BioSyent Inc.

Interim Unaudited Condensed Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019

Expressed in Canadian Dollars

Corporate Office
2476 Argentia Road
Suite 402
Mississauga, Ontario, L5N 6M1
Canada
Telephone 905.206.0013
Facsimile 905.206.1413
Email: info@biosyent.com
Web: www.biosyent.com

Management's Responsibility For Financial Reporting

To the Shareholders of BioSyent Inc.:

Management has prepared the interim unaudited condensed consolidated financial statements for BioSyent Inc. (the "**Company**") in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* released by the Canadian Securities Administration. The Company discloses that its auditors have not reviewed these interim unaudited condensed consolidated financial statements for the three months ended March 31, 2020 and 2019.

Robert J. March

Vice-President and Chief Financial Officer, BioSyent Inc.

May 27, 2020

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

AS AT	March 31, 2020	December 31, 2019
ASSETS		
Trade and other receivables *(Note 5)*	$3,680,796	$2,083,723
Inventory *(Note 6)*	1,523,386	2,139,127
Prepaid expenses and deposits	736,820	648,781
Short term investments *(Note 8)*	3,543,728	8,531,660
Cash and cash equivalents *(Note 9)*	17,647,774	13,441,817
CURRENT ASSETS	27,132,504	26,845,108
Property and equipment *(Note 10)*	2,404,366	2,482,266
Intangible assets *(Note 11)*	982,103	1,023,378
Loans receivable *(Note 12)*	591,402	588,467
Deferred tax asset	30,792	26,095
TOTAL NON CURRENT ASSETS	4,008,663	4,120,206
TOTAL ASSETS	$31,141,167	$30,965,314
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued liabilities	$2,793,829	$2,916,834
Contract liability *(Note 13)*	129,905	99,141
Lease liability - current *(Note 14)*	146,319	144,253
Derivative liability *(Note 7)*	2,353	43,861
Income tax payable	670,260	154,952
CURRENT LIABILITIES	3,742,666	3,359,041
Deferred tax liability	76,131	102,902
Lease liability - non current *(Note 14)*	1,671,112	1,708,861
TOTAL NON CURRENT LIABILITIES	1,747,243	1,811,763
Share capital *(Note 15)*	6,576,804	7,179,617
Contributed surplus	1,288,555	1,235,549
Cumulative translation adjustment	(86,422)	(105,300)
Retained earnings	17,872,321	17,484,644
Total Equity	25,651,258	25,794,510
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$31,141,167	$30,965,314

Contingencies *(Note 18)*
Commitments *(Note 19)*
Related party transactions *(Note 20)*

APPROVED ON BEHALF OF THE BOARD

René Goehrum
DIRECTOR
May 27, 2020

Peter Lockhard
DIRECTOR

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

BioSyent Inc.
Interim Unaudited Condensed Consolidated Statements of Comprehensive Income
(Expressed in Canadian Dollars)

	For the three months ended March 31,	
	2020	2019
Net revenues from contracts with customers	$6,062,846	$4,478,814
Cost of goods sold (*Notes 6, 16*)	1,261,103	958,424
Gross profit	4,801,743	3,520,390
Selling, general and administration expenses *(Note 16)*	2,924,002	2,357,516
New business development costs *(Note 16)*	8,988	7,123
Operating profit	1,868,753	1,155,751
Finance costs *(Note 14)*	23,615	-
Finance income *(Note 16)*	(90,220)	(122,917)
NET INCOME BEFORE TAXES	1,935,358	1,278,668
Current income tax	515,308	294,708
Deferred tax (recovery)	(31,468)	5,779
NET INCOME AFTER TAXES	1,451,518	978,181
OTHER COMPREHENSIVE INCOME		
Currency translation gains	18,878	23,578
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$1,470,396	$1,001,759
Basic earnings per share *(Note 17)*	$0.11	$0.07
Diluted earnings per share *(Note 17)*	$0.11	$0.07

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

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

	For the three months ended March 31,	
	2020	**2019**
OPERATING ACTIVITIES		
Net income after taxes	$1,451,518	$978,181
Items not affecting cash:		
Depreciation - property and equipment *(Note 10)*	86,184	21,123
Amortization - intangible assets *(Note 11)*	43,050	24,272
Share-based payments *(Note 15)*	53,006	57,599
Change in derivative asset/liability	(41,508)	(45,622)
Current income tax	515,308	294,708
Deferred tax	(31,468)	5,779
Cash paid for taxes	-	(335,736)
Net change in non-cash working capital items:		
Trade and other receivables	(1,597,073)	(82,137)
Inventory	615,741	(508,317)
Prepaid expenses and deposits	(88,039)	(109,014)
Accounts payable and accrued liabilities	(472,481)	(519,117)
Contract liability	30,764	(23,416)
Cash provided by (used in) operating activities	**565,002**	**(241,697)**
INVESTING ACTIVITIES		
Net additions to property and equipment *(Note 10)*	(8,284)	(78,519)
Additions to intangible assets *(Note 11)*	(1,775)	(16,709)
Decrease (Increase) in short term investments	4,987,932	(1,492,458)
Loan advances and Interest receivable *(Note 12)*	(2,935)	(2,845)
Cash provided by (used in) investing activities	**4,974,938**	**(1,590,531)**
FINANCING ACTIVITIES		
Payments - lease liability principal *(Note 14)*	(35,683)	-
Payments - lease liability interest *(Note 14)*	(23,615)	-
Repurchase of common shares - NCIB *(Note 15)*	(829,756)	(1,649,976)
Purchase of RSU Plan shares - held in trust *(Note 15)*	(463,807)	-
Cash used in financing activities	**(1,352,861)**	**(1,649,976)**
Effect of foreign currency translation adjustment	18,878	23,578
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**4,205,957**	**(3,458,626)**
Cash and cash equivalents, beginning of period	13,441,817	16,832,769
CASH AND CASH EQUIVALENTS - END OF PERIOD	**$17,647,774**	**$13,374,143**
SUPPLEMENTARY DISCLOSURE:		
NET CHANGE IN CASH AND SHORT TERM INVESTMENTS		
Cash and short term investments, beginning of period	$21,973,477	$24,425,101
Increase (decrease) in short term investments	(4,987,932)	1,492,458
Increase (decrease) in cash and cash equivalents	4,205,957	(3,458,626)
CASH AND SHORT TERM INVESTMENTS - END OF PERIOD	**$21,191,502**	**$22,458,933**

