BioSyent Inc.

Management's Discussion and Analysis

For the years ended December 31, 2021 and 2020

March 9, 2022

Corporate Office
Suite 402
2476 Argentia Road
Mississauga, Ontario, L5N 6M1
Canada

Telephone 905.206.0013
Facsimile 905.206.1413
Email: info@biosyent.com
Web: www.biosyent.com

BioSyent

Table of Contents

BioSyent

INTRODUCTION

The following discussion of BioSyent Inc.'s ("**BioSyent**" or the "**Company**") operations, performance and financial condition is based on the Company's audited consolidated financial statements for the years ended December 31, 2021 and December 31, 2020 ("**Consolidated Financial Statements**"), which were prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The discussion of financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements, including the notes thereto. Additional information relating to the Company, including the Consolidated Financial Statements and the accompanying notes can be found at www.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 years ended December 31, 2021 and December 31, 2020 and in BioSyent's annual and interim financial statements and the notes thereto. These documents are available at www.sedar.com.

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

Accounting Estimates and Accounting Policies

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

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

BioSyent's significant accounting judgments and estimates include recoverability of asset carrying values, impairment of trade and other receivables, income taxes, the future useful lives and residual values of equipment, the useful lives of intangible assets, the fair value of share-based payments, the value of inventory, determination of the transaction price in revenue recognition, and determination of the incremental borrowing rate and lease term in leases. For a more detailed discussion of changes to the Company's critical accounting estimates, please refer to Note 4 of the Consolidated Financial Statements for the year ended December 31, 2021.

Non-IFRS Financial Measures

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

Accordingly, these measures should not be considered in isolation nor as a substitute for analyses of the Company's financial information reported under IFRS. Management uses non-IFRS measures such as Earnings Before Interest, Taxes, Depreciation and Amortization ("**EBITDA**") and Compound Rate of Return ("**CAGR**") to provide investors with supplemental measures of the Company's operating performance and thus highlight trends in the Company's core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also believes that securities analysts, investors, and

other interested parties frequently use non-IFRS measures in the evaluation of issuers. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets, and to assess the Company's ability to meet future debt service, capital expenditure, and working capital requirements. The definition and a reconciliation of EBITDA, as used and presented by the Company, to the most directly comparable IFRS measures follows later in this MD&A.

Overview, Vision, Strategy, and Products

Overview

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

BioSyent's Vision

BioSyent's vision is to be the leading independent Canadian provider of innovative healthcare products.

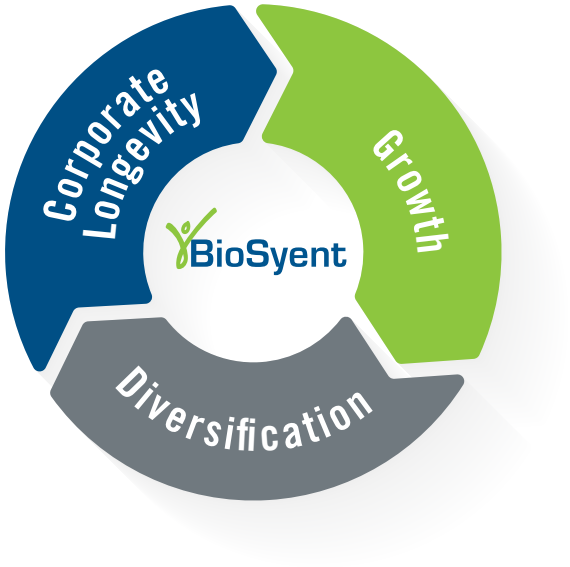
BioSyent's Strategy

BioSyent's strategic focus is on commercializing innovative products with recognizable brand equity sourced through international partnerships. These products are unique due to manufacturing complexities, novel technologies, therapeutic advantages and strong, defendable intellectual property rights. The Company works with and supports healthcare practitioners in improving patient lives.

The Company completed its most recent strategic review during 2021 with specific strategic objectives established for the period ending in 2025. The Company reviews its strategy and performance against its strategic objectives on an ongoing basis.

BioSyent's strategy has three components:

1. Growth (Revenue and Long-term Profit);
2. Diversification; and
3. Corporate Longevity



These three strategic components are prioritized in any investment and capital allocation decisions made by the Company, including any decision to return capital to shareholders.

Growth:

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

Diversification:

BioSyent has developed sourcing arrangements with partners from around the world. The Company's flexible format does not limit the scope of diversification opportunities it considers for both new and existing products or sales channels.

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

The Company exercises diligence when sourcing new products. Some of the steps in this process involve financial modeling, comparison against investment criteria benchmarks and financial metrics, reviewing market data and market trends, interviewing key healthcare practitioners or medical advisory boards and obtaining opinions on reimbursement possibilities with payers. BioSyent evaluates all new product opportunities against specific financial benchmarks with the objective of acquiring or in-licensing quality assets which will provide a long-term return that is consistent with or supportive of the Company's existing product portfolio.

Once the Company has decided to proceed with a new product opportunity, it acquires or licenses exclusive Canadian and/or international market rights to that product. After the acquisition or in-licensing of the product, the Company manages the product through the regulatory and product registration process and, once approved, commercializes the product in Canada and/or international markets.

Corporate Longevity:

On an aggregate basis, the Company manages its product portfolio to maintain specific annual and long-term financial ratios, including revenue and profit CAGR and Return on Equity, in order to achieve its strategic objectives. The Company maintains a discipline in acquiring or in-licensing new products which are accretive in terms of both sales and profitability over the long-term.

This strategy allows the Company to market these products as brands it owns or licenses. By virtue of its strong growth record, the Company is able to attract partners for new products that have niche positioning.

Evolution of Strategy

BioSyent considers opportunities based on its strategic objectives. From time to time, the Company may acquire or in-license opportunities in late-stage development with which it, or its partners, have significant prior experience. Such experience and competency of the Company and its partners give the Company the ability to gauge risk in some depth. The Company may also seek in-licensing opportunities for new products launched in countries outside of Canada that require additional research and development work before being launched in the Canadian market. The Company considers opportunities where there is a high probability that additional research and development work is likely to extend the lifecycle of portfolio products. Such studies might include in vitro or in vivo studies (including bio-equivalency studies, efficacy studies, or safety studies).

Ultimately, BioSyent is focused on products which can deliver superior growth and return on investment. As well as acquiring or in-licensing such products, as part of BioSyent's ongoing evaluation of its product portfolio, BioSyent may also discontinue the sale of certain products in order to maintain its strategic focus and resource allocation on growth opportunities. For example, during the year, BioSyent entered into a Transition and Termination Agreement to return the Canadian rights for Cysview® to its owner effective as of December 31, 2021.

Pharmaceutical Business

FeraMAX® 150

In keeping with its strategy, the Company, through BioSyent Pharma, launched FeraMAX® 150 to the Canadian healthcare market in 2007. FeraMAX® 150 is also distributed in several markets outside of Canada. 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. In 2015, the Company developed and launched a Certified Vegan formulation of FeraMAX® 150. In 2016, the Company developed a 100 mg formulation of FeraMAX® capsules ("FeraMAX® 100") for distribution in certain markets outside of Canada.

FeraMAX® 150 was replaced by FeraMAX® Pd Therapeutic 150 at Canadian pharmacies starting in November 2020.

FeraMAX® Pd Therapeutic 150

In November 2020, BioSyent Pharma Inc. launched FeraMAX® Pd Therapeutic 150 in Canada, the first product launched under a new patented delivery system for the treatment of iron deficiency anemia based on a Polydextrose Iron Complex ("PDIC") formulation. FeraMAX® Pd Therapeutic 150 in both a 30 capsule-count carton or a 100 capsule-count bottle replaces FeraMAX® 150 at Canadian pharmacies. FeraMAX® Pd Therapeutic 150 is Vegan Certified and is also recognized by the Society of Obstetricians and Gynaecologists 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 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.

FeraMAX® Powder was replaced by FeraMAX® Pd Powder 15 at Canadian pharmacies starting in October 2021.

FeraMAX® Pd Powder 15

In October 2021, BioSyent Pharma Inc. launched FeraMAX® Pd Powder 15 in Canada, the second product using the patented PDIC formulation. FeraMAX® Pd Powder 15, which is Vegan Certified, replaces FeraMAX® Powder at Canadian pharmacies.

Aguettant System® (discontinued)

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 pre-filled syringe ("**PFS**") products which are medical syringes pre-filled with a specific dosage of medication and three of which are marketed to hospitals and acute care settings.

