BioSyent Inc.

Management's Discussion and Analysis

For the three months ended March 31, 2020 and 2019

May 27, 2020

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INTRODUCTION

The following discussion of BioSyent Inc.'s ("**BioSyent**" or the "**Company**") operations, performance and financial condition is based on the Company's interim unaudited condensed consolidated financial statements for the three months ended March 31, 2020 and March 31, 2019 ("**Consolidated Financial Statements**"), which were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("**IAS34**"). The discussion of financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements, including the notes thereto. Additional information relating to the Company, including the Consolidated Financial Statements and the accompanying notes can be found at www.sedar.com.

Forward-Looking Statements

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

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Undue reliance should not be placed on such statements. Certain material assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Known and unknown factors could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Important assumptions, influencing factors, risks, and uncertainties are referred to in the body of this MD&A, in the press release announcing the Company's financial results for the three months ended March 31, 2020 and March 31, 2019 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

There have been no changes to the accounting policies adopted in the preparation of the Consolidated Financial Statements from those adopted in the preparation of the Company's consolidated financial statements for the year ended December 31, 2019.

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, depreciation of equipment, amortization of intangible assets, share-based payments, inventory, and determination of the transaction price in revenue recognition. For a more detailed discussion of changes to the Company's critical accounting estimates, please refer to Note 4 of the Consolidated Financial Statements for the year ended December 31, 2019.

Non-IFRS Financial Measures

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

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

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

Overview, Vision, Strategy, and Products

Overview

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

BioSyent's Vision

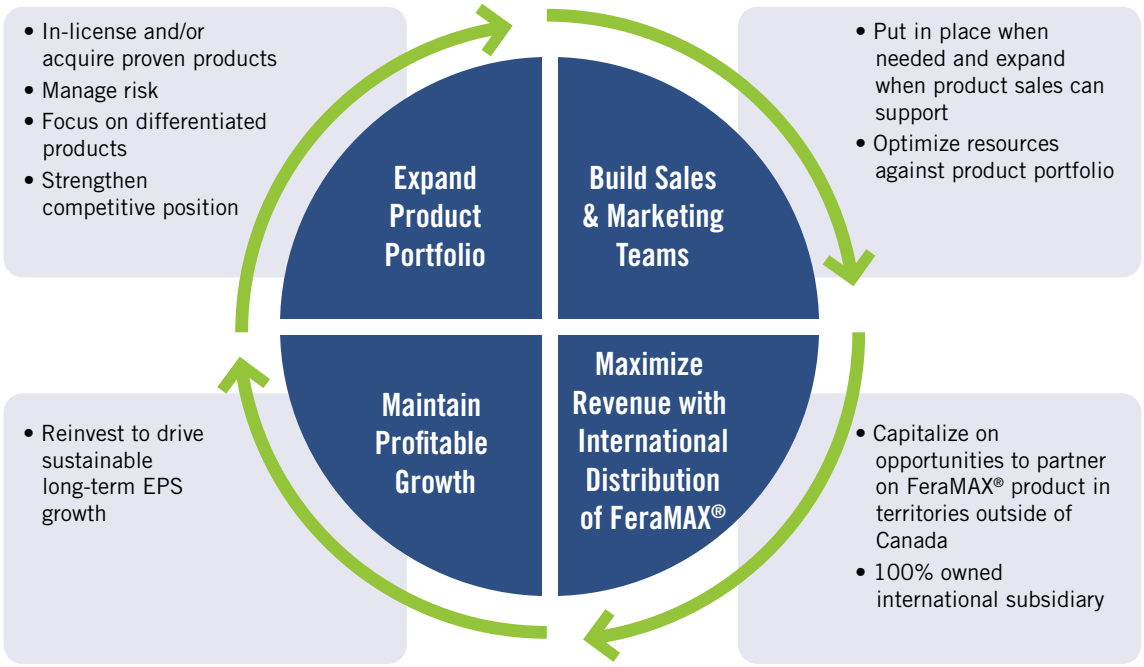
BioSyent's vision is to be the leading independent Canadian healthcare company focused on commercializing innovative products improving patient lives and supporting healthcare providers.

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

BioSyent's Strategy

BioSyent has four key elements to achieving its strategic objectives:

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



BioSyent has developed sourcing arrangements with partners from around the world. The Company has a flexible format for such arrangements.

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

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

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

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

Evolution of Strategy

The Company has not engaged in clinical trials due to the risks associated with such research activities. From time to time, the Company may acquire or in-license opportunities in late-stage development with which it, or its partners, have significant prior experience. Such experience and competency of the Company and its partners give the Company the ability to gauge risk in some depth. The Company may also seek in-licensing opportunities for new products launched in countries outside of

Canada that require additional research and development work before being launched in the Canadian market. The Company considers opportunities where there is a high probability that additional research and development work is likely to extend the lifecycle of portfolio products. Such studies might include in vitro or in vivo studies (including bio-equivalency studies, efficacy studies, or safety studies).

Pharmaceutical Business

FeraMAX® 150

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

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

Cathejell®

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

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

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

FeraMAX® Powder

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

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

Aguettant System®

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

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

Aguettant System® - Atropine Sulphate

One Aguettant System® urgent care product contains atropine sulphate, a commonly used drug in emergency situations and anaesthetic procedures. The Company commenced distribution of this product in February 2015.

Aguettant System® - Phenylephrine Hydrochloride

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

shock-like states), maintenance of blood pressure in the setting of anesthesia, drug-induced hypotension, or hypersensitivity with circulatory compromise. The Company commenced distribution of this product in November 2016.