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

BioSyent Inc.
Interim Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital	Contributed Surplus	Cumulative Currency Translation Adjustment	Retained Earnings	Total Shareholders' Equity
Balance as of January 1, 2020	$ 7,179,617	$ 1,235,549	$ (105,300)	$ 17,484,644	$ 25,794,510
Comprehensive Income for the period	-	-	18,878	1,451,518	1,470,396
Common shares repurchased under Normal Course Issuer Bid *(Note 15)*	(139,006)	-	-	(1,063,841)	(1,202,847)
Common shares purchased and held in RSU Plan Trust *(Note 15)*	(463,807)	-	-	-	(463,807)
Effect of Share-based payments: Options vested *(Note 15)*	-	53,006	-	-	53,006
Balance as of March 31, 2020	$ 6,576,804	$ 1,288,555	$ (86,422)	$ 17,872,321	$ 25,651,258

	Share Capital	Contributed Surplus	Cumulative Currency Translation Adjustment	Retained Earnings	Total Shareholders' Equity
Balance as of January 1, 2019	$ 7,654,993	$ 976,957	$ (14,734)	$ 18,988,446	$ 27,605,662
Comprehensive Income for the period	-	-	23,578	978,181	1,001,759
Common shares repurchased under Normal Course Issuer Bid *(Note 15)*	(117,149)	-	-	(1,587,652)	(1,704,801)
Effect of Share-based payments: Options granted / vested *(Note 15)*	-	57,599	-	-	57,599
Balance as of March 31, 2019	$ 7,537,844	$ 1,034,556	$ 8,844	$ 18,378,975	$ 26,960,219

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

1. General Information

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

The accompanying interim unaudited condensed consolidated financial statements (the "**Financial Statements**") of BioSyent include the accounts of BioSyent Inc. and its four wholly owned subsidiaries: BioSyent Pharma Inc., BioSyent Pharma International Inc., Hedley Technologies Ltd., and Hedley Technologies (USA) Inc. (formerly HTI Agritech (USA) Inc.) ("**Hedley USA**").

The Company changed its name from "Hedley Technologies Inc." to "BioSyent Inc." on June 13, 2006 to reflect the Company's forward focus on the pharmaceutical market. BioSyent Pharma was incorporated on April 6, 2006 under the Canada Business Corporations Act and commenced operations in 2006. Hedley Technologies Ltd. was incorporated on January 30, 1996 in the province of British Columbia, Canada. Hedley USA was incorporated on May 13, 1994 in the state of Washington, USA. BioSyent Pharma International Inc. was incorporated on April 18, 2016 in Barbados.

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

These Financial Statements were approved by the Board of Directors on May 27, 2020.

2. Basis of Presentation

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

Statement of Compliance

These Financial Statements are in compliance with International Accounting Standard 34, "Interim Financing Reporting" ("**IAS34**"). Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**") have been omitted or condensed.

Since these Financial Statements do not include all disclosures required by IFRS for annual financial statements, they should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2019.

Basis of Consolidation

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

Functional and Presentation Currency

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

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

3. Summary of Significant Accounting Policies

The accounting policies adopted in the preparation of these Financial Statements are consistent with those followed in the preparation of the Company's consolidated financial statements for the year ended December 31, 2019.

Accounting Pronouncements Issued but not yet Effective

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

4. Use of Estimates and Accounting Judgments by Management

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the Company's consolidated financial statements for the year ended December 31, 2019.

5. Trade and other Receivables

Trade and other receivables are summarized as follows:

	March 31, 2020	December 31, 2019
Trade accounts receivable	$3,484,440	$1,814,914
Other receivables	196,356	268,809
Total trade and other receivables	$3,680,796	$2,083,723

6. Inventory

Inventory is comprised of the following:

	March 31, 2020	December 31, 2019
Raw and Packaging Materials	$289,257	$273,942
Finished Goods	1,234,129	1,865,185
Total inventory	$1,523,386	$2,139,127

Cost of goods sold is comprised of the following:

	March 31, 2020	March 31, 2019
Raw and Packaging Materials and Finished Goods	$1,207,145	$921,135
Freight	53,958	37,289
Total cost of goods sold	$1,261,103	$958,424

7. Financial Instruments and Financial Risk Management

Fair Value Measurement

Fair Value Estimation of Financial Instruments

The carrying value of the Company's cash and cash equivalents, short term investments, derivative assets/liabilities, trade and other receivables, loans receivable, and accounts payable and accrued liabilities approximate their fair values.