The Aguettant Agreement ended on December 31, 2021 and BioSyent entered into a Transition Agreement with Laboratoire Aguettant that transfers all responsibilities for Aguettant System® products in Canada to Laboratoire Aguettant. BioSyent has discontinued all commercialization efforts for Aguettant System® products in Canada effective January 1, 2022.

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®

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® (discontinued)

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 an 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. The Company commenced the Canadian promotional launch of Cysview® in November 2015.

BioSyent entered into a Termination and Transition Agreement with Photocure ASA, that ends the Distribution and Supply Agreement effective December 31, 2021. Effective as of January 12, 2022, BioSyent has discontinued all commercialization efforts for Cysview® and returned the Canadian rights for Cysview® to Photocure ASA.

Tibella®

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. Though new to the Canadian market, Tibolone has been successfully marketed in Europe for over 30 years and is also approved and marketed in other countries around the world.

The Company received regulatory approval from Health Canada for Tibella® in May 2019 and launched the product to the Canadian market in July 2020.

Combogesic®

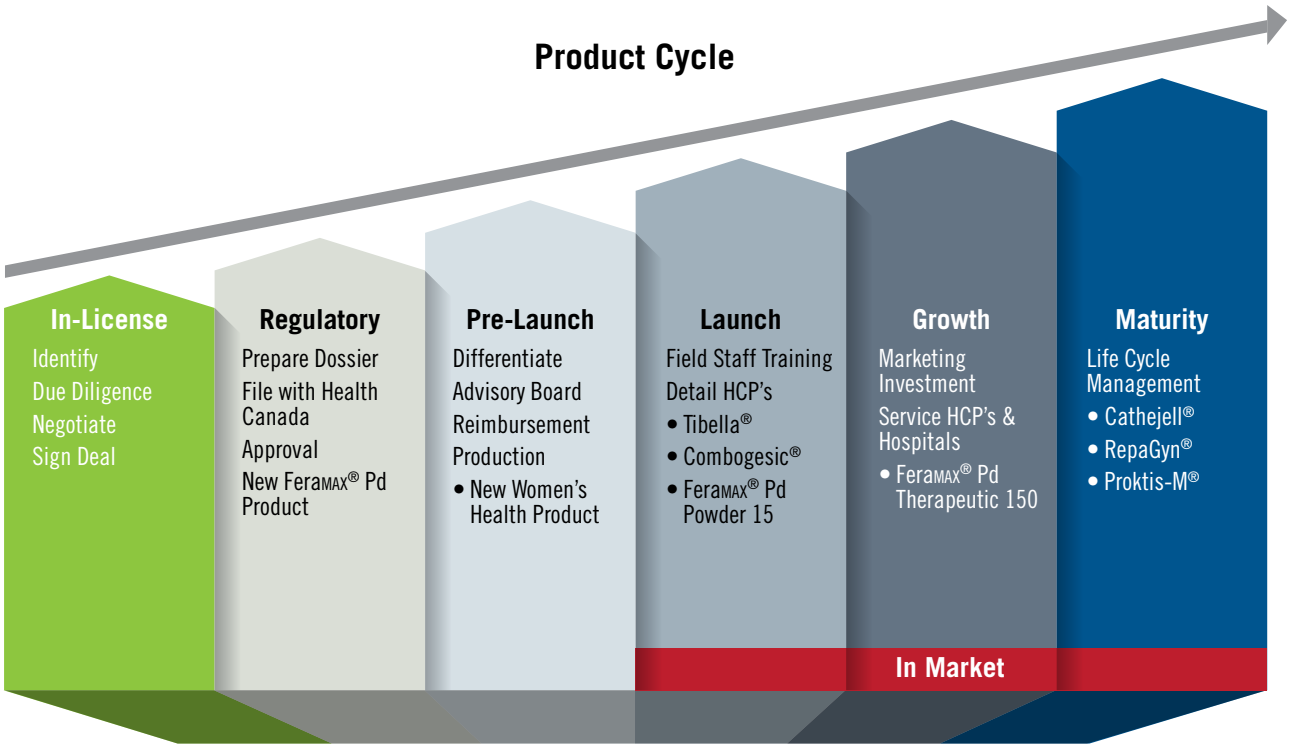
In November 2019, the Company signed a License and Exclusive Supply Agreement with AFT Pharmaceuticals Ltd for a portfolio of pain management products for the Canadian market. These products will be marketed in Canada under the Combogesic® trademark. Combogesic® combines two well-known and effective medicines, acetaminophen and ibuprofen, in a single form that has been demonstrated to synergistically provide pain relief. Health Canada approved the first form of Combogesic® in 2019. The Company launched Combogesic® to the Canadian market in December 2020.

New Women's Health Product

On October 1, 2020, BioSyent Pharma Inc. signed an exclusive License and Supply Agreement with a European partner for a new women's health product for the Canadian market. The product has been approved for sale in Canada, the U.S.A., Europe and in several other markets around the world. Having cleared certain key regulatory hurdles during 2021, Canadian product launch preparations for this product are currently underway.

Pharmaceutical Product Cycle

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



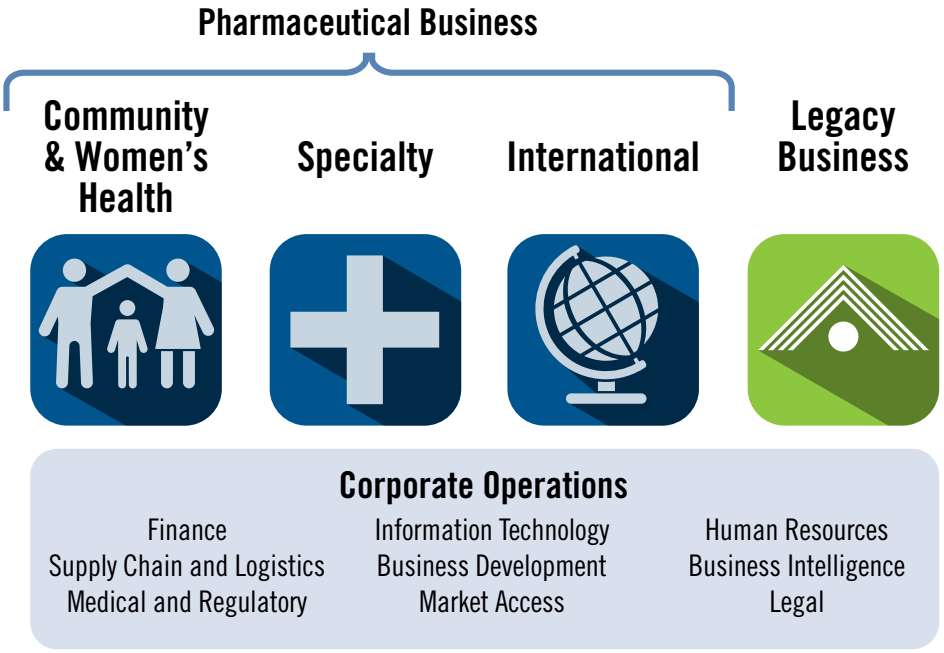
The Company currently has three products in the maturity stage (Cathejell®, RepaGyn® and Proktis-M®), one product in the growth stage (FeraMAX® Pd Therapeutic 150), three products in the launch stage (Tibella®, Combogesic® and FeraMAX® Pd Powder 15), one product in the pre-launch stage (a New Women's Health Product), and one product in the regulatory stage (a new FeraMAX® Pd Product). New product acquisition opportunities occur throughout the product lifecycle stages illustrated above.

Pharmaceutical Product Pipeline

The Company is committed to expanding its product portfolio and accelerating its product pipeline with a focus on innovative products that are unique. Although launched in markets outside of Canada, some of these products may require additional investment before the Company seeks approval from Health Canada for Canadian market.

Pharmaceutical Business Structure

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



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

Legacy Business

Protect-It®

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

New Capabilities and Awards

On May 1, 2021, the Company's FeraMAX® brand was named the #1 Pharmacist and Physician recommended over-the-counter oral iron supplement brand in Canada for the sixth consecutive year *(EnsembleIQ Healthcare Group: Pharmacy Practice + Business, The Medical Post, Profession Santé*, CanadianHealthcareNetwork.ca, and ProfessionSanté.ca 2021 Survey on OTC Counselling and Recommendations).

On July 13, 2021, BioSyent Pharma signed an exclusive technology agreement to license an application to support patients with iron deficiencies in Canada and in its international markets.

On October 19, 2021, BioSyent announced the launch of the new FeraMAX® Pd Powder 15 in Canada, which will replace FeraMAX® Powder in Canadian pharmacies. FeraMAX® Pd Powder 15 is the second product launched by BioSyent under the patented PDIC iron delivery system. FeraMAX® Pd Powder 15 helps to make iron therapy convenient for children with its differentiating benefits. FeraMAX® Pd Powder 15 is presented in new packaging, appealing to children with its new mascot, 'Max the monkey'. The packaging enables convenient product selection by the pharmacist and ease of identification by the parent.

