BioSyent Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2020 and 2019

November 25, 2020

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BioSyent

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Introduction

The following discussion of BioSyent Inc.'s ("**BioSyent**" or the "**Company**") operations, performance and financial condition is based on the Company's interim unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2020 and September 30, 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 and nine months ended September 30, 2020 and September 30, 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**") 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

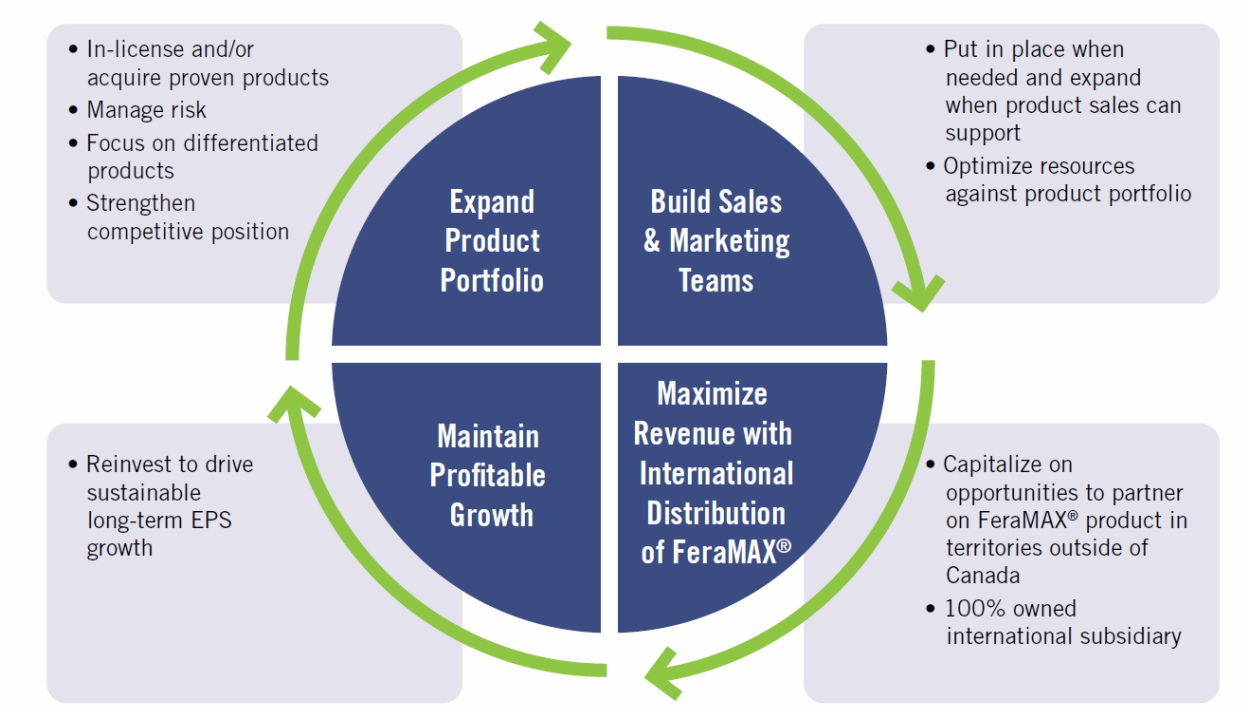
BioSyent's vision is to be the leading independent Canadian healthcare company focused on commercializing innovative products improving patient lives and supporting healthcare providers.

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

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.

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.

FeraMAX® Pd Therapeutic 150

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

Cathejell®

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

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

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

FeraMAX® Powder

In July 2012, BioSyent Pharma received marketing approval from Health Canada for its unique 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 pre-filled syringe ("**PFS**") products which are medical syringes pre-filled with a specific dosage of medication and three of which are marketed to hospitals and acute care settings.

The Aguettant 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

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®

RepaGyn®

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

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

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

Proktis-M®

Proktis-M®
Rectal Suppositories • Sodium Hyaluronate

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

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

Cysview®

CYSVIEW®
HEXAMINOLEVULINATE HCL

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

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

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

Tibella®

Tibella®/MD

In November 2016, the Company signed an exclusive License and Supply Agreement with a European partner for a prescription product in the women's health therapeutic area for the Canadian market – Tibella®. Tibella® is a hormone replacement therapy ("HRT") consisting of tibolone. Tibella® is indicated for the short-term treatment of vasomotor symptoms due to estrogen deficiency in postmenopausal women, more than one year after menopause. Though new to the Canadian market, Tibolone has been successfully marketed in Europe for over 30 years and is also approved and marketed in other countries around the world.

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

Combogesic®

Combogesic®

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

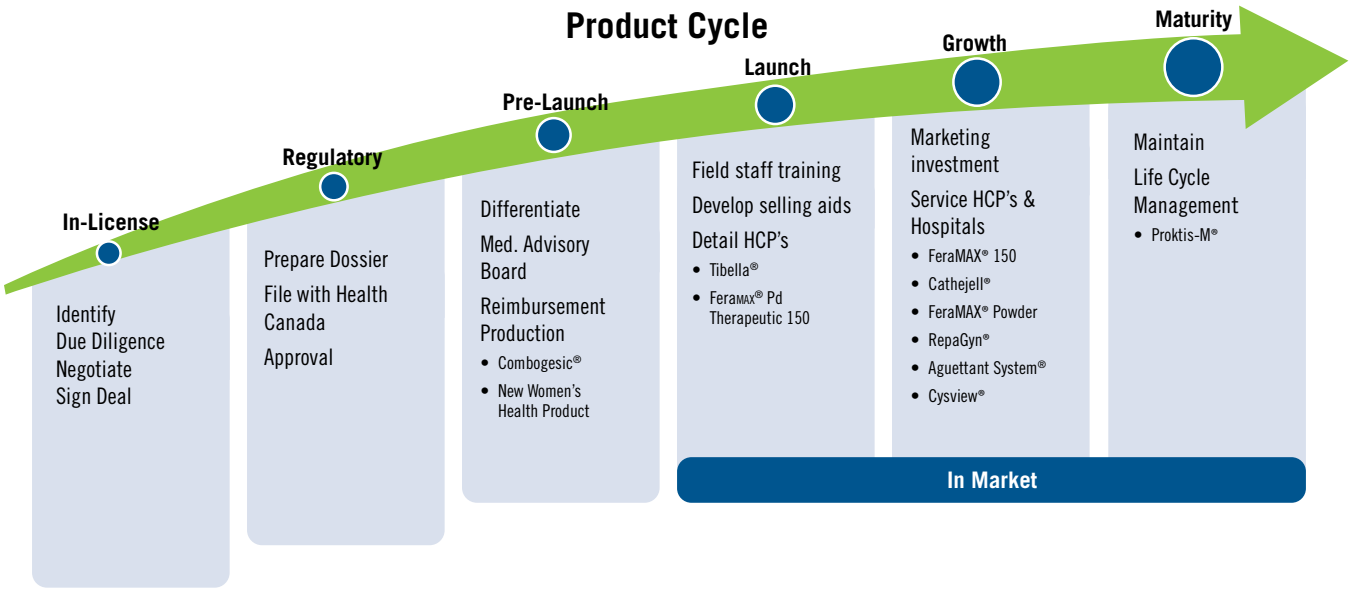
New Women's Health Product

On October 1, 2020, BioSyent Pharma Inc. signed an exclusive License and Supply Agreement with a European partner for a new women's health product for the Canadian market. The product has been approved for sale in Canada, the U.S.A., Europe

and in several other markets around the world. The Company is currently preparing for the launch of this innovative 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.