Risks

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

➢ **Foreign Exchange Options:**

The Company periodically enters into foreign exchange options with financial institutions with investment grade credit ratings to manage its foreign exchange risk on contracts denominated in U.S. dollars. Such options are classified as derivative financial instruments and measured at fair value through profit and loss. As at March 31, 2020, the Company entered into options to purchase up to a total of USD 1,800,000 and USD 2,700,000 (December 31, 2019 – USD 2,550,000 and USD 3,825,000) at an exchange rate expressed in CAD per USD of 1.3000 which will be settled on various dates from April 2020 to January 2021. The Company's right to buy USD 1,800,000 on the respective settlement dates is subject to the spot exchange rates on the settlement dates being below rates ranging from 1.3300 to 1.3550 CAD per USD. The Company's obligation to buy USD 2,700,000 on the respective settlement dates is subject to the spot exchange rates on the settlement dates being below a rate of 1.2750 CAD per USD.

The fair value of foreign exchange options is estimated based on quoted values from financial institutions. The Company's foreign exchange options resulted in a derivative liability of $2,353 as at March 31, 2020 (December 31, 2019 – derivative liability of $43,861).

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

March 31, 2020	Level 1	Level 2	Level 3
Foreign Exchange Options	-	($2,353)	-

December 31, 2019	Level 1	Level 2	Level 3
Foreign Exchange Options	-	($43,861)	-

➢ **Dual Currency Deposits:**

The Company also invests in dual currency deposits ("**DCD**"). A DCD is a CAD or foreign currency denominated transaction that provides an enhanced guaranteed interest payment at maturity. However, the original denominated currency is converted to another specified currency at a specified exchange rate depending on whether the spot rate on the maturity date is above or below a specified fixed exchange rate. The fair value of DCDs is estimated based on quoted values from financial institutions.

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

March 31, 2020	Level 1	Level 2	Level 3
DCDs	-	-	-

December 31, 2019	Level 1	Level 2	Level 3
DCDs	-	$1,987,932	-

At March 31, 2020, the Company had nil DCDs.

At December 31, 2019, the Company had the following CAD denominated DCD that was convertible into USD:

Type of Financial Instrument	Spot Rate on Transaction Date	Principal (CAD)	Net Fair Value (CAD)	Guaranteed Interest Rate	Maturity Date	Fixed Maturity Conversion Rate
DCD	1.3160	$2,000,000	$1,987,932	3.01%	February 3, 2020	1.3000

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

➢ **Foreign Exchange Risk:**

The Company currently earns revenue in Canadian dollars, U.S. dollars and Euros and incurs costs in Canadian dollars, U.S. dollars and Euros. Management monitors the foreign currency net liability position on an ongoing basis during the year and adjusts the total net monetary liability balance accordingly. When it is appropriate to de-risk future foreign exchange transactions, the Company uses DCDs and foreign exchange options 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, 2020	December 31, 2019
Description of Asset/(Liability)	USD	USD
Cash and cash equivalents	147,844	418,262
Short term investments	-	1,529,178
Trade receivables	30,766	78,254
Less: Accounts payable	(14,791)	(698,811)
Net Total	163,819	1,326,883
Foreign Exchange Rate CAD per USD at the end of the period	1.4187	1.2988

At March 31, 2020, 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 $17,082 higher or lower on an after-tax basis, respectively (December 31, 2019 – $126,667 higher or lower, respectively).

Foreign Exchange Sensitivity Analysis - EUR

Description of Asset/(Liability)	March 31, 2020 EUR	December 31, 2019 EUR
Cash and cash equivalents	524,439	673,066
Trade receivables	-	-
Less: Accounts payable	(245,873)	(84,048)
Net Total	278,566	589,018
Foreign Exchange Rate CAD per EUR at the end of the period	1.5584	1.4583

At March 31, 2020, 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 $31,908 higher or lower on an after-tax basis, respectively (December 31, 2019 - $63,134 higher or lower, respectively).

➢ **Interest Rate Risk:**

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

➢ **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 12)* are full recourse and secured by a pledge of common shares of the Company purchased by the Borrowers, who are key management personnel. Based on these factors, the Company considers the credit risk associated with these loans receivable to be low. There are no factors at the end of the year to indicate a significant increase in credit risk has occurred and there are no defaults on the loans receivable.

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

Aged Trade Accounts Receivable	March 31, 2020	December 31, 2019
Current	$ 3,103,804	$ 1,328,854
Past due 1-30 days	311,869	329,815
Past due 31-60 days	14,972	80,438
Over 60 days	83,723	111,218
Expected credit loss	(29,928)	(35,411)
Closing Balance	$ 3,484,440	$ 1,814,914
Maximum Credit Risk	3,514,368	1,850,325

As of March 31, 2020, one customer represents 36% of trade receivables (December 31, 2019 - 19%) while another customer represents 25% of trade receivables (December 31, 2019 - 31%), a third customer represents 18% of trade receivables (December 31, 2019 - 13%), and a fourth customer represents 9% of trade receivables (December 31, 2019 – 18%). There have been no past defaults by any of these four customers.

The Company's expected credit loss of $29,928 (December 31, 2019 - $35,411) is related to a trade receivable from a Canadian pharmaceutical wholesale customer, not included with the significant customers noted above, for which collection was uncertain.

