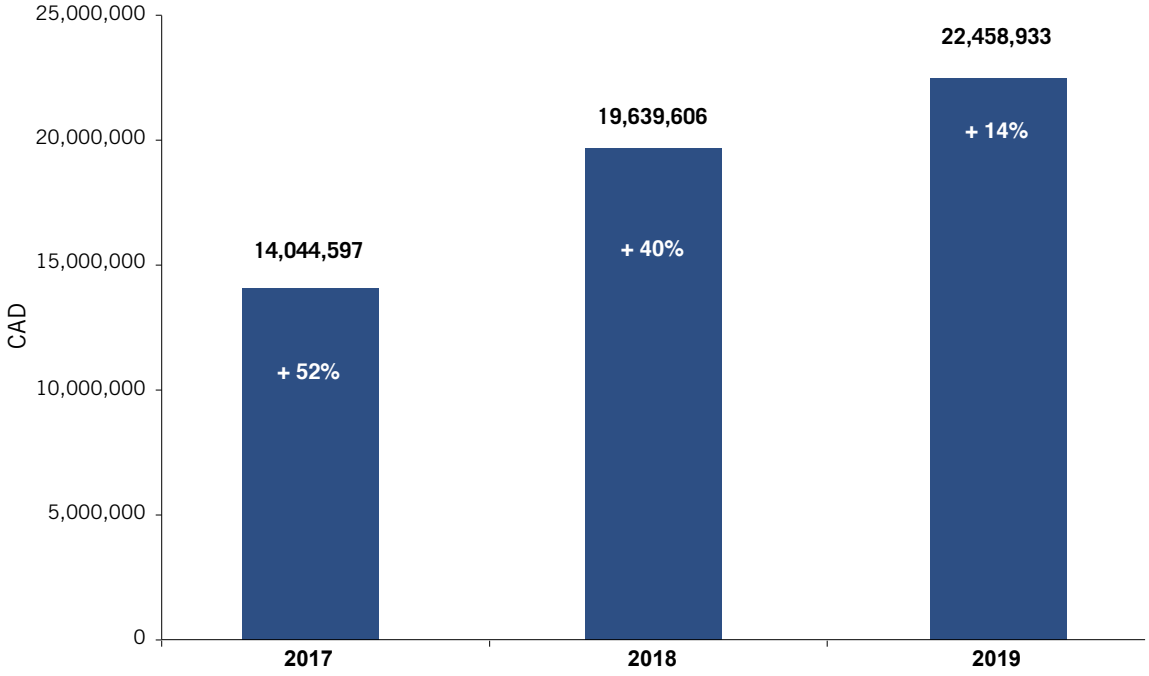
Financial Resources and Liquidity

Working capital, defined here as the difference between current assets and current liabilities, decreased by 3% from $25,138,174 as at December 31, 2018 to $24,445,832 as at March 31, 2019. Cash and short term investments of $22,458,933 accounted for 92% of working capital as at March 31, 2019 compared to cash and short term investments of $24,425,101 accounting for 97% of working capital as at December 31, 2018. The Company generates sufficient cash and cash equivalents from its operations to supply the working capital it requires to meet its current growth and development activities.

During Q1 2019, there was a net decrease in cash and short term investments of $1,966,168 compared to a net increase of $301,171 during Q1 2018. This decrease in cash and short term investments was due primarily to $1,649,976 expended during Q1 2019 for the repurchase of the Company's own common shares under a Normal Course Issuer Bid ("NCIB"). No such expenditure was made in the comparative period. Additionally, the Company's NIAT declined to $978,181 in Q1 2019 as compared to $1,143,130 in Q1 2018. The Company also made capital expenditures of $78,519 in Q1 2019, including investments in its market intelligence systems; this compares to capital expenditures of $17,376 in Q1 2018. Finally, the Company made corporate tax instalment payments during Q1 2019 of $335,736 – no such instalments were made during the comparative period.

The graph below illustrates the company's cash, cash equivalents and short-term investments as of March 31, 2017, 2018, and 2019 as well as the growth over the comparative prior year period:

Cash, Cash Equivalents and Short-term Investments at March 31



Total shareholders' equity decreased by 2% from $27,605,662 at December 31, 2018 to $26,960,219 at March 31, 2019. While the Company generated comprehensive income of $1,001,759 during Q1 2019, it repurchased 220,900 of its own common shares during the period under a NCIB, reducing shareholders' equity by $1,704,801.