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®

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

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

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

Cardiovascular Products

In May 2016, the Company signed an exclusive Distribution Agreement with a European partner for two products in the cardiovascular therapeutic area for the Canadian market. In June 2019, as a result of the issues raised by Health Canada, the Company and its European partner decided to withdraw the regulatory submission for these two products. There are no current plans to take any further steps to obtain regulatory approval of these products in Canada.

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.

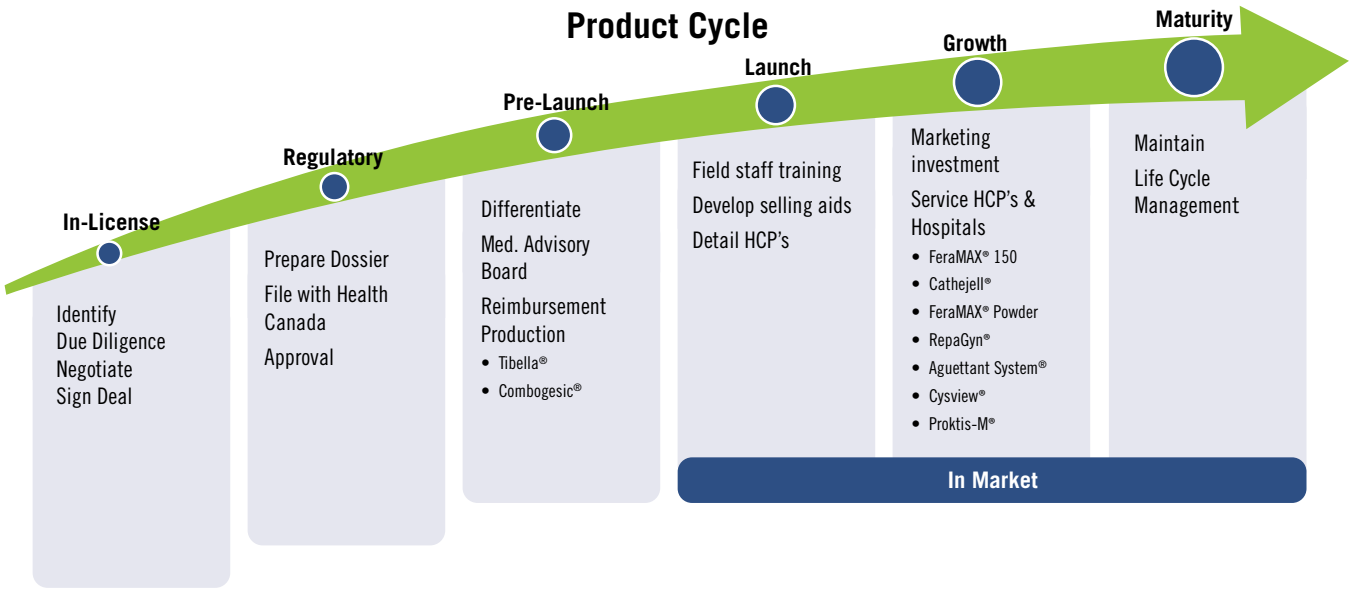
The Company received regulatory approval from Health Canada for Tibella® in May 2019 and is currently preparing for the launch of this product to the Canadian market in 2020. In Canada, Tibella® belongs in a sub-segment of the women's health market valued at approximately CAD $200 million (source: IQVIA market data for the 12 months ending December 2019).

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 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 is currently preparing for the launch of this product to the Canadian market.

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.



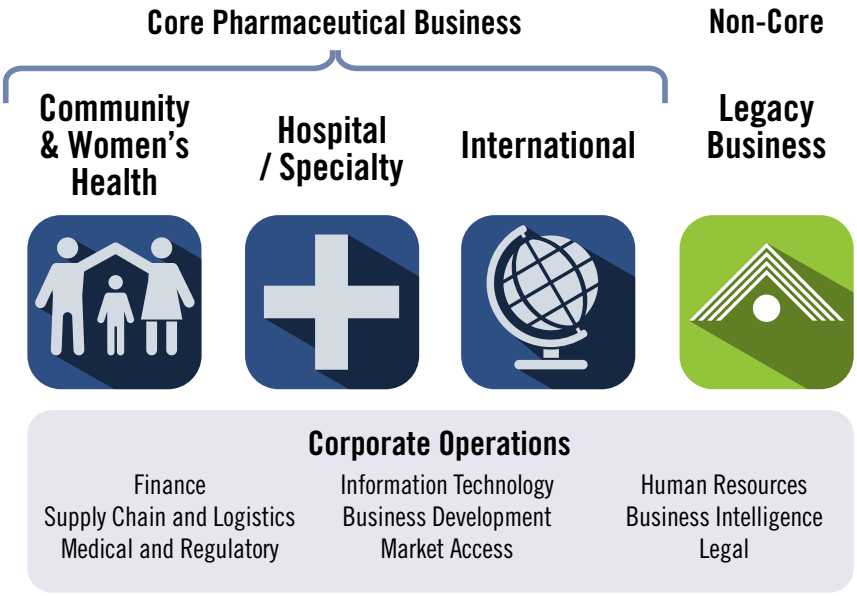
The Company currently has eight products in the growth stage (FeraMAX® 150, Cathejell® FeraMAX® Powder, RepaGyn®, Cysview®, Aguettant System® Atropine and Phenylephrine, and Proktis-M®) and two products in the pre-launch stage (Tibella® and Combogesic®).