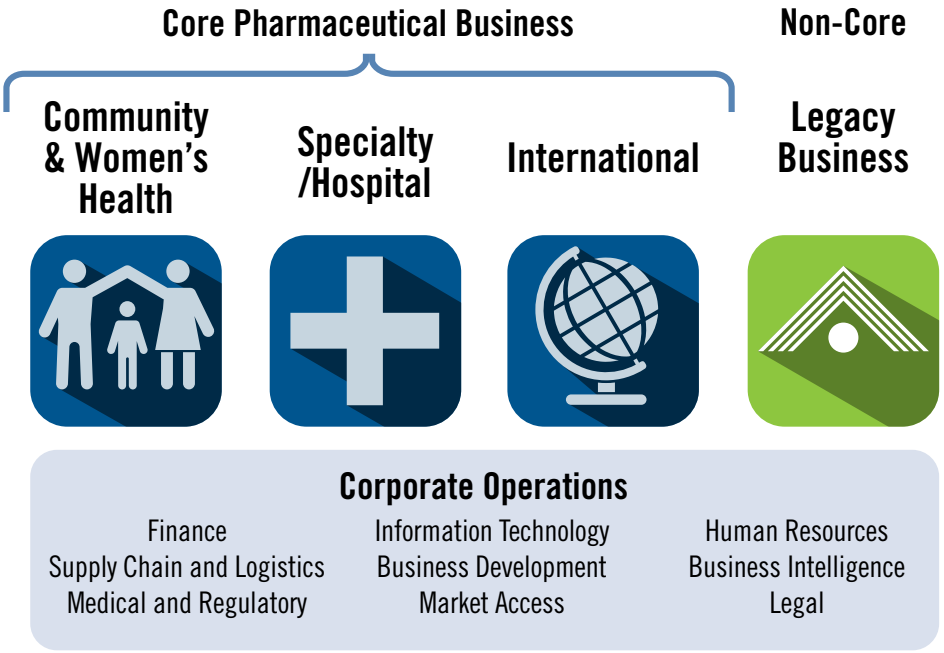
The Company currently has one product in the maturity stage (Proktis-M), seven products in the growth stage (FeraMAX® 150, Cathejell®, FeraMAX® Powder, RepaGyn®, Cysview®, and Aguettant System® Atropine and Phenylephrine), two products in the launch stage (FeraMAX® Pd Therapeutic 150 and Tibella®), and two products in the pre-launch stage (Combogesic® and a New Women's Health Product).

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 Specialty/Hospital Business Unit which sells pharmaceutical and healthcare products to Canadian hospitals and specialists (the "**Specialty/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

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).

In July 2020, the Company launched Tibella®, a Health Canada approved 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 is marketed in Canada as part of the Company's women's health product portfolio.

On October 1, 2020, BioSyent Pharma Inc. signed and exclusive License and Supply Agreement with a European partner for a new women's health product for the Canadian market. The product has been approved for sale in Canada, the U.S.A., Europe and in several other markets around the world. The Company is currently preparing for the launch of this product to the Canadian market.

On October 5, 2020, BioSyent Pharma Inc. introduced FeraMAX® Pd, a patented oral iron supplement delivery system for the treatment of iron deficiency anemia based on a proprietary Polydextrose Iron Complex ("PDIC") formulation.

On October 15, 2020, BioSyent was named to the Growth List ranking of Canada's fastest-growing companies by *Canadian Business* and *Maclean's* for the eighth consecutive year based on a five-year revenue growth rate of 75% (2014 – 2019).

On November 5, 2020, BioSyent Pharma Inc. launched FeraMAX® Pd Therapeutic 150 in Canada, the first new product under the new FeraMAX® Pd PDIC delivery system, replacing FeraMAX® 150 at Canadian pharmacies.

Key Performance Measures

Key performance measures for nine months ("YTD") and third quarter ("Q3") ended September 30, 2020 and September 30, 2019 are presented in the tables below (in Canadian Dollars) along with the preceding three quarters:

Key Performance Indicator	YTD 2020	% Change vs. YTD 2019	% to Total Company Sales	Q3 2020	% Change vs. Q3 2019	% to Total Company Sales	Q2 2020	Q1 2020	Q4 2019
Canadian Pharma Sales	**15,842,030**	14%	95%	**5,470,569**	14%	95%	4,415,900	5,955,561	5,042,899
International Pharma Sales	**168,471**	-83%	1%	**6,306**	-99%	0%	94,197	67,968	428,620
Legacy Business Sales	**595,339**	-37%	4%	**294,864**	-29%	5%	261,158	39,317	97,767
Total Total Company Sales	**16,605,840**	5%	100%	**5,771,739**	-7%	100%	4,771,255	6,062,846	5,569,286
Gross Profit	**13,024,132**	6%	78%	**4,494,094**	-4%	78%	3,728,295	4,801,743	4,362,645
EBITDA	**4,460,350**	10%	27%	**1,399,781**	-29%	24%	1,062,582	1,997,987	1,700,840
NIAT	**3,129,633**	-2%	19%	**955,909**	-38%	17%	722,206	1,451,518	1,167,845
Diluted EPS	**0.24**	4%		**0.07**	-36%		0.06	0.11	0.08
Net Cash Flows	**1,728,924**			**2,234,657**			276,242	(781,975)	2,161,146