The Company's total assets at March 31, 2019 were $30,017,356, representing a 4% decrease compared to total assets of $31,188,491 as at December 31, 2018. This decrease in total assets was due primarily to a reduction in cash during the period from expenditure on NCIB share repurchases. This compares to an increase of 3% in total assets from $25,104,848 at December 31, 2017 to $25,927,363 as at March 31, 2018.

The Company has no short-term or long-term debt; however, the Company has credit facilities available with Royal Bank of Canada totaling $3,090,000, including a foreign exchange facility of $1,500,000, a credit card facility of $90,000, and a revolving demand credit facility of $1,500,000 which had not been utilized as of March 31, 2019. This credit facility bears interest at a variable rate of Royal Bank prime plus 0.75% and has been secured with a General Security Agreement constituting a first ranking security interest of the Bank in the Company's property. The Company is subject to maintaining certain financial covenants if the demand credit facility is drawn upon. The Company has available additional foreign exchange facilities of $2,500,000 with other Canadian financial institutions.

Risk Management

The Company's risk management policies and financial results are presided over by the Company's Audit Committee, which reports to the Board of Directors of the Company (the "Board"). The pharmaceutical industry in which the Company operates is exposed to several risks due to a strict regulatory environment, an enhanced level of quality consciousness, competition from generic drug companies and heightened intellectual property litigation. The Company cannot predict or identify all risk factors nor can it accurately predict the impact, if any, of the risk factors on its business operations or the extent to which a factor, event or any such combination may materially change future results of the Company's financial position from those reported or projected in any forward-looking statements. Accordingly, the Company cautions the reader not to rely on reported financial information and forward-looking statements to predict actual future results.

This report and the accompanying financial information should be read in conjunction with this statement concerning risks and uncertainties. Some of the risks, uncertainties and events that may affect the Company, its business, operations and results are given in this section. However, the factors and uncertainties are not limited to those stated.

The Company has policies and practices mandated by the Board to manage the Company's risks. Such risks include the following:

1. Sourcing and Revenue Concentration

Some raw materials used in production are sourced from a single supplier and the Company is exposed to the same business risks that the supplier may experience. In line with other pharmaceutical companies, the Company sells its products primarily through a limited number of wholesalers and retail pharmacy chains.

2. Foreign Exchange Risk

The Company currently earns revenue in Canadian dollars ("**CAD**"), U.S. dollars ("**USD**"), and Euros ("**EUR**") and incurs costs in Canadian dollars, U.S. dollars, and Euros. Management monitors the U.S. dollar and Euro net liability position on an ongoing basis during the period and adjusts the total net monetary liability balance accordingly. When it is appropriate to de-risk future foreign exchange transactions, the Company uses Dual Currency Deposits and forward contracts 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:

Foreign Exchange Sensitivity Analysis – USD

	March 31, 2019	December 31, 2018
Description of Asset/(Liability)	USD	USD
Cash and cash equivalents	203,935	418,338
Trade receivables	79,577	79,577
Less: Accounts payable	(822,624)	(609,106)
Net Total	(539,112)	(111,191)
Foreign Exchange Rate CAD per USD at the end of the period	1.3363	1.3642

At March 31, 2019, 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 $52,950 lower or higher on an after tax basis, respectively (December 31, 2018 - $11,149 lower or higher, respectively).

Foreign Exchange Sensitivity Analysis – EUR

	March 31, 2019	December 31, 2018
Description of Asset/(Liability)	EUR	EUR
Cash and cash equivalents	395,455	505,166
Trade receivables	-	243,905
Less: Accounts payable	(167,395)	(211,734)
Net Total	228,060	537,337
Foreign Exchange Rate CAD per EUR at the end of the period	1.5002	1.5613

At March 31, 2019, 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 $25,147 higher or lower on an after tax basis, respectively (December 31, 2018 - $61,663 higher or lower, respectively).

This foreign currency risk sensitivity analysis is unrepresentative of the risk inherent in receivables and payables in foreign exchange because the period-end exposure does not reflect the exposure during the period.