Pharmaceutical Product Pipeline

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

Pharmaceutical Business Structure

The Company has three pharmaceutical business units: (i) the Community and Women's Health Business Unit which commercializes pharmaceutical products focused on improving family and women's health in Canada (the "**Community Business**"); (ii) the Hospital/Specialty Business Unit which sells pharmaceutical and healthcare products to Canadian hospitals and specialists (the "**Hospital 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**", 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 specialty business units may be established as part of the pharmaceutical business structure as and when considered appropriate.

Legacy Business

Protect-It®

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

New Capabilities and Awards

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

On November 25, 2019, the Company signed a License and Exclusive Supply Agreement with AFT Pharmaceuticals Ltd for Combogesic®, which combines two pain relief medicines in a single form. Health Canada approved the first form of Combogesic® in 2019. The Company is currently preparing for the launch of this product to the Canadian market.

On May 1, 2020, the Company's FeraMAX® brand was named the #1 Pharmacist and Physician recommended over-the-counter oral iron supplement brand in Canada for the fifth consecutive year *(EnsembleIQ Healthcare Group: Pharmacy Practice + Business, The Medical Post, Profession Santé,* CanadianHealthcareNetwork.ca, and ProfessionSanté.ca 2020 Survey on OTC Counselling and Recommendations).

Key Performance Measures

Key performance measures for the first quarter ("Q1") ended March 31, 2020, 2019 and 2018 are summarized in the table below:

	Q1 2020	Q1 2019	Q1 2018	CAGR*
Sales	$6,062,846	$4,478,814	$4,447,147	17%
Sales Growth %	35%	1%	16%	-
Net Income Before Taxes	$1,935,358	$1,278,668	$1,493,699	14%
Net Income Before Taxes Growth %	51%	-14%	26%	-
Net Income Before Taxes Margin	32%	29%	34%	-
Income Tax (Current and Deferred)	$483,840	$300,487	$350,569	-
Net Income After Taxes	$1,451,518	$978,181	$1,143,130	13%
Net Income After Taxes Growth %	48%	-14%	27%	-
Net Income After Taxes Margin	24%	22%	26%	-
Net (Decrease) Increase in Cash and Short-term Investments	$(781,975)	$(1,966,168)	$301,171	-
Basic EPS	$0.11	$0.07	$0.08	-
Diluted EPS	$0.11	$0.07	$0.08	-

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

Sales CAGR between Q1 2018 and Q1 2020 was 17%. Net Income After Taxes CAGR was 13% between Q1 2018 and Q1 2020.

Results of Operations for the three months ended March 31, 2020 and 2019

Sales

Sales Overview

Q1 2020 vs. Q1 2019

Total Company sales for Q1 2020 were $6,062,846, increasing by 35% compared to total Company sales for Q1 2019 of $4,478,814.

Canadian pharmaceutical sales for Q1 2020 were a record $5,955,561, increasing by 39% compared to Canadian pharmaceutical sales for Q1 2019 of $4,270,140.

International pharmaceutical sales for Q1 2020 were $67,968, as compared to $nil International pharmaceutical sales for Q1 2019.

Legacy Business sales for Q1 2020 were $39,317, decreasing by 81% compared to Legacy Business sales for Q1 2019 of $208,674.

Quarterly Sales Trend

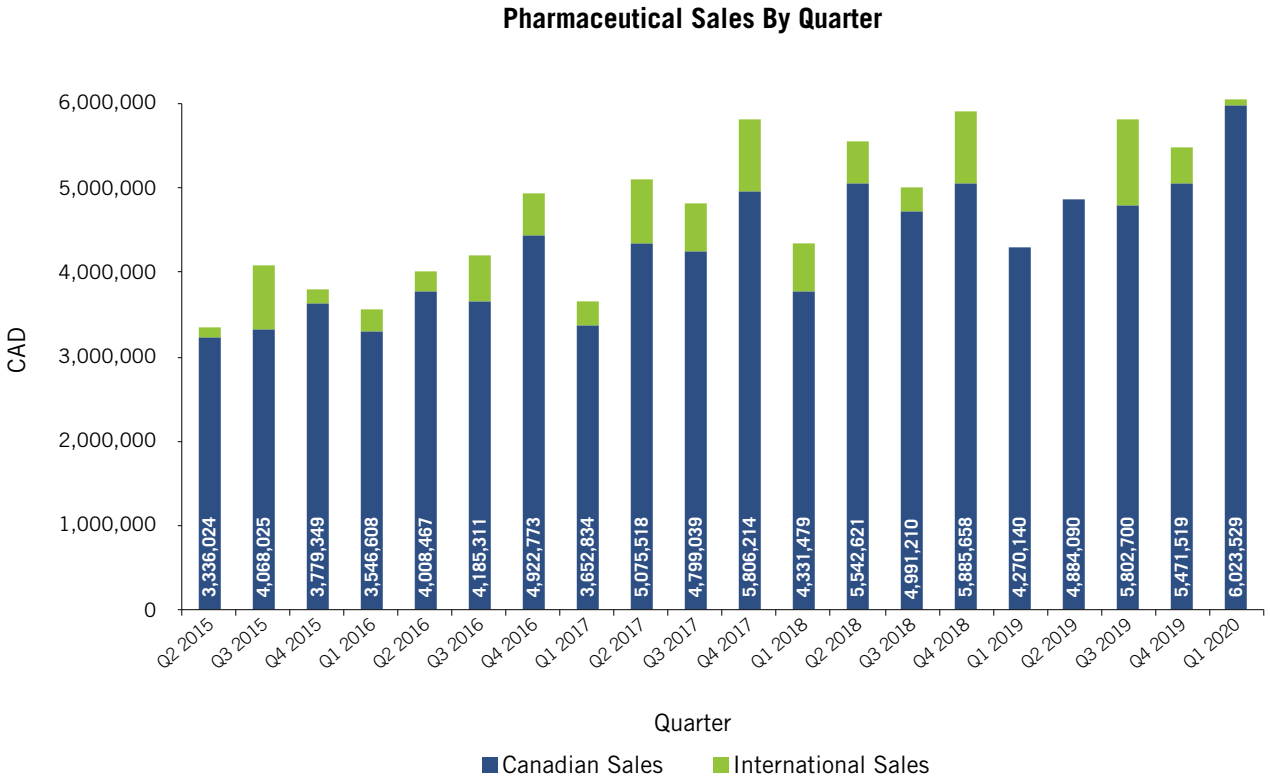
Below is a summary of the Company's sales by business for the eight most recently completed quarters:

	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Sales								
Pharmaceutical Business ($)	6,023,529	5,471,519	5,802,700	4,844,090	4,270,140	5,885,658	4,991,210	5,542,621
Growth% vs. prior year period	41%	-7%	16%	-13%	-1%	1%	4%	9%
Legacy Business ($)	39,317	97,767	417,048	312,386	208,674	25,307	268,283	366,802
Growth% vs. prior year period	-81%	286%	55%	-15%	80%	-73%	-56%	-35%
Total Sales ($)	6,062,846	5,569,286	6,219,748	5,156,476	4,478,814	5,910,965	5,259,493	5,909,423
Growth% vs. prior year period	35%	-6%	18%	-13%	1%	0%	-3%	5%

Sales Mix

The Pharmaceutical Business accounted for 99% of total sales in Q1 2020 while the Legacy Business accounted for 1% of total sales. This sales mix is in line with management's focus on continuing to grow the Pharmaceutical Business while supporting the Legacy Business in a limited way.

Pharmaceutical Sales Trend



Total pharmaceutical sales for Q1 2020 were a record $6,023,529, increasing by 41% compared to total pharmaceutical sales for Q1 2019 of $4,270,140, which decreased by 1% compared to Q1 2018. Canadian pharmaceutical sales accounted for 99% of total pharmaceutical sales in Q1 2020 with the remaining 1% accounted for by international pharmaceutical sales. All brands in the Canadian pharmaceutical business, with the exception of Cysview®, posted double-digit sales volume growth in Q1 2020 over the comparative period. Of these brands, FeraMAX® posted the highest sales volume growth during the quarter.

Canadian Pharmaceutical Sales Trend:

Q1 2020 vs. Q1 2019

Canadian pharmaceutical sales for Q1 2020 were a record $5,955,561, increasing by 39% compared to Canadian pharmaceutical sales for Q1 2019 of $4,270,140.

In the Community Business, Q1 2020 Canadian sales volumes (units) of FeraMAX® increased by 44% as compared to Q1 2019. Sales volumes (units) of the RepaGyn® product increased by 25% in Q1 2020 over Q1 2019. The Community Business experienced a significant increase in sales of FeraMAX®, in particular, in the month of March 2020 during the outset of the COVID-19 pandemic across Canada with increased demand for its products from consumers, as well as some accumulation of safety stock of these products by retail pharmacies and wholesalers. Management does not expect the sales volumes of March 2020 to be sustained in future months. The ongoing impact of COVID-19 on consumer demand for these products and on access of the Company's field salesforce to healthcare professionals is uncertain.

In the Hospital/Specialty Business, Q1 2020 Canadian sales volumes (units) of Aguettant System® PFS products increased by 39% as compared to Q1 2019. The Hospital/Specialty Business has experienced an increase in demand for its urgent care products since the outset of the COVID-19 pandemic in March 2020. The Company is managing its supply chains in an effort to meet the increased demand for these urgent care products.

Q1 2020 Canadian sales volumes (units) of Cathejell® increased by 22% as compared to Q1 2019.

Sales volumes (units) of Cysview® decreased by 62% in Q1 2020 versus Q1 2019. Since March 2020, the number of elective procedures performed at Canadian healthcare centres, including certain catheterization procedures and blue-light cystoscopy procedures, has declined as these healthcare centres redeployed resources to deal with the COVID-19 pandemic. Management expects this situation to negatively impact sales of Cathejell® and Cysview® until the scheduling of elective procedures is normalized at Canadian hospitals.

International Pharmaceutical Sales Trend:

Q1 2020 vs. Q1 2019

International FeraMAX® sales for Q1 2020 were $67,968, as compared to $nil sales for Q1 2019 and $565,841 in sales for Q1 2018. As the Company's local distributors navigate the present challenges of the business environment in its export markets, including COVID-19, management expects continued quarter-to-quarter variability in international FeraMAX® sales to persist through 2020.

Legacy Business Sales Trend

Q1 2020 vs. Q1 2019

Legacy Business sales for Q1 2020 were $39,317, decreasing by 81% compared to Legacy Business sales for Q1 2019 of $208,674 which increased by 80% compared to Q1 2018.

Legacy Business customers are generally less responsive to marketing and promotion, with demand for grain insecticides influenced more by weather conditions, prices of agricultural inputs, the quality and quantity of the food grain harvest, and the level of infestation of stored grain.