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.

➢ **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 has available additional foreign exchange facilities of $2,500,000 with other Canadian financial institutions.

There were no changes to the Company's exposure to liquidity risk, credit risk, or interest rate risk or to its approach to managing these risks during the period ended March 31, 2020.

8. Short-term Investments

Short term investments consist of the following:

	March 31, 2020	December 31, 2019
Non-redeemable GICs	$3,543,728	$6,543,728
Dual Currency Deposits	-	1,987,932
Total short-term investments	$3,543,728	$8,531,660

9. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

	March 31, 2020	December 31, 2019
Cash on deposit in banks	$15,410,809	$10,877,130
Redeemable GICs	2,236,965	2,554,687
Total cash and cash equivalents	$17,647,774	$13,431,817

10. Property and equipment

	Furniture and Fixtures	Equipment	Computer Equipment	Computer Software	Right-of-Use Asset (see Note 13)	Leasehold Improvements	Total
COST:							
December 31, 2018	$104,149	$89,028	$231,225	$290,472	$-	$-	$714,874
2019 Additions	161,546	131,050	35,539	80,593	1,330,455	680,511	2,419,694
2019 Disposals	(15,635)	-	-	-	-	-	(15,635)
December 31, 2019	$250,060	$220,078	$266,764	$371,065	$1,330,455	$680,511	$3,118,933
2020 Additions	4,884	-	3,400	-	-	-	8,284
March 31, 2020	**$254,944**	**$220,078**	**$270,164**	**$371,065**	**$1,330,455**	**$680,511**	**$3,127,217**
ACCUMULATED DEPRECIATION:							
December 31, 2018	$(67,703)	$(37,324)	$(141,089)	$(196,973)	$-	$-	$(443,089)
Changes in 2019	(20,317)	(24,572)	(32,372)	(49,610)	(44,349)	(22,358)	(193,578)
December 31, 2019	$(88,020)	$(61,896)	$(173,461)	$(246,583)	$(44,349)	$(22,358)	$(636,667)
Changes in 2020	(8,225)	(8,391)	(7,139)	(9,333)	(33,261)	(19,835)	(86,184)
March 31, 2020	**$(96,245)**	**$(70,287)**	**$(180,600)**	**$(255,916)**	**$(77,610)**	**$(42,193)**	**$(722,851)**
CARRYING AMOUNT							
December 31, 2018	$36,446	$51,704	$90,136	$93,499	$-	$-	$271,785
December 31, 2019	$162,040	$158,182	$93,303	$124,482	$1,286,106	$658,153	$2,482,266
March 31, 2020	**$158,699**	**$149,791**	**$89,564**	**$115,149**	**$1,252,845**	**$638,318**	**$2,404,366**

11. Intangible Assets

	New Product Dossier and Filing Costs	Product Licenses and Rights	New Product Development	Trademarks and Patents	Trade Certifications	Total
COST:						
December 31, 2018	$1,282,757	$893,020	$69,065	$85,326	$3,936	$2,334,104
2019 Additions	219,450	-	2,885	7,460	-	229,795
December 31, 2019	$1,502,207	$893,020	$71,950	$92,786	$3,936	$2,563,899
2020 Additions	-	-	-	1,775	-	1,775
March 31, 2020	**$1,502,207**	**$893,020**	**$71,950**	**$94,561**	**$3,936**	**$2,565,674**
ACCUMULATED AMORTIZATION:						
December 31, 2018	$(41,042)	$(218,052)	$-	$(8,568)	$-	$(267,662)
Changes in 2019	(13,061)	(79,742)	-	(4,553)	(796)	(98,152)
December 31, 2019	$(54,103)	$(297,794)	$-	$(13,121)	$(796)	$(365,814)
Changes in 2020	(14,274)	(19,935)	(7,300)	(1,344)	(197)	(43,050)
March 31, 2020	**$(68,377)**	**$(317,729)**	**$(7,300)**	**$(14,465)**	**$(993)**	**$(408,864)**
ACCUMULATED IMPAIRMENT LOSSES:						
December 31, 2018	$(123,760)	$-	$-	$-	$-	$(123,760)
Changes in 2019	(589,581)	(461,366)	-	-	-	(1,050,947)
December 31, 2019	$(713,341)	$(461,366)	$-	$-	$-	$(1,174,707)
Changes in 2020	-	-	-	-	-	-
March 31, 2020	**$(713,341)**	**$(461,366)**	**$-**	**$-**	**$-**	**$(1,174,707)**
CARRYING AMOUNT						
December 31, 2018	$1,117,955	$674,968	$69,065	$76,758	$3,936	$1,942,682
December 31, 2019	$734,763	$133,860	$71,950	$79,665	$3,140	$1,023,378
March 31, 2020	**$720,489**	**$113,925**	**$64,650**	**$80,096**	**$2,943**	**$982,103**

New Product Dossier and Filing Costs

Cumulatively, the Company has incurred product dossier and filing costs of $1,502,207 (December 31, 2019 – $1,502,207) to date on several products, two of which, Aguettant System® Atropine and Phenylephrine pre-filled syringes, have been approved by Health Canada and launched to the market. The filing costs incurred in respect of these two launched products are being amortized on a straight-line basis over their estimated finite useful lives of 5 years based on marketability. For the three months ended March 31, 2020, $14,274 of amortization expense (three months ended March 31, 2019 - $3,265) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these assets *(see Note 16)*.