Key Performance Indicator	YTD 2019	% Change vs. Prior Period YTD 2018	% to Total Company Sales	Q3 2019	% Change vs. Q3 2018	% to Total Company Sales	Q2 2019	Q1 2019	Q4 2018
Canadian Pharma Sales	**13,903,859**	3%	88%	**4,789,629**	2%	77%	4,844,090	4,270,140	5,035,460
International Pharma Sales	**1,013,071**	-25%	6%	**1,013,071**	259%	16%	-	-	850,198
Legacy Business Sales	**938,108**	25%	6%	**417,048**	55%	7%	312,386	208,674	25,307
Total Total Company Sales	**15,855,038**	2%	100%	**6,219,748**	18%	100%	5,156,476	4,478,814	5,910,965
Gross Profit	**12,283,610**	2%	77%	**4,692,397**	14%	75%	4,070,823	3,520,390	4,501,072
EBITDA	**4,046,866**	-24%	26%	**1,985,461**	15%	32%	860,259	1,201,146	2,109,998
NIAT	**3,201,450**	-21%	20%	**1,532,426**	21%	25%	690,843	978,181	1,671,410
Diluted EPS	**0.23**	-18%		**0.11**	22%		0.05	0.07	0.11
Net Cash Flows	**(4,612,770)**			**(87,528)**			(2,559,074)	(1,966,168)	1,820,309

While Canadian pharmaceutical sales increased by 14% in Q3 2020 over Q3 2019, international pharmaceutical sales decreased by 99% in Q3 2020 as compared to Q3 2019, during which a backlog of several international FeraMAX® orders were shipped simultaneously. This decline in international pharmaceutical sales negatively impacted profitability in Q3 2020 with Net Income After Tax ("NIAT") declining by 38% from Q3 2020. The Company also made significant marketing investments in new product launches during Q3 2020, including Tibella®, Combogesic®, and FeraMAX® Pd Therapeutic 150.

The decline in Q3 2020 international sales also impacted the YTD 2020 results: While Canadian pharmaceutical sales increased by 14% in YTD 2020 over the YTD 2019 period, international pharmaceutical sales decreased by 83%. As a result, total Company sales increased by 5% overall in YTD 2020 over YTD 2019, with NIAT decreasing by 2% in YTD 2020 versus YTD 2019. YTD 2019 NIAT was negatively impacted by a one-time impairment write-down on intangible assets of $424,941; while no impairment losses were incurred in YTD 2020, the decrease in international pharmaceutical sales and substantial selling and marketing expenditures on new product launches contributed to a decline in YTD 2020 NIAT versus YTD 2019.

Results of Operations for the three and nine months ended September 30, 2020 and 2019

Sales

Sales Overview

Q3 2020 vs. Q3 2019

Total Company sales for Q3 2020 were $5,771,739, decreasing by 7% compared to total Company sales for Q3 2019 of $6,219,748.

Canadian pharmaceutical sales for Q3 2020 were $5,470,569, increasing by 14% compared to Canadian pharmaceutical sales for Q3 2019 of $4,789,629.

International pharmaceutical sales for Q3 2020 were $6,306, decreasing by 99% compared to International pharmaceutical sales of $1,013,071 for Q3 2019, during which a backlog of several international FeraMAX® orders were shipped concurrently.

Legacy Business sales for Q3 2020 were $294,864, decreasing by 29% compared to Legacy Business sales for Q3 2019 of $417,048.

YTD 2020 vs. YTD 2019

Total Company sales for YTD 2020 were $16,605,840, increasing by 5% compared to total Company sales for YTD 2019 of $15,855,038.

Canadian pharmaceutical sales for YTD 2020 were $15,842,030, increasing by 14% compared to Canadian pharmaceutical sales for YTD 2019 of $13,903,859.

International pharmaceutical sales for YTD 2020 were $168,471, decreasing by 83% compared to International pharmaceutical sales for YTD 2019 of $1,013,071.

Legacy Business sales for YTD 2020 were $595,339, decreasing by 37% compared to Legacy Business sales for YTD 2019 of $938,108.

Canadian Pharmaceutical Sales:

Q3 2020 vs. Q3 2019

Canadian pharmaceutical sales for Q3 2020 were $5,470,569, increasing by 14% compared to Canadian pharmaceutical sales for Q3 2019 of $4,789,629. The table below summarizes the Q3 2020 versus Q3 2019 percentage change in sales volumes (units) by product:

Product	Q3 2020 vs. Q3 2019 Change
FeraMAX®	+5%
RepaGyn®	+12%
Cathejell®	+70%
Aguettant System®	+29%
Cysview®	+133%

In the Community Business, Q3 2020 Canadian sales volumes (units) of FeraMAX® increased by 5% as compared to Q3 2019. Sales volumes (units) of the RepaGyn® product increased by 12% in Q3 2020 versus Q3 2019. In July 2020, the Community Business launched Tibella® to the Canadian market, which was modestly revenue-generating during Q3 2020.

As a result of the ongoing impact of the COVID-19 pandemic in Canada, the Community Business' field salesforce continued to experience in-person access limitations to healthcare professionals during Q3 2020, utilizing various means of virtual engagement to the extent possible.

In the Specialty/Hospital Business, Q3 2020 Canadian sales volumes (units) of Aguettant System® PFS products increased by 29% as compared to Q3 2019. As the Specialty/Hospital Business observed continued normalization during the quarter in the scheduling of elective procedures performed at Canadian healthcare centres, including certain catheterization procedures and blue-light cystoscopy procedures, sales volumes (units) of Cathejell® and Cysview® increased by 70% and 133%, respectively, in Q3 2020 versus Q3 2019. Multiple new Canadian hospital sites implemented Cysview® during Q3 2020.

YTD 2020 vs. YTD 2019

Canadian pharmaceutical sales for YTD 2020 were $15,842,030, increasing by 14% compared to Canadian pharmaceutical sales for YTD 2019 of $13,903,859. The table below summarizes the YTD 2020 versus YTD 2019 percentage change in sales volumes (units) by product:

Product	YTD 2020 vs. YTD 2019 Change
FeraMAX®	+11%
RepaGyn®	+8%
Cathejell®	+15%
Aguettant System®	+28%
Cysview®	-11%

In the Community Business, YTD 2020 Canadian sales volumes (units) of FeraMAX® increased by 11% as compared to YTD 2019. Sales volumes (units) of the RepaGyn® product increased by 8% in YTD 2020 versus YTD 2019. Following sales growth in the months of January and February 2020 and a rapid acceleration in sales volumes in March 2020 at the outset of the COVID-19 crisis, the Community Business experienced a marked decline in sales volumes in April 2020, followed by a normalization in the months of May and June 2020, and continued growth during Q3 2020.

The further impact of COVID-19 on the selling activities of the Community Business' field salesforce, consumer behaviour, and demand for pharmaceutical products in the community is uncertain. Nonetheless, the Company has not experienced any significant negative impact to cumulative sales volumes in its Community Business as a result of COVID-19 over the duration of the pandemic from March 2020 to the date hereof.