Key Performance Measures

Key performance measures for the fourth quarter ("Q4") and full year ("FY") ended December 31, 2021 and December 31, 2020 are presented in the tables below along with the preceding three quarters:

Key Performance Measure	FY 2021	% Change vs. FY 2020	% to Total Company Sales	CAGR* (FY 2019 - FY 2021)	Q4 2021	% Change vs. Q4 2020	% to Total Company Sales	Q3 2021	Q2 2021	Q1 2021
Canadian Pharma Sales	**25,780,275**	21%	90%		**6,466,381**	20%	90%	6,409,809	6,670,322	6,233,763
International Pharma Sales	**1,623,723**	621%	6%		**318,406**	462%	4%	-	165,038	1,140,279
Legacy Business Sales	**1,214,220**	40%	4%		**433,869**	58%	6%	280,610	453,894	45,847
Total Company Sales	**28,618,218**	28%	100%	16%	**7,218,656**	26%	100%	6,690,419	7,289,254	7,419,889
Gross Profit	**22,637,862**	30%	79%		**5,821,601**	32%	81%	5,257,180	5,703,086	5,855,995
EBITDA	**8,783,726**	57%	31%		**2,639,145**	136%	37%	2,293,713	1,491,783	2,359,085
NIAT	**6,281,566**	66%	22%	20%	**1,877,804**	182%	26%	1,721,320	1,018,074	1,664,368
Diluted EPS	**0.49**	69%			**0.15**	200%		0.13	0.08	0.13
Net Change in Cash, Short term Investments	**2,633,964**				**1,109,737**			2,289,074	788,607	(1,553,454)

Key Performance Measure	FY 2020	% Change vs. FY 2019	% to Total Company Sales	CAGR* (FY 2018 - FY 2020)	Q4 2020	% Change vs. Q4 2019	% to Total Company Sales	Q3 2020	Q2 2020	Q1 2020
Canadian Pharma Sales	**21,237,461**	12%	95%		**5,395,431**	7%	94%	5,470,569	4,415,900	5,955,561
International Pharma Sales	**225,139**	-84%	1%		**56,668**	-87%	1%	6,306	94,197	67,968
Legacy Business Sales	**869,568**	-16%	4%		**274,229**	180%	5%	294,864	261,158	39,317
Total Company Sales	**22,332,168**	4%	100%	2%	**5,726,328**	3%	100%	5,771,739	4,771,255	6,062,846
Gross Profit	**17,423,847**	5%	78%		**4,399,715**	1%	77%	4,494,094	3,728,295	4,801,743
EBITDA	**5,577,206**	-3%	25%		**1,116,856**	-34%	20%	1,399,781	1,062,582	1,997,987
NIAT	**3,795,335**	-13%	17%	-18%	**665,702**	-43%	12%	955,909	722,206	1,451,518
Diluted EPS	**0.29**	-6%			**0.05**	-38%		0.07	0.06	0.11
Net Change in Cash, Short term Investments	**3,604,229**				**1,875,305**			2,234,657	276,242	(781,975)

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

In Q4 2021, Canadian pharmaceutical sales increased by 20% over Q4 2020 with continued double-digit growth from established brands as well as growth contributed by launch brands. Combined with exceptional growth in the international pharmaceutical business and legacy business, total Company sales increased by 26% overall in Q4 2021 over Q4 2020.

The Company posted its second consecutive record quarterly Net Income After Taxes ("NIAT") in Q4 2021 of $1,877,804, representing a significant increase of 182% over Q4 2020 with a healthy net profit margin of 26% in Q4 2021, as compared to a profit margin of 12% in Q4 2020.

In line with the Company's strategic objectives, for the full year 2021, Canadian pharmaceutical sales increased by 21% over FY 2020 with growth delivered from across the Company's product portfolio. Combined with a resurgence in the international pharmaceutical business and legacy business during the year, total Company sales increased by 28% overall in FY 2021 over FY 2020. Sales CAGR between FY 2019 and FY 2021 was 16%.

The Company's net profit margin increased to 22% in FY 2021 as compared to 17% in FY 2020 even as the Company continued to invest in launch brands. The year-over-year increase in selling and marketing expenditure on the Combogesic® launch brand, in particular, was in excess of $2 million in FY 2021 with modest sales from this brand during the year compared with the Company's established brands.

Results of Operations for the three and twelve months ended December 31, 2021 and 2020

Sales

Total Company Sales:

Q4 2021 vs. Q4 2020

Total Company sales for Q4 2021 were $7,218,656 increasing by 26% compared to total Company sales for Q4 2020 of $5,726,328 which increased by 3% compared to Q4 2019.

FY 2021 vs. FY 2020

Total Company sales for FY 2021 were $28,618,218, increasing by 28% compared to total Company sales for FY 2020 of $22,332,168 which increased by 4% compared to FY 2019.

Canadian Pharmaceutical Sales:

Q4 2021 vs. Q4 2020

Canadian pharmaceutical sales for Q4 2021 were $6,466,381, increasing by 20% over Q4 2020 sales of $5,395,431 which increased by 7% compared to Q4 2019. The table below summarizes the Q4 2021 versus Q4 2020 percentage change in sales volumes (units) by product:

Product	Q4 2021 vs. Q4 2020 Change
FeraMAX®	+12%
RepaGyn®	+8%
Tibella®	+100%
Combogesic®	**
Cathejell®	-4%
Aguettant System® (discontinued)	+94%
Cysview® (discontinued)	+187%

**Product launched in December 2020 – Q4 2020 sales not comparable

In the Community Business, Q4 2021 Canadian sales volumes (units) of FeraMAX® increased by 12% as compared to Q4 2020. During Q4 2021, the Company also successfully launched the new FeraMax® Pd Powder 15 - the second product launched by BioSyent under the patented PDIC iron delivery system which replaces the PIC formulation of FeraMAX® Powder at Canadian pharmacies. Q4 2021 Canadian sales volumes (units) of RepaGyn® increased by 8% as compared to Q4 2020. Q4 2021 Canadian sales volumes (units) of launch product Tibella® increased by 100% as compared to Q4 2020.

The Community Business' field salesforce continued to experience access limitations to physicians, pharmacists, and other healthcare professionals during Q4 2021. While access to these healthcare professionals is improving as COVID-19-related restrictions are lifted in various regions across Canada, the healthcare system overall is still significantly impacted by COVID-19.

Additionally, the decline in patient traffic through the offices of healthcare professionals persisted during Q4 2021, continuing to impact the launch trajectory of Tibella® and Combogesic®. Nonetheless, Tibella® and Combogesic® both contributed to the overall growth in Canadian Pharmaceutical sales during the quarter. However, these launch brands continued to be negatively impacted by both limited access to healthcare professionals and a decline in patient volumes through the offices of these healthcare professionals in Q1 2022 during the spread of the Omicron variant and related access restrictions.

The Company has not experienced any significant negative impact to cumulative sales volumes of established brands in its Community Business as a result of COVID-19 over the duration of the pandemic from March 2020 to the date hereof. The further impact of COVID-19 and variants thereof on the selling activities of the Community Business' field salesforce, consumer behaviour, and demand for pharmaceutical products in the community remains uncertain, even as COVID-19-related restrictions are lifted in various regions across Canada.

In the Specialty Business, Q4 2021 Canadian sales volumes (units) of Cathejell® decreased by 4% as compared to a particularly strong Q4 2020 which had record quarterly Cathejell® sales. Q4 2021 sales volumes (units) of Aguettant System® PFS products increased by 94% as compared to Q4 2020. Sales volumes (units) of Cysview® increased by 187% in Q4 2021 as compared to Q4 2020 which was negatively impacted by a decline in elective procedures in Canadian hospitals as a result of COVID-19, with Q4 2020 sales of Cysview® declining by 60% as compared to Q4 2019. There remains an ongoing risk that COVID-19 infection and hospitalization rates could affect demand for Cathejell® in 2022.