In November 2019, the Company entered into a License and Exclusive Supply Agreement with AFT Pharmaceuticals Ltd ("**AFT**") to acquire a license to market, sell and distribute a portfolio of pain management products in Canada. The Company has incurred $174,129 in development costs related to these products. Such costs are included in intangible assets as New Product Dossier and Filing Costs. The Company will commence amortizing these costs upon this asset becoming available for use. No amortization expense has been recorded in respect of these costs in 2020.

During the 15-year term of the License and Exclusive Supply Agreement, the Company is committed to purchase certain minimum quantities from AFT as well as certain royalty payments based on the net sales of the products in Canada *(see Note 18)*.

Product Licenses and Rights

Cumulatively, the Company has incurred costs related to the acquisition of product licenses and rights totalling $893,020 (December 31, 2019 – $893,020).

On August 18, 2015, the Company entered into a Distribution and Supply Agreement with Photocure ASA (the "Distribution and Supply Agreement") to acquire the exclusive rights to market, promote, distribute and sell the Cysview® product in Canada including an exclusive right to use the Cysview® trademark and a license to use the patents associated with the product in Canada.

The Company incurred costs totalling $859,400 (December 31, 2019 - $859,400) related to the acquisition and commercialization of Cysview®, which was launched in the Canadian market in November 2015. This asset has a finite life and is being amortized on a straight-line basis over the 11-year term of the agreement. For the three months ended March 31, 2020, $19,935 of amortization expense (three months ended March 31, 2019 - $19,935) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of this asset (*see Note 16*).

In addition to the upfront payment made by the Company to Photocure ASA, certain future payments are also required by the Company under the Distribution and Supply Agreement contingent on the achievement of specific milestones (see *Note 18*).

On November 7, 2016, the Company entered into a License and Supply Agreement with a European partner to acquire the exclusive Canadian rights to use the product registration documentation of a women's health pharmaceutical product and a license to sell, market and distribute this product in Canada under the brand name Tibella®. In addition to an initial EUR 20,000 license fee upon signing this agreement, the Company is committed to certain annual license fee payments to its European partner contingent upon the future sales of the product (see *Note 18*). On May 10, 2019, the Company received regulatory approval from Health Canada for Tibella®. No amortization expense has been recorded in respect of these costs in 2020.

New Product Development

The Company has incurred cumulative new product development costs consisting of labour, laboratory and professional fees to date totalling $71,950 (December 31, 2019 - $71,950) relating to the development of a new product. The Company will commence amortization of these costs upon the completion of development. For the three months ended March 31, 2020, $7,300 of amortization expense (three months ended March 31, 2019 - $nil) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these development costs (*see Note 16*).

Trademarks and Patents

The Company has incurred cumulative trademark and patent application and filing costs of $94,561 (December 31, 2019 - $92,786) relating to product registration application costs in various jurisdictions. These assets have finite lives and are being amortized on a straight-line basis over the terms of the respective trademarks and patents (ranging from 10 to 15 years). For the three months ended March 31, 2020, $1,344 of amortization expense (three months ended March 31, 2019 - $1,071) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these assets (*see Note 16*).

Trade Certifications

The Company has incurred legal and other costs in obtaining certain international trade certifications and permits totalling $3,936 (December 31, 2019 - $3,936). This asset is being amortized over its 5-year estimated useful life. For the three months ended March 31, 2020, $197 of amortization expense (three months ended March 31, 2019 - $nil) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these development costs (*see Note 15*).

12. 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.

	Loans Receivable ($)
Balance, December 31, 2018	576,929
Accrued Interest	11,538
Balance, December 31, 2019	588,467
Accrued Interest	2,935
Balance, March 31, 2020	**591,402**

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. Interest receivable of $2,935 was accrued on the loans for the three months ended March 31, 2020 (three months ended March 31, 2019 - $2,845) and has been included in finance income on the Company's Consolidated Statements of Comprehensive Income.

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*.

13. Contract Liability

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

The table below summarizes changes in the contract liability during the period:

	Contract Liability ($)
Balance, January 1, 2019	112,353
Estimated variable consideration	484,436
Settlement of variable consideration	(497,648)
Balance, December 31, 2019	**99,141**
Estimated variable consideration	240,917
Settlement of variable consideration	(210,153)
Balance, March 31, 2020	**129,905**

14. Lease Liability

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

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

	Lease Liability ($)
Opening lease liability – office lease	1,860,191
Interest expense	32,456
Payments	(39,533)
Balance, December 31, 2019	**1,853,114**
Interest expense	23,615
Payments	(59,298)
Balance, March 31, 2020	**1,817,431**
Current portion, March 31, 2020	**146,319**
Long-term portion, March 31, 2020	**1,671,112**
Current portion, December 31, 2019	**144,253**
Long-term portion, December 31, 2019	**1,708,861**

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

Fiscal Year	Lease Payments
2020	$ 177,897
2021	$ 237,195
2022	$ 238,952
2023	$ 242,466
2024	$ 242,466
2025	$ 245,980
2026	$ 253,008
2027	$ 253,008
2028	$ 253,008
2029	$ 168,672
Total	$ 2,312,652

Not included in the lease liability, the Company incurred occupancy costs related to its office leases of $30,397 for the three months ended March 31, 2020 (three months ended March 31, 2019 - $29,505) which have been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income.