In the Specialty/Hospital Business, YTD 2020 Canadian sales volumes (units) of Aguettant System® PFS products increased by 28% as compared to YTD 2019. Sales volumes (units) of Cathejell® increased by 15% in YTD 2020 versus YTD 2019

while sales volumes (units) of Cysview® decreased by 11% in YTD 2020 versus YTD 2019. Following a decline in Q2 2020 sales of Cathejell® and Cysview® due to a reduction in elective procedures occurring in certain Canadian hospitals in response to the COVID-19 crisis, the Specialty/Hospital Business observed an increase in the frequency of such procedures in late Q2 2020 and throughout Q3 2020. There remains an ongoing risk that increased COVID-19 infection rates could affect demand for these products in Canadian hospitals in Q4 2020 and in 2021.

International Pharmaceutical Sales:

Q3 2020 vs. Q3 2019

International FeraMAX® sales for Q3 2020 were $6,306, as compared to sales of $1,013,071 for Q3 2019 during which a backlog of several international FeraMAX® orders were all shipped concurrently.

YTD 2020 vs. YTD 2019

International FeraMAX® sales for YTD 2020 were $168,471, as compared to sales of $1,013,071 for YTD 2019 – an 83% decrease. In YTD 2020, the International Business Unit shipped far less FeraMAX® product to its largest export market than it did in the comparative period. While this market has historically been a significant source of demand for FeraMAX® outside of Canada, business activity and consumer demand in this market have been severely hindered by the COVID-19 pandemic. While the International Business Unit increased sales of FeraMAX® to certain other markets in YTD 2020 versus YTD 2019, such sales, on a cumulative basis, were not sufficient to offset the decline in YTD 2020 sales to its largest export market. As the Company's local distributors navigate the challenges of the business environment in its largest export market, including COVID-19, management expects continued uncertainty in the timing and extent of international FeraMAX® sales to persist in Q4 2020 and beyond.

Legacy Business Sales:

Q3 2020 vs. Q3 2019

Legacy Business sales for Q3 2020 were $294,864, decreasing by 29% compared to Legacy Business sales for Q3 2019 of $417,048.

YTD 2020 vs. YTD 2019

Legacy Business sales for YTD 2020 were $595,339, decreasing by 37% overall compared to Legacy Business sales for YTD 2019 of $938,108. While sales of Protect-It® to customers in the United States increased by 122% in YTD 2020 versus YTD 2019, sales to Canadian customers decreased by 51% during this period, due in part to a carryover of customers' inventory of the product from the prior year.

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

Q3 2020 vs. Q3 2019

	Three months ended September 30,		% Change vs. Prior Period
	2020	2019	
Cost of goods sold	$ 1,277,645	$ 1,527,351	-16%
Selling and marketing	$ 2,019,647	$ 1,355,390	49%
General and administration	$ 1,200,186	$ 1,428,281	-16%
New business development costs	$ 30,143	$ 50,326	-40%
Finance costs	$ 23,134	$ 7,984	190%
Subtotal	$ 4,550,755	$ 4,369,332	4%
Finance income	$ (81,566)	$ (169,231)	-52%

Total expenses, including the cost of goods sold ("COGS") and finance costs, for Q3 2020 were $4,550,755, increasing by 4% versus Q3 2019 expenses of $4,369,332. The ratio of total expenses to sales for Q3 2020 was 79%, higher than a ratio of 70% for Q3 2019, such ratio increasing as a result of a decline in international FeraMAX® sales during Q3 2020 as well as an increase in selling and marketing expenses related to launch and pre-launch stage products.

Selling and marketing expenses for Q3 2020 were $2,019,647, increasing by 49% as compared to Q3 2019 selling and marketing expenses of $1,355,390. The ratio of selling and marketing expenses to sales for Q3 2020 was 35%, increasing from a ratio of 22% in Q3 2019. During Q3 2020, the Company made significant advertising, selling and promotion expenditure related to the July 2020 launch of Tibella® in Canada as well as the November 2020 launch of FeraMAX® Pd Therapeutic 150. The Company also made sizeable pre-launch marketing investments during Q3 2020 related to its upcoming launch of Combogesic®. These marketing investments in new, largely pre-revenue products contributed significantly to the overall increase in selling and marketing expenses relative to sales during the quarter.

General and administration expenses for Q3 2020 were $1,200,186, decreasing by 16% as compared to Q3 2019 general and administration expenses of $1,428,281. The ratio of general and administration expenses to sales decreased to 21% in Q3 2020 as compared to 23% in Q3 2019 as a result of unrealized foreign exchange losses incurred in Q3 2019 as well as a reduction in certain corporate expenses in Q3 2020.

The Company recorded finance costs of $23,134 in Q3 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 three months of lease interest expense in Q3 2020 as compared to one month in Q3 2019.

Finance income for Q3 2020 was $81,566, decreasing by 52% as compared to Q3 2019 finance income of $169,231. Finance income was composed primarily of interest income which decreased by 52% to $64,856 in Q3 2020 as compared to $134,095 in Q3 2019. This decrease in interest income was primarily a result of significantly lower market interest rates in Q3 2020 as compared to Q3 2019.

YTD 2020 vs. YTD 2019

	Nine months ended September 30,		% Change vs. Prior Period
	2020	2019	
Cost of goods sold	$ 3,581,708	$ 3,571,428	0%
Selling and marketing	$ 5,154,586	$ 4,449,076	16%
General and administration	$ 3,763,938	$ 3,928,172	-4%
New business development costs	$ 59,010	$ 79,282	-26%
Finance costs	$ 70,286	$ 7,984	780%
Subtotal	$ 12,629,528	$ 12,035,942	5%
Finance income	$ (224,537)	$ (382,282)	-41%

Total expenses, including the cost of goods sold ("COGS") and finance costs, for YTD 2020 were $12,629,528, increasing by 5% compared to YTD 2019 expenses of $12,035,942. The ratio of total expenses to sales for YTD 2020 was 76%, consistent with such ratio for YTD 2019.

Selling and marketing expenses for YTD 2020 were $5,154,586, increasing by 16% as compared to YTD 2019 selling and marketing expenses of $4,449,076, driven largely by increased selling and marketing expenditures made in Q3 2020. The ratio of selling and marketing expenses to sales for YTD 2020 was 31%, increasing from a ratio of 28% in YTD 2019. The increase in this ratio is a result of additional advertising, selling and promotional expenditures related to launch and planning activities for the new Tibella® and Combogesic® products as well as the new FeraMax® Pd platform and FeraMax® Pd Therapeutic 150 product. These additional expenditures were offset to some extent by reductions in certain selling and travel expenses of the Company's field salesforce as a result of COVID-19 restrictions.