Expenses

Q1 2020 vs. Q1 2019

	Three months ended March 31,		% Change vs. Prior Period
	2020	2019	
Cost of goods sold	$1,261,103	$958,424	32%
Selling and marketing	$1,580,612	$1,371,815	15%
General and administration	$1,343,390	$985,701	36%
New business development costs	$8,988	$7,123	26%
Finance costs	$23,615	$-	
Subtotal	$4,217,708	$3,323,063	27%
Finance income	$ (90,220)	$ (122,917)	-27%

Total expenses, including the cost of goods sold ("COGS") and finance costs, for Q1 2020 were $4,217,708, increasing by 27% over Q1 2019 expenses of $3,323,063. The ratio of total expenses to sales for Q1 2020 was 70%, lower than a ratio of 74% for Q1 2019.

Selling and marketing expenses for Q1 2020 were $1,580,612, increasing by 15% as compared to Q1 2019 selling and marketing expenses of $1,371,815. The ratio of selling and marketing expenses to sales for Q1 2020 was 26%, declining from a ratio for Q1 2019 of 31%. Overall, advertising, promotion and selling costs increased by 29% in Q1 2020 versus Q1 2019 as the Company incurred incremental expenses during the quarter related to the upcoming launch of the Tibella® women's health product to the Canadian market. Additionally, as a result of a 35% increase in sales in Q1 2020, the ratio of total advertising, promotion and selling costs to sales remained at 14%, consistent with such ratio for Q1 2019. The COVID-19 pandemic affected the selling activities of the Company's field salesforce in the latter part of March 2020, resulting in uncertainty in the timing and extent of certain selling costs, including travel, conferences, and meeting expenses.

The Company will make further selling and marketing expenditures in launching the Tibella® product and in preparing for the launch of the Combogesic® product. Management expects the ratio of selling and marketing expenses to sales to increase overall as a result of these incremental expenditures.

General and administration expenses for Q1 2020 were $1,343,390, increasing by 36% as compared to Q1 2019 general and administration expenses of $985,701. This increase was due in part, to research and development expenses incurred during Q1 2020. Additionally, the Company incurred comparatively higher property and equipment depreciation charges and occupancy expenses in Q1 2020 versus Q1 2019 related to the Company's head office lease which commenced in September 2019 and which is accounted for in accordance with IFRS 16 *Leases*. Despite the overall increase in general and administration expenses, as a result of the significant increase in sales during the quarter, the ratio of general and administration expenses overall for Q1 2020 was 22%, consistent with such ratio for Q1 2019.

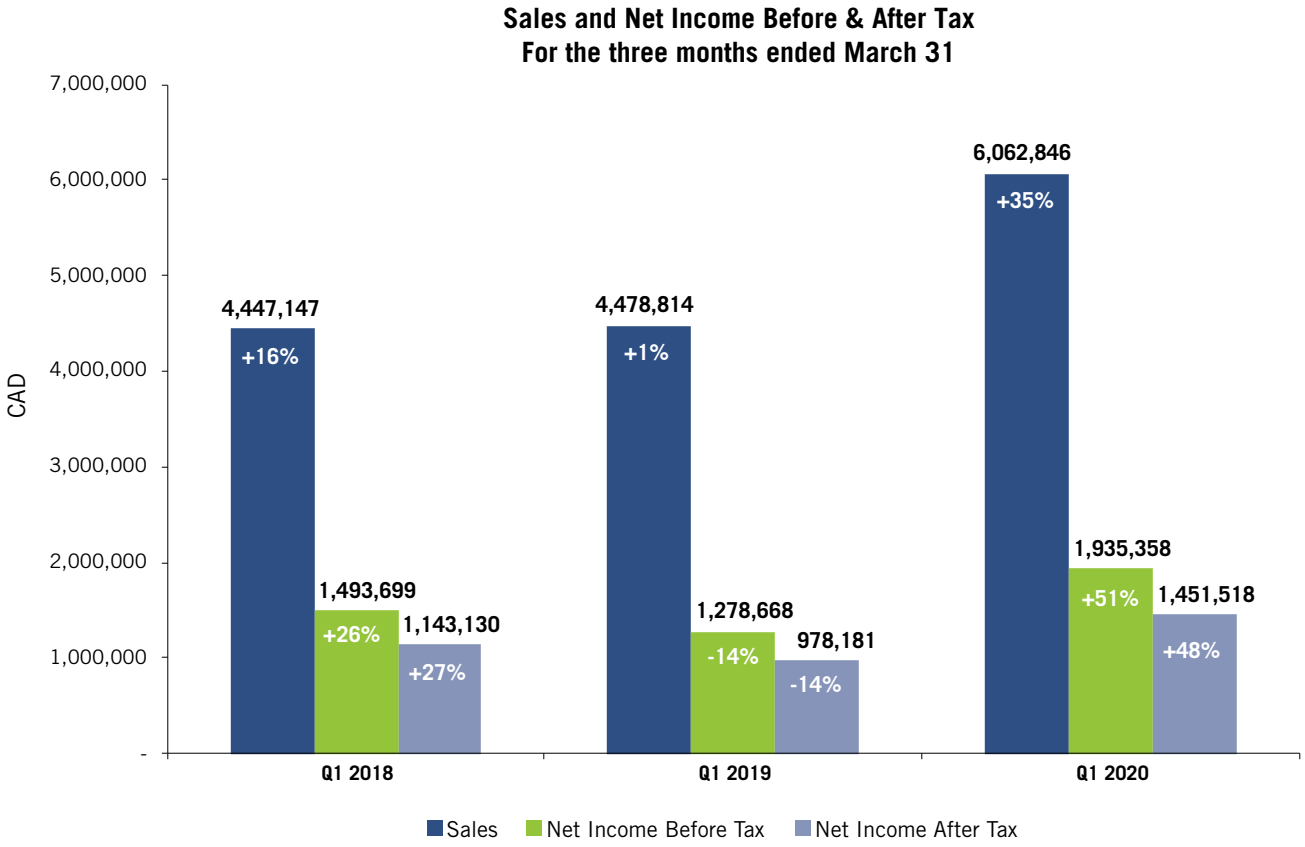
The Company recorded incremental finance costs of $23,615 during Q1 2020 related to its head office lease which commenced in September 2019. As a result of applying the requirements of IFRS 16 *Leases,* the Company recorded a lease interest expense in Q1 2020 which was not incurred in Q1 2019.