Forward Contracts:

The Company periodically enters into foreign exchange forward contracts to manage its foreign exchange risk on contracts denominated in U.S. dollars with financial institutions with investment grade credit ratings. Such contracts are classified as derivative financial instruments and measured at fair value through profit and loss. As at March 31, 2019, the Company entered into forward contracts to purchase up to a total of USD 1,580,000 and USD 2,370,000 (December 31, 2018 – USD 2,270,000 and USD 3,405,000) at exchange rates expressed in CAD per USD ranging from 1.2500 to 1.2600 which will be settled on various dates from April 2019 to November 2019. The Company's right to buy USD 1,580,000 on the respective settlement dates is subject to the spot exchange rates on the settlement dates being below rates ranging from 1.3450 to 1.3500 CAD per USD. The Company's right to buy USD 2,370,000 on the respective settlement dates is subject to the spot exchange rates on the settlement dates being below rates ranging from 1.2200 to 1.2500 CAD per USD.

The fair value of forward exchange contracts is estimated based on quoted values from financial institutions. The Company's foreign exchange forward contracts resulted in a derivative asset of $72,966 as at March 31, 2019 (December 31, 2018 - $27,344).

3. Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in interest rates. Some of the Company's cash and cash equivalents as at the date of the Company's Consolidated Statements of Financial Position are invested in redeemable guaranteed investment certificates (each, a "**GIC**"), which earn interest at fixed rates during their tenure. The Company's short term investments consist of non-redeemable GICs which also earn interest at fixed rates during their tenure. These GICs all have terms of one year or less.

The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest when these GICs are renewed may have an impact on the Company's Finance Income for the period.

4. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, short term investments, trade and other receivables, and loans receivable. The carrying amount of financial assets represents maximum credit exposure. As the Company invests in GICs with Canadian Chartered Banks, its credit risk on this account is negligible. The Company's loans receivable 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 period end to indicate a significant increase in credit risk has occurred and there are no defaults on the loans receivable.

a. Aging of Receivables

The majority of the Company's current customers are corporations with whom the Company has transacted for several years. None of these customers have defaulted in settling their liabilities to the Company. Based on its historical experience and customer base, the Company does not consider past due trade receivables to be impaired as of March 31, 2019.

Trade Receivables

Description	March 31, 2019	December 31, 2018
Current	$1,546,408	$1,386,339
Past due 1-30 days	188,951	570,614
Past due 31-60 days	151,210	47,108
Over 60 days	82,208	35,090
Less allowance for doubtful accounts	-	-
Closing Balance	$1,968,777	$2,039,151
Maximum Credit Risk	1,968,777	2,039,151

b. Concentration of Receivables

As of March 31, 2019, one customer represents 48% of trade receivables (December 31, 2018 - 27%) while another customer represents 18% of trade receivables (December 31, 2018 - 2%), and a third customer represents 17% of trade receivables (December 31, 2018 – 39%). There have been no past defaults by any of these three customers.

c. Loans Receivable

On December 8, 2016, the Board of Directors approved a Management Share Loan Program ("MSLP") under which the Company offered one-time, 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.

The Company advanced loan proceeds totaling $391,500 on May 26, 2017, and a further $175,000 on December 11, 2018, in accordance with the terms of the MSLP for the purchase of the Company's common shares by the Borrowers.

Each MSLP participant's loan (collectively, the "MSLP Participant Loans") bears interest at a rate of 1% - 2% per annum and is secured by a pledge of the common shares purchased under the MSLP by the Borrowers.

The MSLP Participant Loans are repayable by the Borrowers upon any sale of pledged shares by the Borrower in proportion to the then outstanding loan principal balance plus accrued interest. The remaining MSLP Participant Loan principal plus accrued interest must be fully repaid by the Borrowers no later than five years from the date the loan proceeds were advanced (the "Maturity Date"), specifically, May 26, 2022 for loans advanced on May 26, 2017 and December 11, 2023 for loans advanced on December 11, 2018.

If a Borrower ceases to be employed by the Company prior to the end of the five-year Maturity Date, all outstanding loan obligations shall become due and payable on the 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.