The Company will make further selling and marketing investment in long-term growth initiatives in 2020 and 2021 related to the recently launched Tibella® product as well as the planned Canadian launches of Combogesic® and the recently in-licensed women's health product. As such, management expects the ratio of selling and marketing expenses to sales to increase overall in 2020 and 2021 over both current and historic levels as a result of these new product launches while these products gain traction in the market. Over the long-term, as the contribution of these growth products to Company sales increases, management expects the overall ratio of selling and marketing expenses to total sales to rebalance to sustainable levels.

General and administration expenses for YTD 2020 were $3,763,938, decreasing by 4% as compared to YTD 2019 general and administration expenses of $3,928,172. After adjusting for a one-time impairment loss of $424,941 incurred in the comparative prior period, general and administration expenses would have increased by 7% in YTD 2020 over YTD 2019 due primarily to incremental research and product development expenditures of $219,061 incurred in YTD 2020 and not incurred in the comparative prior period. While the Company also incurred higher depreciation expense on property, equipment and a lease right-of-use asset related to the Company's head office lease, this increase was offset by a decline in certain other corporate expenses in YTD 2020 versus YTD 2019. After adjusting for the effect of the one-time impairment write-off of $424,941 incurred in YTD 2019, the ratio of general and administration expenses to sales would have been 22% in YTD 2019 as compared to 23% in YTD 2020.

While the Company has limited certain discretionary expenditures in response to COVID-19 uncertainty, it will continue to invest corporate resources in long-term growth initiatives in 2020 and 2021, including the launch of several new products in close succession - all within a 12-month timeframe.

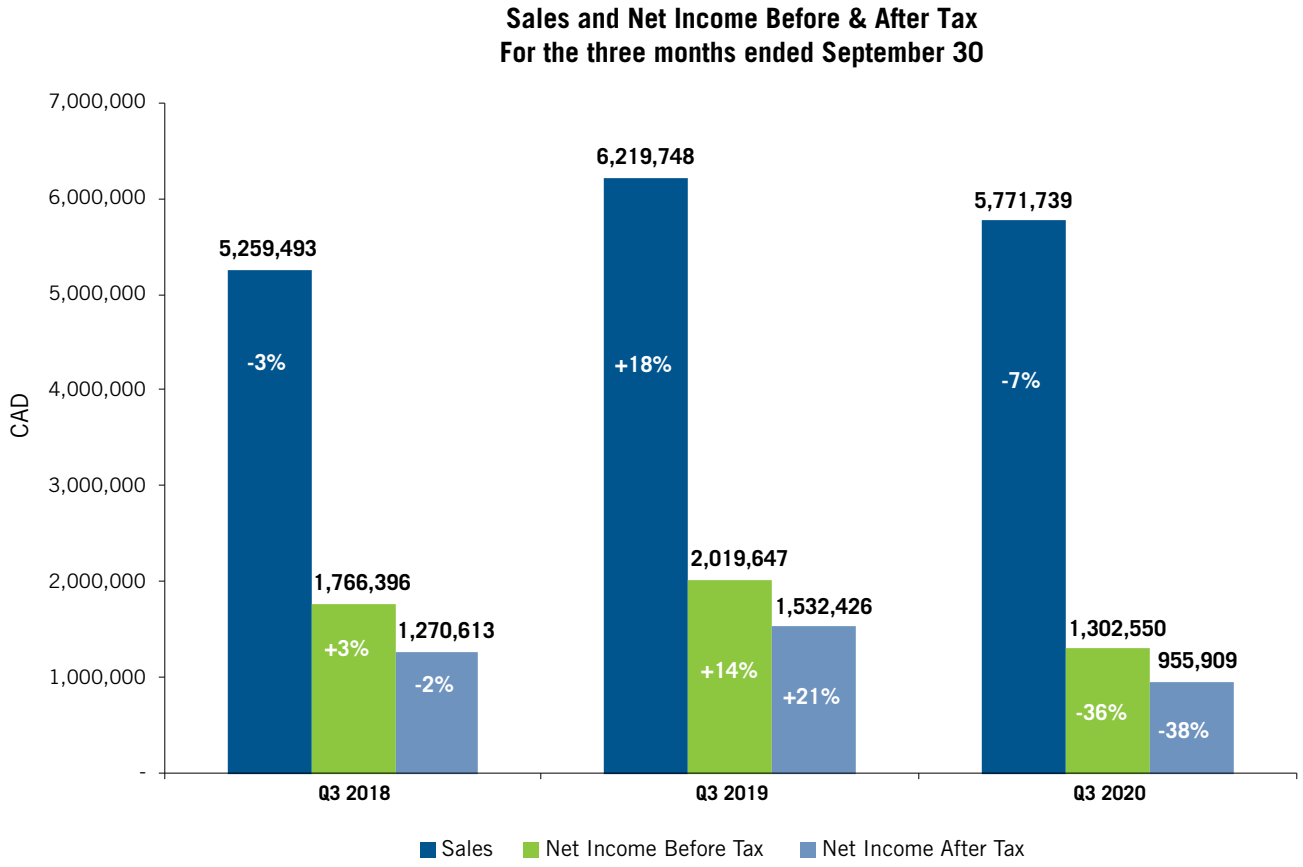
The Company recorded finance costs of $70,286 in YTD 2020 as compared to $7,984 in YTD 2019 related to its head office lease which commenced in September 2019. As a result of applying the requirements of IFRS 16 *Leases*, the Company recorded nine months of lease interest expense in YTD 2020 as compared to one month in YTD 2019.

Finance income for YTD 2020 was $224,537, decreasing by 41% as compared to YTD 2019 finance income of $382,282. Finance income was composed primarily of interest income which decreased by 40% to $207,827 in YTD 2020 as compared to $347,146 in YTD 2019. This decrease in interest income was primarily a result of a significant decline in market interest rates during the period precipitated by the impact of COVID-19 on the economy and monetary policy measures effected by the Bank of Canada in response.