Interest income for Q1 2020 was $90,220, decreasing by 27% compared to Q1 2019 interest income of $122,917. This decrease in interest income was primarily a result of a significant decline in market interest rates during the quarter which negatively impacted yields on the Company's short-term investments.

Amid the uncertainty of the current business environment resulting from the COVID-19 pandemic, the Company has limited certain discretionary expenditures. However, during 2020, the Company will continue to make investments in long-term growth initiatives and to make expenditures on current launch activities for its new products, Tibella® and Combogesic®.

Net Income After Taxes (NIAT)

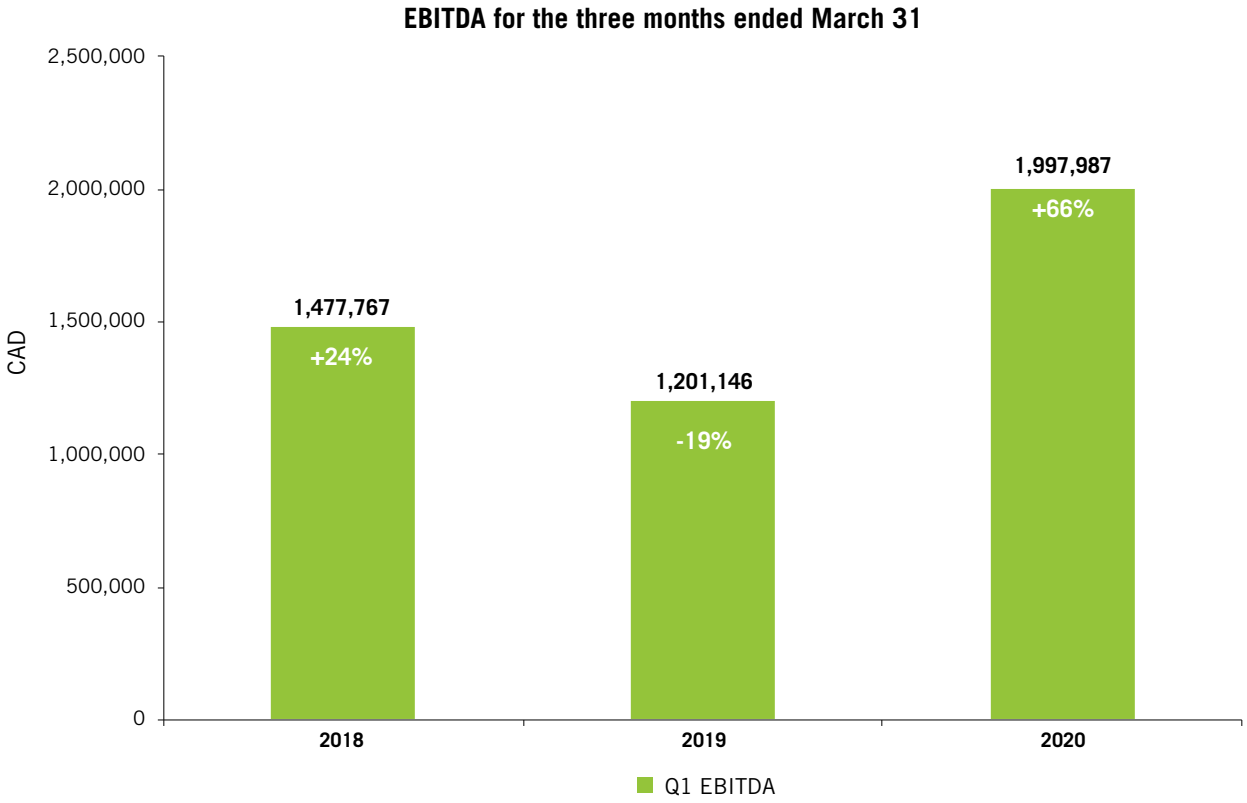
NIAT for Q1 2019 of $1,451,518 increased by 48% compared to NIAT for Q1 2019 of $978,181 which decreased by 14% compared to Q1 2018. This increase in Q1 2020 NIAT was a result of 39% sales growth in Canadian pharmaceutical sales over the comparative period, combined with an overall increase in operating expenses during the quarter of just 27%. Consequently, the Company's NIAT margin for Q1 2020 increased to 24% compared to a NIAT margin of 22% for Q1 2019.



Including currency translation gains of $18,878, total comprehensive income for Q1 2020 was $1,470,396, increasing by 47% compared to total comprehensive income for Q1 2019 of $1,001,759.