FY 2021 vs. FY 2020

Canadian pharmaceutical sales for FY 2021 were $25,780,275, increasing by 21% over FY 2020 sales of $21,237,461 which increased by 12% compared to FY 2019. The table below summarizes the FY 2021 versus FY 2020 percentage change in sales volumes (units) by product:

Product	FY 2021 vs. FY 2020 Change
FeraMAX®	+14%
RepaGyn®	+8%
Tibella®	*
Combogesic®	**
Cathejell®	+12%
Aguettant System® (discontinued)	+27%
Cysview® (discontinued)	+66%

*Product launched in July 2020 – FY 2020 sales not comparable

**Product launched in December 2020 – FY 2020 sales not comparable

In the Community Business, FY 2021 Canadian sales volumes (units) of FeraMAX® increased by 14% as compared to FY 2020, driven by FeraMax® Pd Therapeutic 150 which was launched to the Canadian market in November 2020. In addition to the 2021 launch of FeraMax® Pd Powder 15, the Company has further new FeraMax® Pd product launch activity planned for 2022 and beyond which deepen the Company's commitment to the management of iron deficiency in Canada and enhance the presence of the FeraMax® Pd brand in Canada with the goal of capturing a greater share of the market.

FY 2021 sales volumes (units) of RepaGyn® increased by 8% as compared to FY 2020.

While Tibella® and Combogesic® both contributed to sales growth FY 2021, the launch trajectory of these two products in the market has been affected by COVID-19-related access restrictions to healthcare professionals and by the volume of patients visiting those healthcare professionals' offices during the pandemic. Although the Company is encouraged by the lifting of certain COVID-19-related restrictions across Canada, selling activities in the early part of 2022 were constrained by the spread of the Omicron variant in Canada and related public health measures.

In the Specialty Business, FY 2021 Canadian sales volumes (units) of Cathejell® increased by 12% as compared to FY 2020. FY 2021 sales volumes (units) of Aguettant System® PFS products increased by 27% as compared to FY 2020. Sales volumes (units) of Cysview® increased by 66% in FY 2021 as compared to a particularly low FY 2020 during which the frequency of elective procedures in Canadian hospitals, including blue-light cystoscopies, were negatively impacted by COVID-19-related disruption.

BioSyent entered into a Transition Agreement with Laboratoire Aguettant that transferred all responsibilities for Aguettant System® products (atropine and phenylephrine pre-filled syringes) in Canada to Laboratoire Aguettant. BioSyent has discontinued all commercialization efforts for Aguettant System® products in Canada effective January 1, 2022.

BioSyent also entered into a Termination and Transition Agreement with Photocure ASA, that ended the existing Distribution and Supply Agreement effective December 31, 2021. On January 12, 2022, BioSyent discontinued all commercialization efforts on Cysview® and returned the Canadian rights for Cysview® to Photocure ASA. Aggregate milestone payments of $639,182 which were potentially required to be made by the Company to Photocure ASA under the existing Distribution and Supply Agreement were waived under the terms of the Termination and Transition Agreement.

Two of the three discontinued products (Aguettant atropine, Aguettant phenylephrine, and Cysview®) the rights for which were returned to their owners, were not profitable to the Company. In spite of the Company's discontinuation of these brands, the Company maintains its commitment to growing the Specialty Business in Canadian hospitals, clinics and urgent care centres.

International Pharmaceutical Sales:

Q4 2021 vs. Q4 2020

Q4 2021 International FeraMAX® sales of $318,406 increased by 462% as compared to sales of $56,668 in Q4 2020, which declined by 87% as compared to Q4 2019. During Q4 2021, the Company shipped three international FeraMAX® orders to three separate geographic markets. This quarter-to-quarter variability in FeraMAX® exports is not unusual for the international pharmaceutical business as a result of the added logistics, trade, and regulatory complexities of this business.

FY 2021 vs. FY 2020

International FeraMAX® sales for FY 2021 were $1,623,723, increasing by 621% compared to international FeraMAX® sales for FY 2020 of $225,139, which decreased by 84% as compared to Q4 2019. This increase in international sales for FY 2021 is largely a result of a significant single FeraMAX® sale to the Company's largest export market in January 2021 following a 12-month period in 2020 without any significant shipments to this market, as well as growth in sales to a new customer in the Company's second largest export market.

Although management is encouraged by several customer orders in hand for delivery throughout 2022, which significantly reduces its dependency on a single geographic market, management expects continued variability in the timing and extent of international FeraMAX® sales from period to period, particularly sales to its largest export market.

Legacy Business Sales:

Q4 2021 vs. Q4 2020

Legacy Business sales of Protect-It® for Q4 2021 were $433,869, increasing by 58% compared to Legacy Business sales for Q4 2020 of $274,229 which increased by 180% as compared to Q4 2019.

This growth in Protect-It® sales during the quarter was attributable to a single large Protect-It® delivery to a Canadian distributor for export.

FY 2021 vs. FY 2020

Legacy Business sales of Protect-It® for FY 2021 were $1,214,220, increasing by 40% compared to Legacy Business sales for FY 2020 of $869,568 which declined by 16% as compared to FY 2019 due to some COVID-19 impact on demand in 2020 and carryover of customers' inventory.

Expenses

	Q4 2021	% Change vs. Q4 2020	% to Total Company Sales	Q4 2020	% Change vs. Q4 2019	% to Total Company Sales
Cost of goods sold	$ 1,397,055	5%	19%	$ 1,326,613	10%	23%
Selling and marketing	$ 1,997,306	-12%	28%	$ 2,268,725	74%	40%
General and administration	$ 1,390,506	22%	19%	$ 1,141,252	-23%	20%
New business development costs	$ 47,956	660%	1%	$ 6,312	-42%	0%
Finance costs	$ 20,743	-8%	0%	$ 22,656	-7%	0%
Subtotal	$ 4,853,566	2%	67%	$ 4,765,558	18%	83%
Finance income	$ (56,448)	-25%	1%	$ (75,360)	-43%	1%

Q4 2021 vs. Q4 2020

Total expenses for Q4 2021 were $4,853,566, increasing by 2% versus Q4 2020 expenses of $4,765,558. The ratio of total expenses to sales in Q4 2021 was 67%, declining from a ratio of 83% in Q4 2020.

Total selling and marketing expenses for Q4 2021 were $1,997,306, decreasing by 12% as compared to Q4 2020 selling and marketing expenses of $2,268,725. The ratio of selling and marketing expenses to sales in Q4 2021 also decreased to 28% from a ratio of 40% in Q4 2020 during which the Company made significant promotional investment in Tibella® (launched in July 2020), Combogesic® (launched in December 2020), and FeraMax® Pd Therapeutic 150 (launched in November 2020). While Tibella® and Combogesic® were revenue-generating during Q4 2021, the level of launch-stage selling and marketing expenditures for these two products was high relative to their Q4 2021 sales when compared with the Company's established brands. Nonetheless, unit sales of Tibella® increased by 100% in Q4 2021 versus Q4 2020, while the level of selling and marketing expenditures on this brand increased by 26% as the product has gained traction in the market, contributing to the overall decline in the ratio of selling and marketing expenses to sales during the period.

As the Company makes further investment in expanding its field salesforce and in the promotion of Combogesic®, Tibella® and other launch stage products during 2022, management expects the ratio of selling and marketing expenses to sales for these products to remain relatively high as compared to the Company's established brands, until these products gain further uptake in their respective markets.

General and administration expenses for Q4 2021 were $1,390,506, increasing by 22% as compared to Q4 2020 general and administration expenses of $1,141,252 as a result of increased corporate expenses and professional fees. Overall, the ratio of general and administration expenses to total Company sales for Q4 2021 was 19%, decreasing slightly from a ratio of 20% in Q4 2020.

Finance costs for Q4 2021 were $20,743, decreasing marginally from finance costs for Q4 2020 of $22,656. Finance costs represent interest expense on the Company's office lease liability accounted for in accordance with IFRS 16 *Leases*.

Finance income for Q4 2021, consisting of interest earned on short term investments and certain realized foreign exchange gains, was $56,448, decreasing by 25% as compared to Q4 2020 finance income of $75,360.

	FY 2021	% Change vs. FY 2020	% to Total Company Sales	FY 2020	% Change vs. FY 2019	% to Total Company Sales
Cost of goods sold	$ 5,980,356	22%	21%	$ 4,908,321	3%	22%
Selling and marketing	$ 9,076,212	22%	32%	$ 7,423,311	29%	33%
General and administration	$ 5,262,582	7%	18%	$ 4,905,190	-9%	22%
New business development costs	$ 115,867	77%	0%	$ 65,322	-28%	0%
Finance costs	$ 85,246	-8%	0%	$ 92,942	186%	0%
Subtotal	$ 20,520,263	18%	72%	$ 17,395,086	8%	78%
Finance income	$ (155,466)	-48%	1%	$ (299,897)	-42%	1%

FY 2021 vs. FY 2020

Total expenses for FY 2021 were $20,520,263, increasing by 18% versus FY 2020 expenses of $17,395,086. The ratio of total expenses to sales in FY 2021 was 72%, lower than a ratio of 78% in FY 2020.