15. Share Capital

a. Authorized

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

b. Issued and outstanding common shares

	Number of Common Shares	Amount
Balance, Outstanding Shares, December 31, 2018	14,458,583	$7,665,644
Shares repurchased under NCIB and held in Treasury at December 31, 2018 (d)	(20,068)	(10,651)
Balance, Excluding Treasury Shares, December 31, 2018	14,438,515	$7,654,993
Options exercised (c)	762	9,377
Shares repurchased under NCIB and cancelled (d)	(878,832)	(468,828)
Balance, Outstanding Shares, December 31, 2019	**13,560,445**	**$7,195,542**
Shares repurchased under NCIB and held in Treasury at December 31, 2019 (d)	(30,000)	(15,925)
Balance, Excluding Treasury Shares, December 31, 2019	13,530,445	$7,179,617
Shares repurchased under NCIB and cancelled (d)	(121,700)	(64,600)
Balance, Issued Shares, March 31, 2020	**13,408,745**	**$7,115,017**
Shares repurchased under NCIB and held in Treasury at March 31, 2020 (d)	(140,175)	(74,406)
Share purchased for RSU Plan Trust and held in Treasury at March 31, 2020 (e)	(128,000)	(463,807)
Balance, Outstanding Shares, March 31, 2020	**13,140,570**	**$6,576,804**

c. Options exercised

During the three months ended March 31, 2020, nil common shares were issued against options exercised (March 31, 2019 – nil).

d. Normal Course Issuer Bid (NCIB)

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

On December 4, 2018, the Company announced that the TSX Venture Exchange had accepted its Notice of Intention to Make a NCIB, pursuant to which the Company was permitted to purchase up to 950,000 of its own common shares for cancellation over a 12-month period commencing on December 10, 2018 and ending on December 9, 2019.

On December 11, 2019, the Company announced that the TSX Venture Exchange had accepted its renewal of the NCIB, pursuant to which the Company would be permitted to purchase up to 800,000 of its own common shares for cancellation over a further 12-month period commencing on December 17, 2019 and ending on December 16, 2020. Purchases of shares by the Company under the NCIB are made through the facilities of the TSX Venture Exchange or alternative Canadian trading systems at the market price of the shares at the time of acquisition.

During the year ended December 31, 2019, the Company repurchased 908,832 of its common shares for an aggregate price of $6,346,262 and incurred costs of $11,588 related to the repurchase of these shares. 878,832 of these repurchased shares were cancelled as of December 31, 2019, with the remaining 30,000 shares held in Treasury pending cancellation. These 30,000 shares were subsequently cancelled. The Company's retained earnings were reduced by $5,873,097 upon the repurchase of these shares, representing the excess of the aggregate repurchase price over the reduction in share capital of $484,753.

During the three months ended March 31, 2020, the Company repurchased 261,875 of its common shares for an aggregate price of $1,202,847. 121,700 of these repurchased shares were cancelled as of March 31, 2020, with the remaining 140,175 shares held in Treasury pending cancellation. These 140,175 shares were cancelled subsequent to the reporting date. The Company's retained earnings were reduced by $1,063,841 upon the repurchase of these shares, representing the excess of the aggregate repurchase price over the reduction in share capital of $139,006.

Subsequent to the reporting date, the Company repurchased a further 332,400 common shares for cancellation pursuant to the NCIB.

e. During the three months ended March 31, 2020, the Company purchased 128,000 of its common shares pursuant to its Restricted Share Unit ("RSU") Plan (see *Note 15(g)*) for an aggregate purchase price of $463,807. 128,000 shares are held in trust as of March 31, 2020 for future settlement of vested RSUs granted to employees, senior management, and directors of the Company.

f. There are nil preferred shares outstanding as of December 31, 2019 (December 31, 2018 – nil).

g. Share-Based Payments

Restricted Share Unit ("RSU") Plan

The Board adopted a Restricted Share Unit Plan on March 4, 2020, which was approved by shareholders on May 27, 2020 and which is subject to final TSXV approval. 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.

On March 31, 2020, a total of 129,125 RSUs were granted to certain employees, senior management, and directors of the Company with a fair value of $3.61 per unit, being the grant date closing (TSXV) market price per share. Certain of these options shall vest fully in three years' time on March 31, 2023 and certain of these options shall vest quarterly in three years' time on March 31, 2023, June 30, 2023, September 30, 2023, and December 31, 2023.

During the three months ended March 31, 2020, the Company recorded net share-based payment expense of $nil (thee months ended March 31, 2019 - $nil) relating to RSUs granted.

As at March 31, 2020, there were 129,125 RSUs outstanding (December 31, 2019 – nil), as shown below:

	March 31, 2020		December 31, 2019	
	Number of RSUs	Weighted average grant price	Number of RSUs	Weighted average grant price
Outstanding, beginning of period	-	-	-	-
Granted	129,125	$3.61	-	-
Forfeited	-	-	-	-
Settled	-	-	-	-
Outstanding, end of period	129,125	$3.61	-	-

The weighted-average remaining contractual life of the 129,125 RSUs outstanding is 3.00 years.

During the three months ended March 31, 2020, nil options were exercised (three months ended March 31, 2019 – nil).