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

EBITDA is a non-IFRS financial measure. The term EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Company defines EBITDA as earnings before interest income or expense, income taxes, depreciation and amortization. A summary of the Company's EBITDA for the three months ended March 31, 2018, 2019, and 2020 is provided in the graph below:



EBITDA for Q1 2020 of $1,997,987 increased by 66% compared to EBITDA for Q1 2019 of $1,201,146. This increase in EBITDA was a result of an increase in Net Income Before Taxes of 51% from $1,278,668 in Q1 2019 to $1,935,358 in Q1 2020 as well as increases in non-cash charges in Q1 2020, including depreciation of property and equipment and amortization of intangible assets. A reconciliation of EBITDA to NIAT for the quarters ended March 31, 2020, 2019, and 2018 is provided in the table below:

RECONCILIATION OF EBITDA TO NIAT
FOR THE THREE MONTHS (Q1) ENDED MARCH 31

		2020	2019	2018
Q1 EBITDA		$ 1,997,987	$ 1,201,146	$ 1,477,767
Add:	Interest Income	90,220	122,917	60,464
Less:	Depreciation of Property and Equipment	(86,184)	(21,123)	(19,920)
	Amortization of Intangible Assets	(43,050)	(24,272)	(24,612)
	Interest Expense	(23,615)	-	-
	Income Tax Expense	(483,840)	(300,487)	(350,569)
NIAT		$ 1,451,518	$ 978,181	$ 1,143,130

Earnings per Share (EPS)

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

	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Sales ($)	6,062,846	5,569,286	6,219,748	5,156,476	4,478,814	5,910,965	5,259,493	5,909,423
Net Income After Taxes ($)	1,451,518	1,167,845	1,532,426	690,843	978,181	1,671,410	1,270,613	1,620,233
Earnings Per Share – Basic ($)	0.11	0.08	0.11	0.05	0.07	0.11	0.09	0.11
Earnings Per Share – Diluted ($)	0.11	0.08	0.11	0.05	0.07	0.11	0.09	0.11

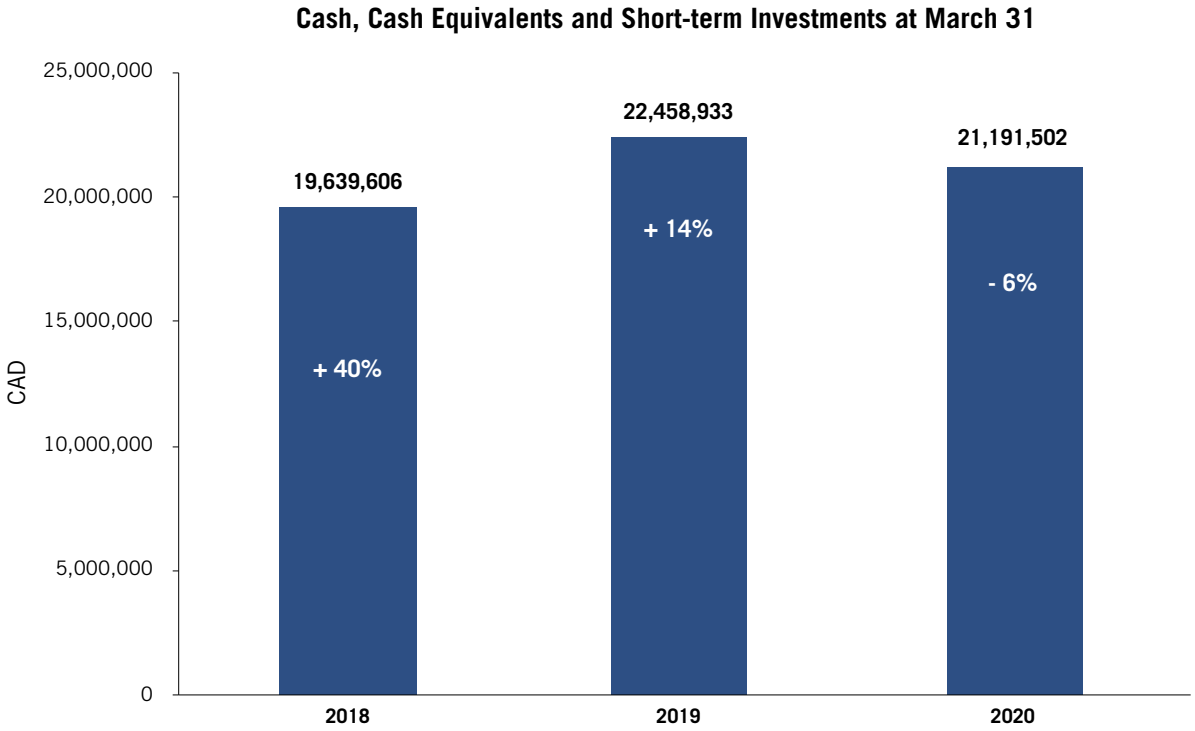
Diluted EPS for Q1 2020 was $0.11, increasing by $0.04 compared with diluted EPS for Q1 2019 of $0.07. For the trailing twelve months ("TTM") ended March 31, 2020, diluted EPS was $0.35, as compared with a TTM diluted EPS of $0.38 for the period ended March 31, 2019.

Financial Resources and Liquidity

Working capital, defined here as the difference between current assets and current liabilities, decreased slightly from $23,486,067 as at December 31, 2019 to $23,389,838 as at March 31, 2020. Cash and short-term investments of $21,191,502 accounted for 91% of working capital as at March 31, 2020 compared to cash and short-term investments of $21,973,477 accounting for 94% of working capital as at December 31, 2019. While the full 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 during this period.