As the loans are full recourse loans, they have not been accounted for as stock-based compensation, but as financial instruments within the scope of IFRS 9, *Financial Instruments*.

d. Cash and Cash Equivalents and Short Term Investments

Cash, cash equivalents and short term investments are maintained with Canadian financial institutions and the wholly-owned subsidiaries of these financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal credit risk.

5. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is actively involved in the review and approval of planned expenditures. All contractual maturities of accounts payable and accrued liabilities are due within one year. The Company has no other liabilities.

The Company generates sufficient cash from operating activities to fund its operations and fulfill its obligations as they become due. The Company is free from debt, though it has an available revolving demand credit facility with Royal Bank of Canada in the amount of $1,500,000 which it has not drawn down as at the date of this MD&A. The Company also has a $1,500,000 foreign exchange credit facility and $90,000 credit card facility with Royal Bank of Canada. The Company has available additional foreign exchange facilities of $2,500,000 with other Canadian financial institutions. The Company's funds have not been committed in any way, except as set out in Note 17 of the Consolidated Financial Statements.

6. Information Technology (IT)

The integrity, reliability, and security of information in all forms are critical to the Company's operations and inaccurate, incomplete or unavailable information could lead to incorrect financial reporting, poor decisions, privacy breaches, and/ or inappropriate disclosure of sensitive information.

The Company is reliant on the integrity of its IT systems, hardware, software and certain other IT infrastructure in maintaining business continuity and in securing proprietary and sensitive information as well as certain of its financial assets. The Company has implemented comprehensive IT security policies and controls in order to safeguard its assets and sensitive information and to maintain business continuity in the event of potential disruptions. The integrity of the Company's IT systems is exposed to a risk of malicious and unauthorized breaches by outside parties acting unlawfully. While extensive, the Company's IT security policies and controls cannot guarantee that such unauthorized breaches, whether targeted or opportunistic in nature, will not occur in the future. Such a breach could result in loss of financial assets through fraud, loss of sensitive information, reputational loss, or disruption of operations and business continuity.

The Company monitors its exposure to IT security risks on a continual basis and modifies its IT security policies, practices, and infrastructure as needed to address the assessed level of such risk.

7. Competition

The Pharmaceutical Business is characterized by intense competition and the Company is faced with the risk of enhanced competitive activity which may impact operational results.

8. Climatic Conditions

The Legacy Business is dependent on agricultural production which, in turn, is impacted by climatic variations which may affect demand for its products.

9. General Economic Conditions

The Company has no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting its businesses or the possibility of political unrest, legal or regulatory changes in jurisdictions in which the Company or its customers operate. These factors could negatively affect the Company's future results of operations.

10. Innovation

The competitiveness of the Company's products is subject to continuous innovation within the pharmaceutical industry. The Company tries to maintain the relevance of its products to the market but is exposed to new improved innovations that can undermine the competitiveness of its products.

11. Width of Product Portfolio

While the Company continuously strives to increase the portfolio of products in its commercialization pipeline, the high cost of acquiring new products and the long lead-time for bringing these products to market creates a dependency on a limited range of products at this time.

12. Agreements Relating to the Development and Distribution of Products

The Company currently has several collaboration or distribution agreements relating to the marketing and distribution of FeraMAX® products in international markets. The Company relies on these agreements because it does not wish to market its products directly in these markets. The Company intends to secure additional agreements relating to the marketing and distribution of FeraMAX® and any other product for which it may receive commercial rights outside of Canada.

The Company may be unable to enter into in-licensing agreements for the development of new products and out-licensing agreements for the distribution of its existing products. The Company also faces and will continue to face, significant competition in seeking appropriate collaborators and marketing and distribution partners. Moreover, collaboration and distribution arrangements are complex and time-consuming to negotiate, document and implement.