Total selling and marketing expenses for FY 2021 were $9,076,212, increasing by 22% as compared to FY 2020 selling and marketing expenses of $7,423,311. The ratio of selling and marketing expenses to sales for FY 2021 was 32%, decreasing slightly from a ratio of 33% in FY 2020. The overall increase in selling and marketing expenses in FY 2021 was due primarily to significant advertising and promotion expenditures on Combogesic®, following its launch in late December 2020. While Combogesic® and Tibella® were both revenue-generating during FY 2021, the rate of launch sales growth of these two products has been affected in varying degrees by COVID-19-related access limitations of the Company's field salesforce to healthcare professionals as well as the depressed level of in-person patient traffic through the offices of these healthcare professionals. As planned, the level of launch-stage selling and marketing expenditures for these two products was high relative to their FY 2021 sales. As the Company makes further planned selling and marketing expenditures on Tibella® and Combogesic® as well as expenditure on other new product launch preparations and the development of further FeraMax® Pd platform product line extensions during 2022, management expects the ratio of total Company selling and marketing expenses to sales to remain relatively high as compared to historic levels. Additionally, as COVID-19 restrictions are lifted and the in-person access of the Company's field salesforce to healthcare professionals improves, management expects an increase in certain selling and marketing expenses as a result.

General and administration expenses for FY 2021 were $5,262,582, increasing by 7% as compared to FY 2020 general and administration expenses of $4,905,190. Overall, the ratio of general and administration expenses to total Company sales for FY 2021 declined to 18%, as compared to a ratio of 22% in FY 2020.

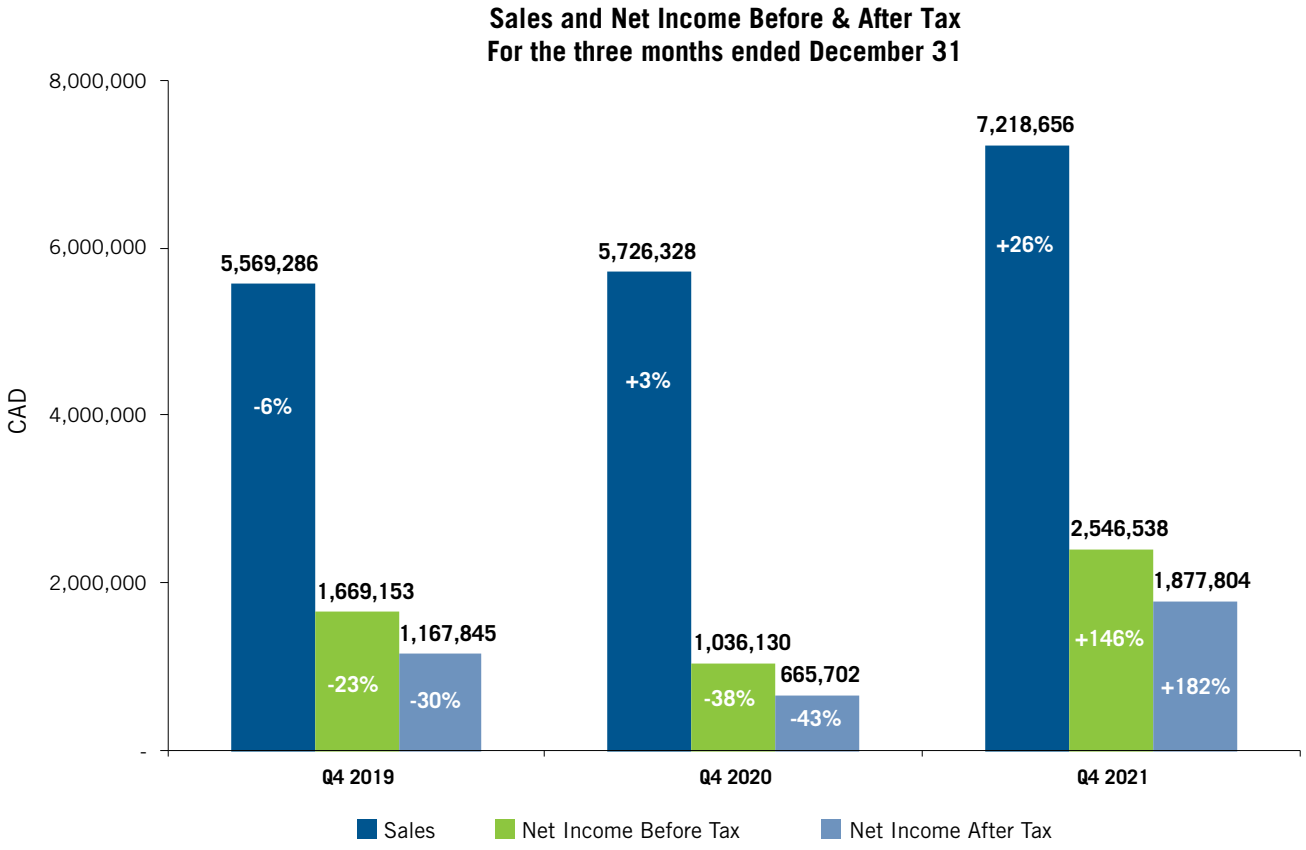
Finance costs for FY 2021, consisting of office lease interest expense, were $85,246, decreasing by 8% as compared to FY 2020 finance costs of $92,942 as a result of the overall decrease in the Company's office lease liability, amortized in accordance with IFRS 16 Leases.

Despite a higher average cash balance during the period, finance income for FY 2021, consisting of interest earned on short term investments and certain realized foreign exchange gains, was $155,466 decreasing by 48% as compared to FY 2020 finance income of $299,897. This decrease was a result of lower market interest rates in FY 2021 as compared to FY 2020, following monetary policy measures enacted by the Bank of Canada in response to the COVID-19 crisis starting in March 2020.

Net Income After Taxes (NIAT)

Q4 2021 vs. Q4 2020

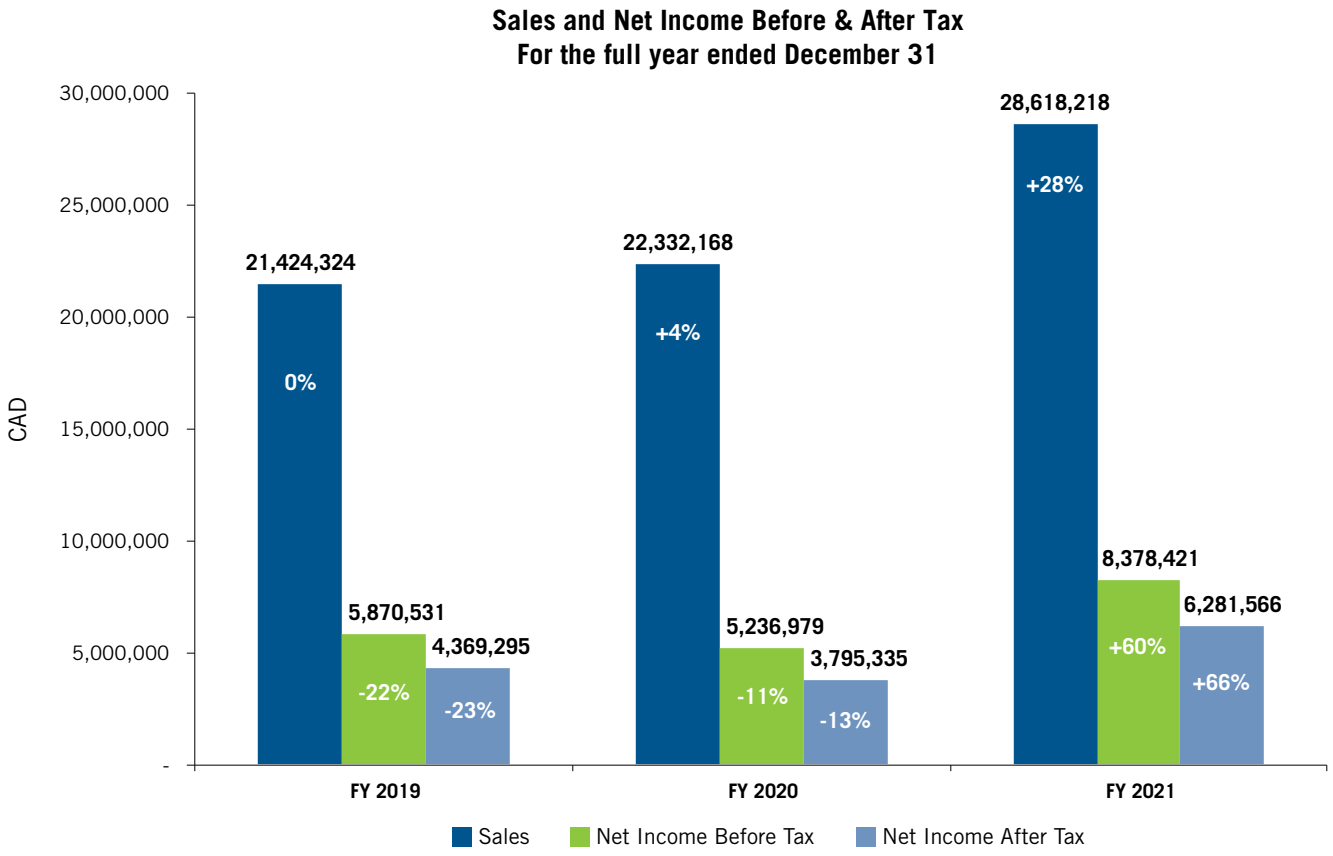
Q4 2021 marked the Company's 46th consecutive profitable quarter. Record quarterly NIAT for Q4 2021 of $1,877,804 increased by 182% compared to NIAT for Q4 2020 of $665,702 which decreased by 43% compared to Q4 2019 as a result of significant launch and pre-launch promotional spending in Q4 2020 on Tibella®, Combogesic®, and FeraMax® Pd Therapeutic 150. As a result of 20% sales growth overall in the Canadian pharmaceutical business, exceptional growth in the International pharmaceutical business and Legacy business, an increase in gross margins overall, and a decrease in selling and marketing expenditures during the quarter, the Company's net profit margin increased to 26% in Q4 2021 as compared to 12% in Q4 2020.