During Q1 2020, there was a net decrease in cash and short-term investments of $781,975 compared to a net decrease of $1,966,168 during Q1 2019. While the Company generated cash from operations of $565,002 during Q1 2020, it expended $829,756 for the repurchase and cancellation of the Company's own common shares under a Normal Course Issuer Bid ("NCIB") and further $463,807 expenditure on the purchase of common shares for the Company's Restricted Share Unit ("RSU") Plan adopted by the Board of Directors on March 4, 2020. Comparatively, the Company used $241,697 of cash in operations in Q1 2019 while expending $1,649,976 for the repurchase and cancellation of common shares under its NCIB, resulting in the overall decrease in cash in the comparative period.

The graph below illustrates the company's cash, cash equivalents and short-term investments as of March 31, 2018, 2019, and 2020 as well as the growth over the comparative prior year period:



Total shareholders' equity decreased by 1% from $25,794,510 at December 31, 2019 to $25,651,258 at March 31, 2020. While the Company generated comprehensive income of $1,451,518 during Q1 2020, it repurchased 261,875 of its own common shares during the period under a NCIB for cancellation and a further 128,000 common shares held as treasury shares in trust for future settlements under its RSU Plan, reducing shareholders' equity by $1,666,654.

The Company's total assets at March 31, 2020 were $31,141,167, increasing marginally compared to total assets of $30,965,314 as at December 31, 2019. This compares to a decrease of 4% in total assets to $30,017,356 at March 31, 2019 from total assets of $31,188,491 at December 31, 2018.

The Company has no short-term or long-term debt; however, the Company has credit facilities available with Royal Bank of Canada totaling $3,090,000, including a foreign exchange facility of $1,500,000, a credit card facility of $90,000, and a revolving demand credit facility of $1,500,000 which had not been utilized as of March 31, 2020. This credit facility bears interest at a variable rate of Royal Bank prime plus 0.75% and has been secured with a General Security Agreement constituting a first ranking security interest of the Bank in the Company's property. The Company is subject to maintaining certain financial covenants if the demand credit facility is drawn upon. The Company has available additional foreign exchange facilities of $2,500,000 with other Canadian financial institutions.

Risk Management

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

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

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

1. COVID-19 (Coronavirus)

The COVID-19 (Coronavirus) pandemic has impacted and is likely to continue to impact the Company's operations in the following key areas:

a. Workforce:

Based on the recommendations of national and local public health authorities, the Company's head office employees and field salesforce are practising physical distancing while working primarily from home. The Company will continue to follow the recommendations of public health and government authorities and to take all necessary precautions, including remote work arrangements, in order to protect the health and safety of its workforce.

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 duration of such access restrictions is unknown, these are likely to affect the Company's Canadian pharmaceutical sales during the time they are in place, depending on their extent.

c. Demand for Products:

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

Additionally, to the extent that the COVID-19 pandemic and physical distancing 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.

d. Supply Chain:

The Company sources its products from manufacturers based primarily in the United States and Europe. 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 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

	March 31, 2020	December 31, 2019
Description of Asset/(Liability)	EUR	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).

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

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).

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.

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

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 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.

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.

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

The Company's current accounts receivable increased to $3,103,804 at March 31, 2020 from $1,328,854 at December 31, 2019 as a result of a significant increase in sales volumes in the Canadian pharmaceutical business in the month of March 2020. Approximately 98% of these current receivables have been collected subsequent to the March 31, 2020 reporting date to the date hereof.

The Company monitors its credit risk on an ongoing basis. The Company has recognized an expected credit loss of $29,928 related to a trade receivable from a Canadian pharmaceutical wholesale customer. 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 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.

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. 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.*

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 has available additional foreign exchange facilities of $2,500,000 with other Canadian financial institutions. The Company's funds have not been committed in any way, except as set out in Note 18 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 Business 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, 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. 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.

14. Regulatory Risks

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

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

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

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

Furthermore, there can be no assurance that the regulators will not require modification to any submissions, which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of the Company to utilize its technology, thereby adversely affecting

operations. Further, there can be no assurance that the Company's products will prove to be safe and effective in clinical trials or receive the requisite regulatory approval.

15. 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 May 27, 2020 the following common shares, stock options, and Restricted Share Units were outstanding:

	No. of Shares	Exercise Price Range
Issued common shares	12,989,570	
Treasury shares: RSU Plan in Trust	(128,000)	
Treasury shares: NCIB Pending Cancellation	(53,400)	
Outstanding common shares	12,808,170	
Stock options outstanding	177,512	$6.20 - $ 10.97
RSUs outstanding	129,125	
Fully Diluted at May 27, 2020	13,114,807	

Normal Course Issuer Bid

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 ending on December 9, 2019. During this period, Company repurchased a total of 950,000 common shares, the maximum number permitted to be repurchased during the 12-month NCIB period.

On December 11, 2019, the Company announced that the TSX Venture Exchange had accepted its renewal of the NCIB for a further 12-month period ending on December 16, 2020 during which the Company would be permitted to purchase up to 800,000 of its own common shares for cancellation. The Company had repurchased 312,875 common shares under this NCIB to March 31, 2020 and a further 332,400 common shares between April 1, 2020 and the date hereof.

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 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.

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 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 of its suppliers.

Disclosure Controls

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

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

Investor Relations Activities

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

Related Party Transactions

Key Management Personnel Compensation

The table below summarizes compensation for key management personnel of the Company for the 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).

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.