Incentive Stock Option Plan

On March 11, 2014, the Board approved an incentive stock option plan (the "**SOP**") which was adopted by the shareholders of the Company on June 13, 2014. The Board approved an amended SOP on March 4, 2020 which was approved by shareholders on May 27, 2020. The purpose of the SOP is to assist the Company in attracting, retaining and motivating directors, officers, employees and other persons who provide ongoing services to the Company and its affiliates and to closely align the personal interests of such participants with those of the Company's shareholders, by providing them with the opportunity to acquire common shares of the Company, and thereby a proprietary interest in the Company and its subsidiaries, through the exercise of share purchase options.

On March 20, 2019, options totalling 34,211 were granted by the Company to senior management and officers of the Company under the SOP. These options shall vest in annual increments over four years to March 20, 2023. The fair value of these options granted with an exercise price of $8.22 per option, has been determined using the Black-Scholes option pricing model using the following assumptions:

Share price at the date of grant	$8.22
Risk-free interest rate	1.75%
Dividend yield	0%
Volatility factor of expected market price of Company's shares	111.59%
Average expected option life (years)	9.26
Weighted-average grant date fair value of options granted	$7.54
Forfeiture rate	2.20%

The volatility factor used by the Company is based on its historical share prices.

No options were granted by the Company during the three months ended March 31, 2020.

During the three months ended March 31, 2020, the Company recorded net share-based payment expense of $53,006 (thee months ended March 31, 2019 - $57,599) relating to previous option grants to employees, directors, officers and advisors under the SOP, which are included in selling, general and administration expenses in the Consolidated Statements of Comprehensive Income.

As at March 31, 2020, there were 177,512 options outstanding (December 31, 2019 – 177,512), as shown below:

	March 31, 2020		December 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	177,512	$8.30	144,624	$8.30
Granted	-	-	34,211	$8.22
Expired or forfeited	-	-	(561)	$4.45
Exercised	-	-	(762)	$6.20
Outstanding, end of period	177,512	$8.30	177,512	$8.30

Of the total number of options outstanding as of March 31, 2020, options totalling 124,965 have vested and are exercisable by the option holders (December 31, 2019 – 103,770). These exercisable options have a weighted average exercise price of $8.16 (December 31, 2019 - $8.12).

The weighted-average remaining contractual life of the 177,512 (December 31, 2019 – 177,512) options outstanding is 6.97 years (December 31, 2019 – 7.22 years) and the range of exercise prices for these options is $6.20 - $10.97 (December 31, 2019 - $6.20 - $10.97).

During the three months ended March 31, 2020, nil options were exercised (three months ended March 31, 2019 – nil).

Employee Share Purchase Plan

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

During the three months ended March 31, 2020, the Company recorded share-based payment expense of $19,908 (three months ended March 31, 2019 - $19,407) relating to the Company's contributions to the ESPP for the purchase of common shares on behalf of participating employees. This expense is included in selling, general and administration expenses in the Consolidated Statements of Comprehensive Income.

16. Expenses by Nature

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

	Three months ended March 31,	
	2020	2019
Cost of goods sold	$1,261,103	$958,424
Selling and marketing	$1,580,612	$1,371,815
Advertising, Promotion and Selling Costs	823,206	637,618
Employee Costs	621,047	643,737
Logistics, Quality Control & Regulatory	127,664	79,598
Share-based Payments	8,695	10,862
General and administration	$1,343,390	$985,701
Employee Costs	631,614	591,397
Corporate Expenses	296,989	214,780
Research and Development	123,189	-
Depreciation - Property and Equipment	86,184	21,123
Amortization - Intangible Assets	43,050	24,272
Professional Fees	67,858	35,653
Share-based Payments	64,219	66,144
Information Technology	31,641	25,412
Insurance	25,758	23,762
Net Foreign Exchange (Gains) Losses	(27,112)	(16,842)
New business development costs	$8,988	$7,123
Finance costs	$23,615	-
Interest expense - lease liability *(Note 14)*	23,615	-
Finance income	$ (90,220)	$ (122,917)
Interest Income	(90,220)	(122,917)
Foreign Exchange Gains - Investing	-	-

17. Earnings per Share

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

	Three months ended March 31,	
	2020	2019
Numerator		
Net income attributable to common shareholders	$1,451,518	$978,181
Denominator		
Basic		
Weighted average number of shares outstanding	13,447,666	14,377,618
Effect of dilutive securities	129,125	10,874
Diluted		
Weighted average number of shares outstanding	13,576,791	14,388,492
Basic earnings per share	$0.11	$0.07
Diluted earnings per share	$0.11	$0.07

18. Contingencies

Litigations

From time to time, the Company may be exposed to claims and legal actions in the normal course of business. As at March 31, 2020, the Company was not aware of any litigation or threatened claims either outstanding or pending.

Cysview® Distribution and Supply Agreement

Under the terms of the August 18, 2015 Distribution and Supply Agreement between the Company and Photocure ASA in respect of the Cysview® product (*see Note 11*), milestone payments averaging $219,934 (USD 168,055) per year for three consecutive years are potentially required to be made by the Company to Photocure ASA between December 31, 2020 and December 31, 2022 dependent upon the achievement of certain events. The Company will record these amounts as the events occur.

Women's Health Products License and Supply Agreement

Under the terms of the November 7, 2016 License and Supply Agreement between the Company and its European partner in respect of the Tibella® women's health pharmaceutical product (*see Note 11*), the Company will make annual license fee payments to its European partner in each of the first four years of the Agreement equal to 1% of the Company's net sales of the product in Canada.