Including currency translation gains of $13,370, total comprehensive income for Q4 2021 was $1,891,174, increasing by 198% compared to total comprehensive income for Q4 2020 of $633,649.

FY 2021 vs. FY 2020

Record annual NIAT for FY 2021 of $6,281,566 increased by 66% compared to NIAT for FY 2020 of $3,795,335 which decreased by 13% compared to FY 2019. This increase in NIAT was a result of sales growth in all of the Company's established Canadian pharmaceutical brands as well as growth from its launch brands Tibella® and Combogesic®. Combined with a resurgence in the International FeraMAX® Business during the year, double-digit sales growth in the Legacy Business, an increase in gross margins on sales mix, and management of expenditures, overall, the Company's net profit margin increased to 22% of sales in FY 2021 as compared to 17% of sales in FY 2020.

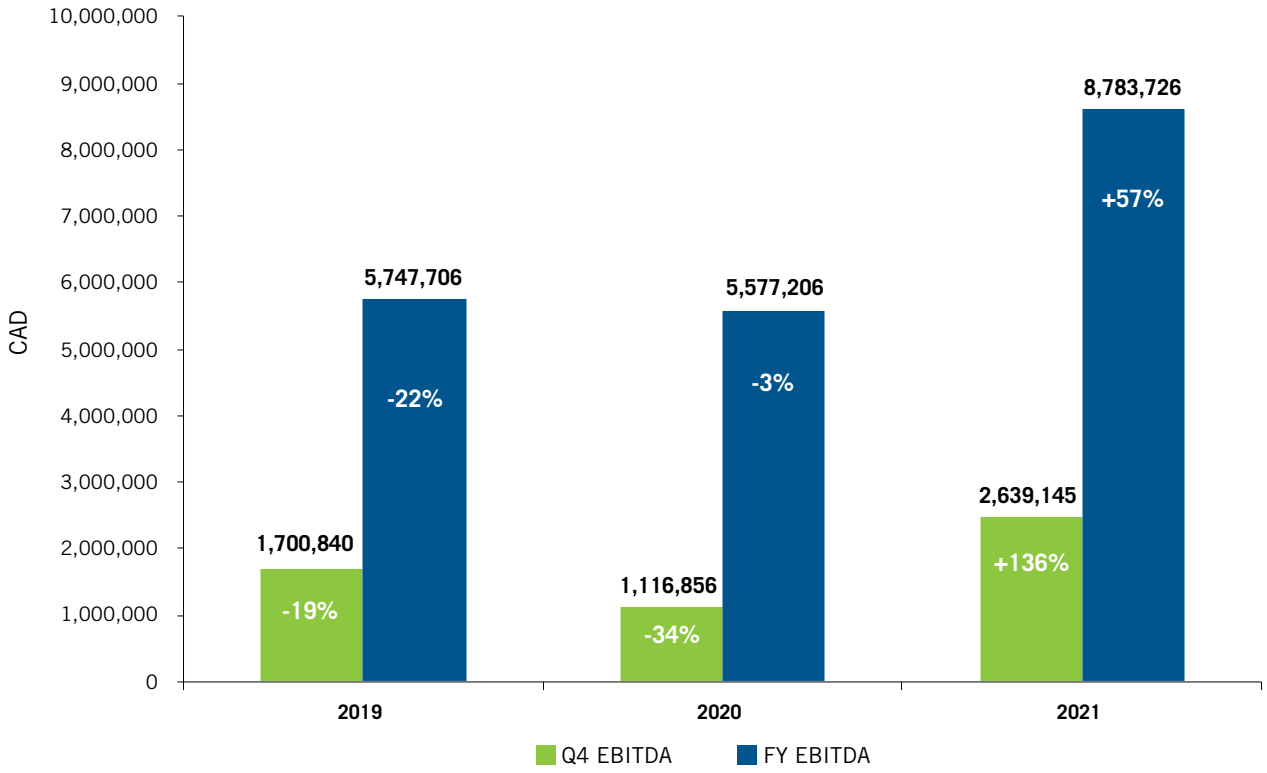


Including currency translation losses of $18,555, total comprehensive income for FY 2021 was $6,263,011, increasing by 68% compared to total comprehensive income for FY 2020 of $3,733,930.

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

EBITDA is a non-IFRS financial measure. The term EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Company defines EBITDA as earnings before interest income and/or expense, income taxes, depreciation and amortization. A summary of the Company's EBITDA for the three months and full years ended December 31, 2019, 2020, and 2021 is provided in the graph below:

EBITDA for the three and twelve months ended December 31



Q4 2021 vs. Q4 2020

EBITDA for Q4 2021 of $2,639,145 increased by 136% compared to EBITDA for Q4 2020 of $1,116,856. This increase in EBITDA was a result of an increase in Net Income Before Taxes of 146% to $2,546,538 in Q4 2021 from $1,036,130 in Q4 2020. A reconciliation of EBITDA to NIAT for the three months ended December 31, 2021, 2020, and 2019 is provided in the table below:

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

		2021	2020	2019
Q4 EBITDA		$ 2,639,145	$ 1,116,856	$ 1,700,840
Add:	Interest Income	38,029	55,310	99,865
Less:	Depreciation of Property and Equipment	(84,101)	(84,015)	(81,743)
	Amortization of Intangible Assets	(25,792)	(29,365)	(25,337)
	Interest Expense	(20,743)	(22,656)	(24,472)
	Income Tax Expense	(668,734)	(370,428)	(501,308)
Q4 NIAT		$ 1,877,804	$ 665,702	$ 1,167,845

FY 2021 vs. FY 2020

EBITDA for FY 2021 of $8,783,726 increased by 57% compared to EBITDA for FY 2020 of $5,577,206. This increase in EBITDA was a result of an increase in Net Income Before Taxes of 60% to $8,378,421 in FY 2021 from $5,236,979 in FY 2020. A reconciliation of EBITDA to NIAT for the full years ended December 31, 2021, 2020, and 2019 is provided in the table below:

RECONCILIATION OF EBITDA TO NIAT
FOR THE FULL YEAR (FY) ENDED DECEMBER 31

		2021	2020	2019
FY EBITDA		$ 8,783,726	$ 5,577,206	$ 5,747,706
Add:	Interest Income	137,047	263,137	447,011
Less:	Depreciation of Property and Equipment	(314,839)	(334,186)	(193,578)
	Amortization of Intangible Assets	(142,267)	(176,236)	(98,152)
	Interest Expense	(85,246)	(92,942)	(32,456)
	Income Tax Expense	(2,096,855)	(1,441,644)	(1,501,236)
FY NIAT		$ 6,281,566	$ 3,795,335	$ 4,369,295

Earnings per Share (EPS)

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

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Sales ($)	**7,218,656**	6,690,419	7,289,254	7,419,889	2,639,145	5,771,739	4,771,255	6,062,846
Net Income After Taxes ($)	**1,877,804**	1,721,320	1,018,074	1,664,368	665,702	955,909	722,206	1,451,518
Earnings Per Share – Basic ($)	**0.15**	0.14	0.08	0.13	0.05	0.07	0.06	0.11
Earnings Per Share – Diluted ($)	**0.15**	0.13	0.08	0.13	0.05	0.07	0.06	0.11

Diluted EPS for Q4 2021 was $0.15, increasing by $0.10 compared with diluted EPS of $0.05 for Q4 2020.