Net Income After Taxes (NIAT)

Q3 2020 vs. Q3 2019

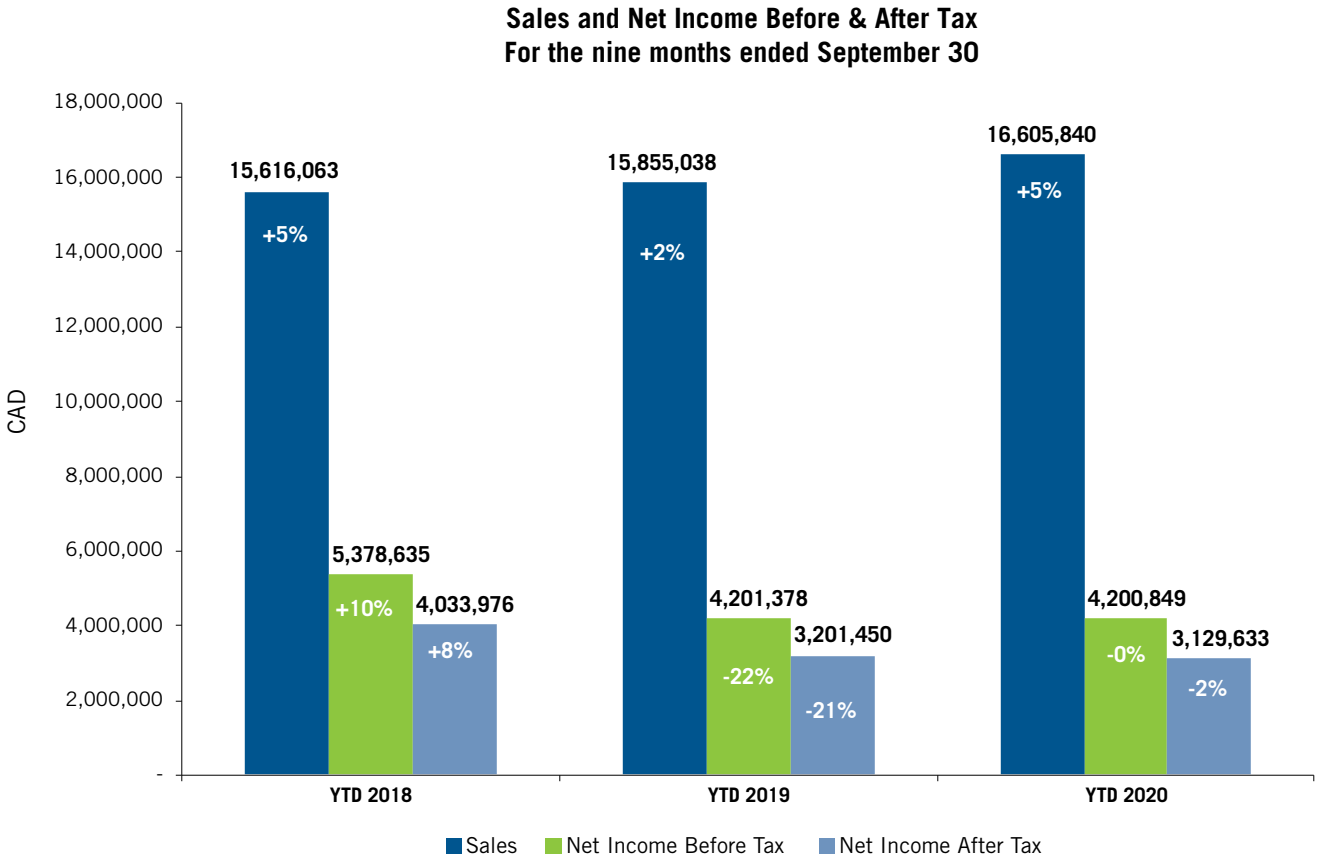
NIAT for Q3 2020 of $955,909 decreased by 38% compared to NIAT for Q3 2019 of $1,532,426 which increased by 21% compared to Q3 2018. Q3 2020 international pharmaceutical sales of $6,306 decreased by 99% versus Q3 2019 sales of $1,013,071, negatively impacting NIAT for Q3 2020. Additionally, the Company increased selling and marketing expenditures during Q3 2020 related to new product launches, including Tibella®, Combogesic®, and FeraMax® Pd Therapeutic 150. As a result, the Company's NIAT margin for Q3 2020 declined to 17% as compared to a NIAT margin of 25% in Q3 2019.



Including currency translation gains of $2,110, total comprehensive income for Q3 2020 was $958,019, decreasing by 38% compared to total comprehensive income for Q3 2019 of $1,551,799.

YTD 2020 vs. YTD 2019

NIAT for YTD 2020 of $3,129,633 decreased by 2% compared to NIAT for YTD 2019 of $3,201,450 which decreased by 21% compared to YTD 2018. YTD 2020 international pharmaceutical sales of $168,471 decreased by 83% versus YTD 2019 sales of $1,013,071, negatively impacting NIAT for YTD 2020. The Company incurred a one-time impairment loss on the write-down of intangible assets in YTD 2019 of $424,941. While no impairment losses were incurred in YTD 2020, the decrease in international pharmaceutical sales and increased selling and marketing expenditures on new product launches contributed to a decline in the Company's NIAT margin of 19% in YTD 2020 as compared to 20% in YTD 2019.