Reliance on these agreements exposes the Company to a number of risks, including the following:

- Collaborators and marketing and distribution partners may not devote sufficient resources to the Company's products or product candidates;
- Disputes may arise with respect to payments that the Company believes are due under such distribution and collaboration agreements;
- Unwillingness on the part of collaborators and marketing and distribution partners to provide updates regarding the progress of its development, commercialization or marketing activities, or to permit public disclosure of these activities;
- Collaborators and marketing and distribution partners may terminate the relationship; disputes may arise in the future with respect to the ownership of rights to technology developed with collaborators;
- Disagreements with collaborators and marketing and distribution partners could result in litigation or arbitration;
- Collaborators may elect to pursue the development of any additional product candidates and pursue technologies or products either on their own or in collaboration with other parties, including competitors;
- Collaborators and marketing and distribution partners may pursue higher priority programs or change the focus of their programs, which could affect the collaborators' and marketing and distribution partners' commitment to their respective territories;
- Collaborators and marketing and distribution partners may develop or distribute products that compete with the Company's products; and
- The Company's pharmaceutical products are distributed to international markets where political and economic risks and uncertainties may exist. These risks and uncertainties could adversely affect the distribution of the Company's products to such markets.

The occurrence of any of these or other events may impair commercialization of the Company's products.

13. Regulatory Risks

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

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

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

The regulatory approval process can be long and may involve significant delays despite the Company's best efforts. There is also a risk that the Company's products may be withdrawn from the market and the required approvals suspended as a result of non-compliance with regulatory requirements.

Furthermore, there can be no assurance that the regulators will not require modification to any submissions, which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of the Company to utilize its technology, thereby adversely affecting operations. Further, there can be no assurance that the Company's products will prove to be safe and effective in clinical trials, or receive the requisite regulatory approval.

14. Specific Risks

The Company has insurance policies in place against risks relating to general commercial liability, product liability, product recall, loss of Company assets, and business interruption risks. The Company reviews its insurance coverage on a regular basis as part of its risk management program and adjusts this coverage as appropriate, based its current risk profile and operations. The Company is exposed to the potential risk that claims made on the Company or losses incurred may be in excess of the level of insurance coverage undertaken by the Company.

Disclosure of Outstanding Share Data

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

As at May 28, 2019, the following common shares and stock options were outstanding:

	No. of Shares	Exercise Price Range
Issued and outstanding common shares	14,097,015	
Stock options	178,785	$6.20 - $ 10.97
Fully Diluted at May 28, 2019	14,275,800	

Commitments

Office Leases

As of the date hereof, the Company had entered into two office lease agreements: One lease agreement extends to August 31, 2019 and the other lease agreement commences on September 1, 2019 and extends to August 31, 2029.

The Company's minimum future rental payments and occupancy costs for the next five fiscal years under these two lease agreements, are approximately as follows:

Fiscal Year	Annual Rent and Occupancy Cost
2019	$200,768
2020	$357,897
2021	$357,897
2022	$359,631
2023	$363,100
Beyond Next 5 Fiscal Years	$2,140,442

Purchase Commitments

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

Disclosure Controls

The Company constantly endeavours to allow for greater segregation of duties and operating level controls within the constraints of its operating infrastructure. While intending to strengthen both these aspects of internal control, the Company believes that strong management supervisory controls minimize the possibility of erroneous financial reporting.

The certifying officers of the Company have opted not to certify the design and evaluation of the Company's disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"). Inherent limitations on the ability of the certifying officers to design and implement (on a cost-effective basis) DC&P and ICFR for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Investor Relations Activities

Investor relations functions were accomplished through personnel whose duties include dissemination of news releases, investor communications and general day-to-day operations of the Company. Mr. René Goehrum, President and CEO, and Mr. Joost van der Mark, Vice President, Corporate Development, assist in the implementation of the Company's investor relations program.

Related Party Transactions

Key Management Personnel Compensation

The table below summarizes compensation for key management personnel of the Company for the quarters ended March 31, 2019 and 2018:

	Three months ended March 31,	
	2019	2018
Number of Key Management Personnel	6	5
Salary and Bonus	$293,606	$245,622
Share-Based Payments	$45,409	$76,694

During the three months ended March 31, 2019, the Company recorded share-based payment expense of $45,409 (three months ended March 31, 2018 - $76,694) related to the vesting of options granted to key management personnel under the SOP as well as the Company's contributions to the ESPP for the purchase of common shares on behalf of participating key management personnel. The Company also advanced loans to certain key management personnel under the MSLP.

Transactions with Directors

During the three months ended March 31, 2019, the Company paid total fees to its directors in the amount of $35,650 (three months ended March 31, 2018 - $27,300) and share-based payments of $7,318 (three months ended March 31, 2018 - $45,173).

Legal Proceedings

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