Diluted EPS for FY 2021 was $0.49, increasing by $0.20 compared with diluted EPS of $0.29 for FY 2020.

Financial Resources and Liquidity

Working capital, defined here as the difference between current assets and current liabilities, increased to $29,942,178 as at December 31, 2021 from $24,635,207 as at December 31, 2020. Cash and short-term investments of $28,211,670 accounted for 94% of working capital as at December 31, 2021 as compared with cash and short-term investments of $25,577,706 accounting for 104% of working capital as at December 31, 2020. While the ongoing impact of the COVID-19 pandemic on the Company's business operations, sales, and resultant cash flows is uncertain, the Company has sufficient cash and working capital to maintain its operating activities and to fund its planned growth and development activities.

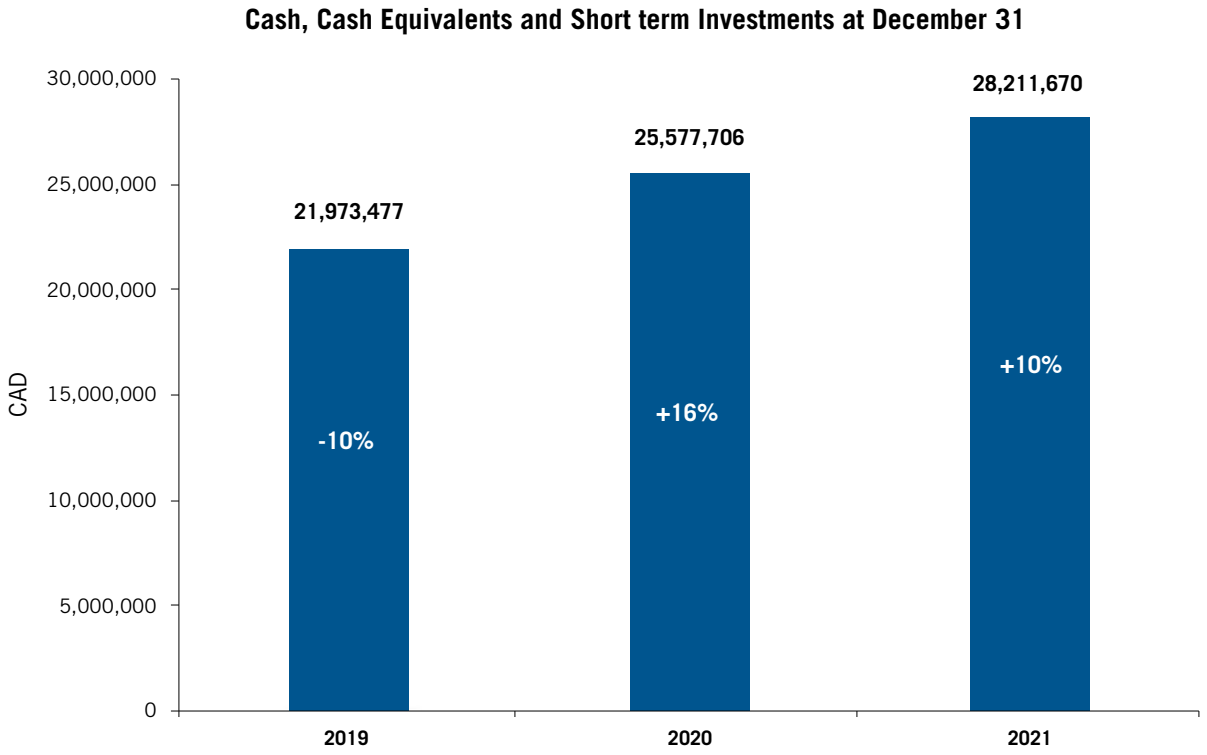
The Company's business model does not require significant ongoing capital investment. This business model consistently generates cash from operations, providing the Company with significant cash reserves not required in operations. The Company's cash reserves provide it with flexibility in the sourcing, financing, and commercialization of new product in-licensing and acquisition opportunities.

In addition to capital investments in growth (both in organic growth from existing brands and incremental growth from new brands), from time to time, excess capital may be returned to shareholders through share buybacks (via Normal Course Issuer Bid) and dividends. Between December 2018 to date, the Company has repurchased and cancelled approximately 1.9 million common shares with a total expenditure of $11.8 million. Based on the Company's historic financial performance and planned future growth, Management believes these share buybacks are an effective use of capital to deliver value to all BioSyent shareholders.

During FY 2021, there was a net increase in cash and short-term investments of $2,633,964 as compared to a net increase of $3,604,229 during FY 2020. While the Company's NIAT increased to $6,281,566 in FY 2021 from $3,795,335 in FY 2020, there was a net increase in non-cash working capital of $2,175,147 in FY 2021 as compared to a net decrease in non-cash working capital of $2,494,010 in FY 2020 primarily as a result of an increase in trade accounts receivable at December 31, 2021 from significant sales growth in Q4 2021 versus Q4 2020. As a result, the Company generated net cash from operating activities of $4,674,888 during FY 2021 as compared to $6,894,425 during

FY 2020. The Company also expended $1,321,594 in FY 2021 for the repurchase and cancellation of the Company's own common shares under a Normal Course Issuer Bid ("NCIB") and a further $527,179 for the purchase of common shares held in trust for the Company's Restricted Share Unit ("RSU") Plan. Comparatively, during FY 2020, the Company expended $2,648,194 for the repurchase and cancellation of common shares under its NCIB and a further $493,818 on the purchase of common shares for the Company's RSU Plan.

The graph below illustrates the company's cash, cash equivalents and short-term investments as of December 31, 2019, 2020, and 2021 as well as the growth over the comparative prior year period:



Total shareholders' equity increased by 18% to $31,554,926 at December 31, 2021 from $26,795,956 at December 31, 2020. While the Company generated comprehensive income of $6,263,011 during FY 2021, it repurchased 180,950 of its own common shares during the year under its NCIB and a further 69,300 common shares which were held as treasury shares in trust for future settlements under its RSU Plan, reducing shareholders' equity by $1,848,773 as a result.

Return on Average Shareholders' Equity increased to 21% for FY 2021, as compared to 14% for FY 2020.

The Company's total assets at December 31, 2021 were $37,167,456 increasing by 11% compared to total assets of $33,571,214 as at December 31, 2020. This compares to an increase of 8% in total assets during FY 2020 from total assets of $30,965,314 at December 31, 2019.

The Company has no short term or long term debt; however, the Company has credit facilities available with Royal Bank of Canada totaling $3,090,000, including a foreign exchange facility of $1,500,000, a credit card facility of $90,000, and a revolving demand credit facility of $1,500,000 which had not been utilized as of December 31, 2021. This credit facility bears interest at a variable rate of Royal Bank prime plus 0.75% and has been secured with a General Security Agreement constituting a first ranking security interest of the Bank in the Company's property. The Company is subject to maintaining certain financial covenants if the demand credit facility is drawn upon.

Risk Management

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

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

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

1. COVID-19 (Coronavirus)

On March 11, 2020, the World Health Organization characterized COVID-19 (Coronavirus) as a pandemic. The COVID-19 pandemic has impacted and is likely to continue to impact the Company's operations in the following key areas:

a. Workforce:

The Company will continue to follow the recommendations of public health and government authorities and to take all necessary precautions, including remote work arrangements, the ongoing practice of physical distancing, making personal protective equipment available to employees, and ensuring employees' understanding of good hygiene practices and infection risks, in order to protect the health and safety of its workforce, both in its head office and in the field.

b. Access to Healthcare Professionals:

COVID-19 restrictions have affected the ability of the Company's field salesforce to access healthcare professionals in the community and in hospitals for the purposes of product detailing. While the extent and duration of such access restrictions varies by region in Canada and internationally, such restrictions may have an impact on the Company's pharmaceutical sales during the time they are in place.

c. Demand for Products:

To the extent that the COVID-19 pandemic affects patient volumes (both in community clinics and in hospitals) and the nature of procedures performed in Canadian hospitals, this will affect the consumption of the Company's non-prescription products, prescription products, urgent care products as well as its hospital products used in elective procedures.