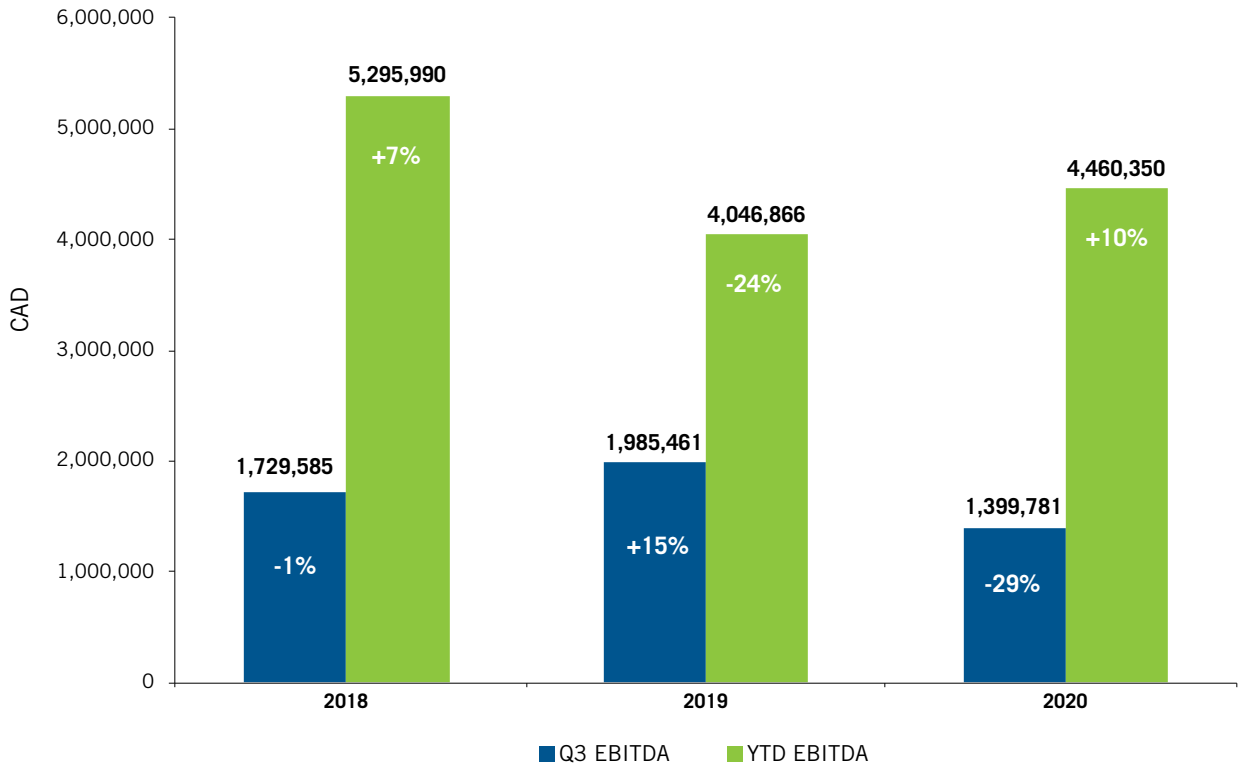


Including currency translation losses of $29,352, total comprehensive income for YTD 2020 was $3,100,281, decreasing by 3% compared to total comprehensive income for YTD 2019 of $3,208,659.

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 and nine months ended September 30, 2018, 2019, and 2020 is provided in the graph below:

EBITDA for the three and nine months ended September 30



EBITDA for Q3 2020 of $1,399,781 decreased by 29% compared to EBITDA for Q3 2019 of $1,985,461. This decrease in EBITDA was a result of a decrease in Net Income Before Taxes of 36% from $2,019,647 in Q3 2019 to $1,302,550 in Q3 2020 which was partially offset by an increase in non-cash expenses in Q3 2020, including amortization, depreciation, and office lease interest expense. A reconciliation of EBITDA to NIAT for the quarters ended September 30, 2020, 2019, and 2018 is provided in the table below:

RECONCILIATION OF EBITDA TO NIAT
FOR THE THREE MONTHS (Q3) ENDED SEPTEMBER 30

		2020	2019	2018
Q3 EBITDA		$ 1,399,781	$ 1,985,461	$ 1,729,585
Add:	Interest Income	64,856	134,095	81,886
Less:	Depreciation of Property and Equipment	(82,649)	(67,654)	(20,578)
	Amortization of Intangible Assets	(56,304)	(24,271)	(24,497)
	Interest Expense	(23,134)	(7,984)	(495,783)
	Income Tax Expense	(346,641)	(487,221)	-
NIAT		$ 955,909	$ 1,532,426	$ 1,270,613

EBITDA for YTD 2020 of $4,460,350 increased by 10% compared to EBITDA for YTD 2019 of $4,046,866. While Net Income Before Taxes for YTD 2020 of $4,200,849 was consistent with Net Income Before Taxes for YTD 2019 of $4,201,378, there was an increase in YTD 2020 in non-cash expenses, including amortization of intangible assets as well as depreciation and lease interest expense arising from the Company's September 2019 office lease and leasehold improvements. A reconciliation of EBITDA to NIAT for the nine months ended September 30, 2020, 2019, and 2018 is provided in the table below:

RECONCILIATION OF EBITDA TO NIAT
FOR THE NINE MONTHS (YTD) ENDED SEPTEMBER 30

		2020	2019	2018
YTD EBITDA		$ 4,460,350	$ 4,046,866	$ 5,295,990
Add:	Interest Income	207,827	347,146	216,939
Less:	Depreciation of Property and Equipment	(250,171)	(111,835)	(60,801)
	Amortization of Intangible Assets	(146,871)	(72,815)	(73,493)
	Interest Expense	(70,286)	(7,984)	-
	Income Tax Expense	(1,071,216)	(999,928)	(1,344,659)
NIAT		$ 3,129,633	$ 3,201,450	$ 4,033,976

Earnings per Share (EPS)

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

	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Sales ($)	5,771,739	4,771,255	6,062,846	5,569,286	6,219,748	5,156,476	4,478,814	5,910,965
Net Income After Taxes ($)	955,909	722,206	1,451,518	1,167,845	1,532,426	690,843	978,181	1,671,410
Earnings Per Share – Basic ($)	0.07	0.06	0.11	0.08	0.11	0.05	0.07	0.11
Earnings Per Share – Diluted ($)	0.07	0.06	0.11	0.08	0.11	0.05	0.07	0.11

Diluted EPS for Q3 2020 was $0.07, as compared to diluted EPS of $0.11 for Q3 2019. For the trailing twelve months ("TTM") ended September 30, 2020, diluted EPS was $0.32, as compared with a TTM diluted EPS of $0.34 for the TTM ended September 30, 2019.