Pain Management Products License and Exclusive Supply Agreement

Under the terms of the November 25, 2019 License and Exclusive Supply Agreement, the Company is required to make royalty payments to AFT Pharmaceuticals based on net sales of the pain management products in Canada and contingent on the market share of competing products in Canada over the 15-year term of the agreement. The royalty rates range from 0% to 6.5% on net sales of one product formulation and from 0% to 12.5% on net sales of another product formulation.

19. Commitments

Office Leases

The Company's current office lease agreement commenced on September 1, 2019 and extends to August 31, 2029 (*see Note 14*).

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

Fiscal Year	Annual Rent and Occupancy Costs
2020	$269,089
2021	$358,785
2022	$360,542
2023	$364,056
2024	$364,056
Beyond Next 5 Fiscal Years	$1,761,858
Total	$3,478,386

Purchase Commitments

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

20. Related Party Transactions

Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and/or its subsidiaries, directly or indirectly.

The table below summarizes compensation for key management personnel of the Company for the three months ended March 31, 2020 and 2019:

	Three months ended March 31,	
	2020	2019
Number of Key Management Personnel	6	6
Salary, Benefits, and Bonus	$310,811	$293,606
Share-Based Payments	$44,575	$45,409

During the three months ended March 31, 2020, the Company recorded share-based payment expense of $44,575 (three months ended March 31, 2019 - $45,409) 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.

Transactions with Directors

During the three months ended March 31, 2020, the Company paid cash fees to its directors in the amount of $17,281 (three months ended March 31, 2019 - $35,650) and share-based payments of $nil (three months ended March 31, 2019 - $7,318).

21. Capital Disclosures

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

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

March 31, 2020	$25,651,258
December 31, 2019	$25,794,510

The Company's principal objectives in managing capital are:

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

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

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

The Company does not have any externally imposed capital compliance requirements at March 31, 2020. There were no changes in the Company's approach to capital management during the year.

22. Credit Facilities

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 has not been utilized as of March 31, 2020, a foreign exchange facility of $1,500,000, and credit card facilities totalling $90,000. The revolving demand credit facility bears interest at a variable rate of Royal Bank prime plus 0.75% and has been secured with a General Security Agreement constituting a first ranking security interest of the Bank in the Company's property. The Company is subject to maintaining certain financial covenants if the demand credit facility is drawn upon. The Company has available additional foreign exchange facilities of $2,500,000 with other Canadian financial institutions which have not been utilized as of March 31, 2020.

23. Taxes

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

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

The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period. The operations are subject to income tax rates of 26.5% (2019 – 26.5%) in the Canadian jurisdiction, 21.0% (2019 – 21.0%) in the U.S. jurisdiction, and 2.5% (2019 – 2.5%) in the Barbados jurisdiction.

24. Segment Reporting

A segment is a component of the Company:

i. that engages in business activities from which it may earn revenue and incur expenses;

ii. whose operating results are reviewed by the board of directors; and

iii. for which discrete financial information available.

Though the Company has a legacy business in biologically and health friendly insecticides, management of the Company is primarily focused on growing the pharmaceutical business and does not account for administrative overhead separately for the insecticide business. Consequently, the Company recognizes one business segment for all of its operations.

The revenue breakdown by business is provided below:

a. for both the pharmaceutical and insecticide business; and

b. for both Canadian and international jurisdictions

	Three months ended March 31,	
	2020	2019
Canada		
Pharmaceutical Business	$5,955,561	$4,270,140
Insecticide Business	-	208,674
Total Canada	$5,955,561	$4,478,814
International Jurisdictions		
Pharmaceutical Business – Middle East	$67,968	-
Insecticide Business – United States	39,317	-
Total International Jurisdictions	$107,285	-
Total Revenue	$6,062,846	$4,478,814

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

	March 31, 2020	December 31, 2019
Canada	$3,911,809	$4,029,824
United States	30,792	26,095
Barbados	66,062	64,287
Total Non-current Assets	$4,008,663	$4,120,206

Corporate Information

Registered Office

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

Telephone	905.206.0013
Facsimile	905.206.1413
Email	info@biosyent.com
Website	www.biosyent.com

Board of Directors

Larry Andrews
Ontario, Canada

Joseph Arcuri
Ontario, Canada

Sara Elford
British Columbia, Canada

René C. Goehrum (Chair)
Ontario, Canada

Peter D. Lockhard (Lead Director)
Ontario, Canada

Stephen Wilton
Ontario, Canada

Officers

René C. Goehrum
President and
Chief Executive Officer

Robert J. March
Vice-President and
Chief Financial Officer

Registrar and Transfer Agent

Computershare Trust Company Canada
100 University Avenue,
Toronto, Ontario, M5J 2Y1
Canada

Auditors

MNP LLP
Toronto, Ontario, Canada

BDO Barbados
St. Michael, Barbados

Solicitors

Wildeboer Dellelce LLP
Toronto, Ontario, Canada

Caravel Law
Toronto, Ontario, Canada

Harridyal Sodha & Associates
St. Michael, Barbados

Banks

Royal Bank of Canada
Toronto, Ontario, Canada

Canadian Imperial Bank of Commerce
Toronto, Ontario, Canada

City National Bank
Los Angeles, California, USA

Stock Listing

TSX Venture Exchange
Trading symbol: RX