Additionally, to the extent that the COVID-19 pandemic and safety restrictions affect consumer buying behaviour, this will affect demand for the Company's pharmaceutical products in the community. The extent of the impact of COVID-19 on consumer demand for the Company's products in the short-term and long-term is uncertain.

Finally, given the global scale of COVID-19, demand for the Company's products in international markets may also be affected, depending on the extent of local infection rates, the measures implemented by local governments in response, and the overall impact of the pandemic on business activity in these international markets.

d. Supply Chain:

The Company sources its products globally. Given the global impact of the COVID-19 pandemic and varying localized impacts, this could result in interruptions to the Company's supply chains, including the manufacturing, transportation, and delivery of products to customers.

2. Sourcing and Revenue Concentration

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

3. Foreign Exchange Risk

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

4. Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in interest rates. Some of the Company's cash and cash equivalents as at the date of the Company's Consolidated Statements of Financial Position are invested in redeemable guaranteed investment certificates (each, a "**GIC**"), which earn interest at fixed rates during their tenure. The Company's short-term investments consist of non-redeemable GICs which also earn interest at fixed rates during their tenure. 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. Changes to the Bank of Canada's Policy Interest Rate in response to the economic impact of the COVID-19 pandemic will affect market rates of interest and the rate of interest earned on the Company's GICs.

5. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, short term investments, trade and other receivables, and loans receivable. The carrying amount of financial assets represents maximum credit exposure. As the Company invests in GICs with Canadian Chartered Banks, its credit risk on this account is negligible. The Company's loans receivable (see Note 13 of the Consolidated Financial Statements) are full recourse and secured by a pledge of common shares of the Company purchased by the Borrowers, who are key management personnel. Based on these factors, the Company considers the credit risk associated with these loans receivable to be low. There are no factors at the end of the period to indicate a significant increase in credit risk has occurred and there are no defaults on the loans receivable.

a. Aging of Receivables

The majority of the Company's current customers are corporations with whom the Company has transacted for several years. In assessing the credit risk of its trade accounts receivable, the Company considers historical default rates and payment patterns, the nature of its customer base, and forward-looking information including any anticipated changes to its customer base, credit terms, and pricing.

The Company's gross trade accounts receivable increased by 53% to $2,547,388 at December 31, 2021 from $1,665,738 at December 31, 2020, due primarily to an overall increase in sales in Q4 2021 of 26% as compared to Q4 2020.

The Company monitors its credit risk on an ongoing basis. The Company has provided for expected credit losses of $53,011 related to certain disputed deductions on trade receivables by certain Canadian pharmaceutical wholesale customers. Given the pervasive impact of the COVID-19 pandemic on general economic conditions and liquidity, there may be an increased risk of customer default on trade receivables in this environment; however, given the nature of size of the Company's customer base, the risk of material default on trade accounts receivable is still considered low.

b. Concentration of Receivables

As of December 31, 2021, one customer represents 36% of trade receivables (December 31, 2020 - 43%) while another customer represents 21% of trade receivables (December 31, 2020 - 19%), a third customer represents 13% of trade receivables (December 31, 2020 - 15%), and a fourth customer represents 11% of trade receivables (December 31, 2020 – 4%). There have been no past credit losses from these customers.

c. Loans Receivable

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

Each 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.

6. Liquidity Risk

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

The Company generates sufficient cash from operating activities to fund its operations and fulfill its obligations as they become due. The Company has credit facilities available with Royal Bank of Canada totalling $3,090,000, including a revolving demand credit facility of $1,500,000 which it has not drawn down as at the date hereof, a foreign exchange facility of $1,500,000, and credit card facilities totalling $90,000. The Company's funds have not been committed in any way, except as set out in Note 20 of the Consolidated Financial Statements.

7. Information Technology (IT)

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

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

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

8. Competition

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

9. Climatic Conditions

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

10. General Economic Conditions

The Company has no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting its businesses, including uncertainty surrounding the economic impact of disease epidemics and pandemics and the risk of supply chain interruptions related thereto, geopolitical risks, armed conflicts, economic sanctions, or the possibility of political unrest, legal or regulatory changes in jurisdictions in which the Company or its customers operate. These factors could negatively affect the Company's future results of operations.

11. Innovation

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

12. Width of Product Portfolio

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

13. Capital Risk

Significant capital investment is required in the sourcing, development, and launch of new products to the market as a result of the high cost of product development as well as the high level of competition and regulation in the pharmaceutical industry. Competitive, regulatory, and market risks result in a high degree of new product failures in the specialty pharmaceutical industry. Given the substantial resources and investment required in launching new products, there is uncertainty that the returns on such investment will meet Company expectations as well as a risk of financial loss for unsuccessful product launches.

14. Agreements Relating to the Development and Distribution of Products

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

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

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

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

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

15. Regulatory Risks

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

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

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

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

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

16. Specific Risks

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

Disclosure of Outstanding Share Data

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

As at March 9, 2022 the following common shares, stock options, and Restricted Share Units were outstanding:

	No. of Shares	Exercise Price Range
Issued common shares	12,640,658	
Treasury shares: RSU Plan in Trust	(225,700)	
Outstanding common shares	12,414,958	
Stock options outstanding	170,504	$6.20 - $ 10.97
RSUs outstanding	192,597	
Fully Diluted at March 9, 2022	12,778,059	

Normal Course Issuer Bid

On December 11, 2020, the Company announced that the TSX Venture Exchange had accepted its Notice of Intention to Make a NCIB for a further 12-month period ending on December 16, 2021 during which the Company would be permitted to purchase up to 950,000 of its own common shares for cancellation. The Company repurchased and cancelled 159,850 common shares at an average price of $7.15 per share under this NCIB during FY 2021.

On December 13, 2021, the Company announced that the TSX Venture Exchange had accepted its Notice of Intention to Make a NCIB for a further 12-month period ending on December 16, 2022 during which the Company would be permitted to purchase up to 740,000 of its own common shares for cancellation. Between December 17, 2021 to date, the Company has repurchased and cancelled 145,400 common shares at an average price of $8.13 per share under this NCIB.

Restricted Share Unit Plan

On March 4, 2020, the Board of Directors adopted a Restricted Share Unit ("RSU") Plan which was approved by shareholders on May 27, 2020 and which was subsequently approved by the TSX Venture Exchange. The RSU Plan was established as a vehicle by which equity-based incentives may be granted to eligible employees, consultants, directors and officers of the Company to recognize and reward their contributions to the long-term success of the Company including aligning their interests more closely with the interests of the Company's shareholders. The RSU Plan is a fixed plan which reserves for issuance a maximum of 800,000 common shares of the Company.

To the date hereof, the Company has purchased 225,700 of its own common shares pursuant to its RSU Plan with such shares held in trust for future settlement of vested RSUs granted to employees, senior management, and directors of the Company.

Commitments

Office Leases

The Company's office lease agreement commenced on September 1, 2019 and extends to August 31, 2029.

The Company's undiscounted minimum future rental payments and estimated occupancy costs (including certain operating costs and realty taxes) for the next five fiscal years under this lease agreement as of the date hereof are approximately as follows:

Fiscal Year	Rent and Occupancy Costs
2022	$ 368,197
2023	$ 371,711
2024	$ 371,711
2025	$ 375,225
2026	$ 382,253
Beyond Next 5 Fiscal Years	$ 1,019,342
Total	$ 2,888,439

Purchase Commitments

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

Disclosure Controls

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

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

Investor Relations Activities

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

Related Party Transactions

Key Management Personnel Compensation

The table below summarizes compensation for key management personnel of the Company for the years ended December 31, 2021 and 2020:

	Year ended December 31,	
	2021	2020
Number of Key Management Personnel	6	6
Salary, Benefits, and Bonus	$1,689,577	$1,635,408
Share-Based Payments	$220,513	$207,785

During the year ended December 31, 2021, the Company recorded share-based payment expense of $220,513 (2020 - $207,785) related to the amortization of RSUs granted to key management under the Company's RSU Plan, the vesting of options granted prior to 2020 under the Company's SOP, as well as the Company's contributions to the ESPP for the purchase of common shares on behalf of participating key management personnel. As at December 31, 2021, there were loans receivable under the MSLP from key management personnel of $551,798 (December 31, 2020 - $546,335). Interest accrued on these MSLP loans during the year totalled $5,463 (2020 - $8,108).

Transactions with Directors

During the year ended December 31, 2021, the Company paid cash fees to its directors in the amount of $109,312 (2020 - $54,376) and recorded share-based payments expense for accounting purposes of $38,116 (2020 - $22,022) related to the amortization of RSUs under the Company's RSU Plan and the vesting of options granted to directors prior to 2020 under the SOP.

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.