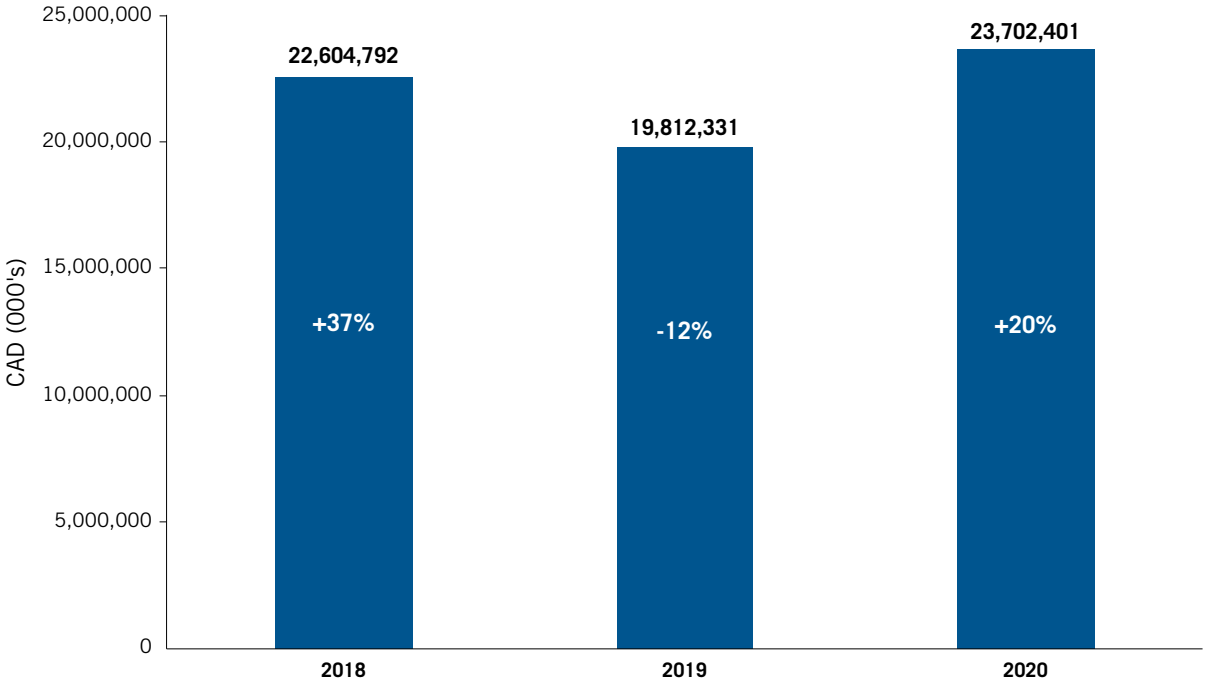
Financial Resources and Liquidity

Working capital, defined here as the difference between current assets and current liabilities, increased to $24,094,346 as at September 30, 2020 from $23,486,067 as at December 31, 2019. Cash and short-term investments of $23,702,401 accounted for 98% of working capital as at September 30, 2020 as compared with cash and short-term investments of $21,973,477 accounting for 94% of working capital as at December 31, 2019. While the ongoing impact of the COVID-19 pandemic on the Company's business operations, sales, and resultant cash flows is uncertain, the Company has sufficient cash and working capital to maintain its operating activities and to fund its planned growth and development activities during this period.

During YTD 2020, there was a net increase in cash and short-term investments of $1,728,924 compared to a net decrease of $4,612,770 during YTD 2019. While the Company's NIAT decreased to $3,129,633 in YTD 2020 from $3,201,450 in YTD 2019, as a result of the timing of the Company's corporate tax payments in YTD 2020 and a reduction in inventory as the Company replaces the current FeraMAX® 150 product with the new FeraMAX® Pd Therapeutic 150 formulation, the Company generated cash from operations of $4,888,787 during YTD 2020 as compared to $1,350,402 during YTD 2019. The Company expended $2,663,260 for the repurchase and cancellation of the Company's own common shares under a Normal Course Issuer Bid ("NCIB") and a 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, during YTD 2019, the Company expended $5,713,387 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 September 30, 2018, 2019, and 2020 as well as the growth over the comparative prior year period:

Cash, Cash Equivalents and Short-term Investments at September 30



Total shareholders' equity increased by 1% to $26,119,884 at September 30, 2020 from $25,794,510 at December 31, 2019. While the Company generated comprehensive income of $3,100,281 during YTD 2020, it repurchased 594,275 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 $2,973,560.

The Company's total assets at September 30, 2020 were $31,878,772, increasing by 3% compared to total assets of $30,965,314 as at December 31, 2019. This compares to a decrease of 4% in total assets to $30,017,644 at September 30, 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 September 30, 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)

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

a. Workforce:

Based on the recommendations of national and local public health authorities, the Company has adopted a phased approach to the return of its employees to working in the Company's head office and in the field after 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, the ongoing practice of physical distancing, making personal protective equipment available to employees, and ensuring employees' understanding of good hygiene practices and infection risks, in order to protect the health and safety of its workforce.

b. Access to Healthcare Professionals:

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

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.

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

d. Supply Chain:

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

2. Sourcing and Revenue Concentration

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

3. Foreign Exchange Risk

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

4. Interest Rate Risk

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

The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest when these GICs are renewed may have an impact on the Company's Finance Income for the period. Changes to the Bank of Canada's Policy Interest Rate in response to the economic impact of the COVID-19 pandemic will affect market rates of interest and the rate of interest earned on the Company's GICs.

5. Credit Risk

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

a. Aging of Receivables

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

The Company's net trade accounts receivable increased to $2,384,444 at September 30, 2020 from $1,814,914 at December 31, 2019. This increase in accounts receivable coincides with seasonal sales patterns. The September 30, 2020 net trade receivables balance of $2,384,444 is 8% lower than the comparable September 30, 2019 net trade receivables balance of $2,588,112. Approximately 90% of accounts receivables have been collected subsequent to the September 30, 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 $29,537. 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 September 30, 2020, one customer represents 35% of trade receivables (December 31, 2019 - 19%) while another customer represents 23% of trade receivables (December 31, 2019 - 31%), a third customer represents 17% of trade receivables (December 31, 2019 - 13%), and a fourth customer represents 12% 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.

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 19 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. The extent of such regulation is increased for products designated by Health Canada as Controlled Substances, such as the Tibella® women's health product. As a result, the Company's costs of regulatory compliance and risks associated with non-compliance are higher for such Controlled Substances than for other non-controlled pharmaceutical products which it markets and sells.

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

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 November 25, 2020 the following common shares, stock options, and Restricted Share Units were outstanding:

	No. of Shares	Exercise Price Range
Issued common shares	12,936,600	
Treasury shares: RSU Plan in Trust	(128,000)	
Outstanding common shares	12,808,600	
Stock options outstanding	177,082	$6.20 - $ 10.97
RSUs outstanding	129,125	
Fully Diluted at November 25, 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 has repurchased 645,275 common shares under this NCIB to the date hereof, of which 594,275 common shares were repurchased and cancelled during the YTD 2020 period.

Restricted Share Unit Plan

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

During YTD 2020, the Company purchased 128,000 of its own common shares pursuant to its RSU Plan with such shares held in trust for future settlement of vested RSUs granted to employees, senior management, and directors of the Company.

Commitments

Office Leases

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

The Company's undiscounted minimum future rental payments and 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	$ 89,696
2021	$ 358,785
2022	$ 360,542
2023	$ 364,056
2024	$ 364,056
Beyond Next 5 Fiscal Years	$ 1,781,624
Total	$ 3,318,759

Purchase Commitments

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

Disclosure Controls

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

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

Investor Relations Activities

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

Related Party Transactions

Key Management Personnel Compensation

The table below summarizes compensation for key management personnel of the Company for the three and nine months ended September 30, 2020 and 2019:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Number of Key Management Personnel	6	6	6	6
Salary, Benefits, and Bonus	$310,885	$293,606	$932,582	$880,818
Share-Based Payments	$40,333	$64,002	$123,007	$174,014

During the nine months ended September 30, 2020, the Company recorded share-based payment expense of $123,007 (nine months ended September 30, 2019 - $174,014) related to the amortization of RSUs and the vesting of options granted to key management personnel under the Company's RSU Plan and SOP, respectively, 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 nine months ended September 30, 2020, the Company paid cash fees to its directors in the amount of $43,672 (nine months ended September 30, 2019 - $114,378) and share-based payments of $13,072 (nine months ended September 30, 2019 - $15,175).

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.