BioSyent

2024 ANNUAL REPORT

BioSyent Corporate Profile

BioSyent is a Canadian specialty pharmaceutical company focused on sourcing, acquiring or in-licensing and further developing innovative pharmaceutical and other healthcare products that improve the lives of patients and support their healthcare providers. BioSyent's strategy is focused on generating long-term growth through portfolio diversification while maintaining profitability.

VENTURE 50 2024

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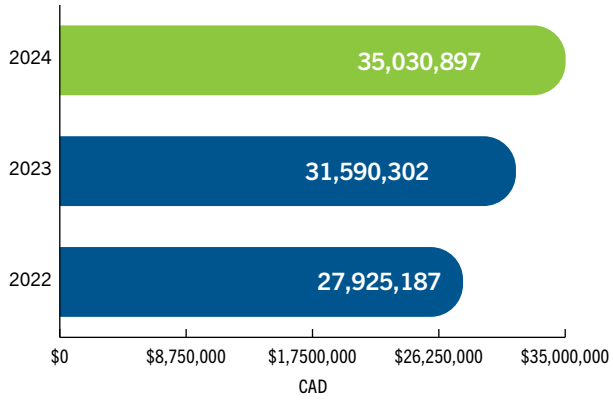
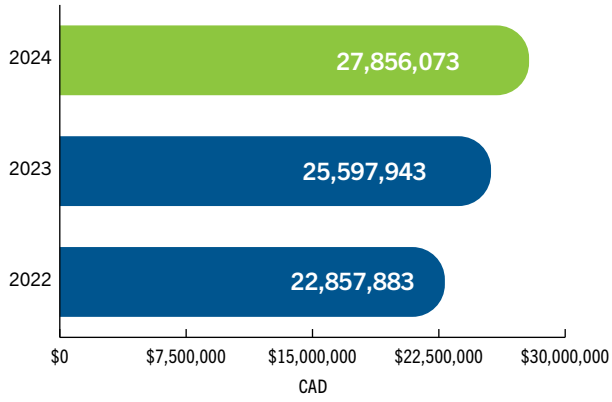
2024 Financial Highlights

Revenue
Year Ending December 31



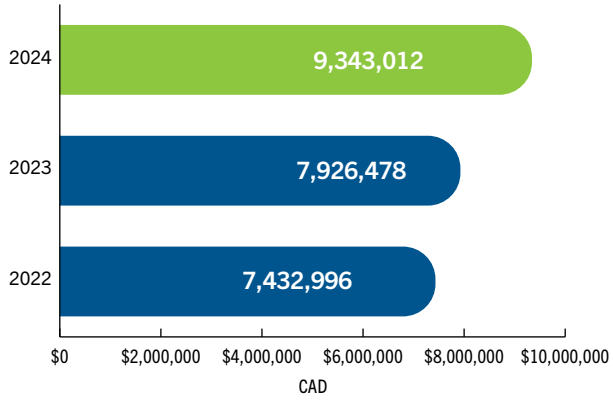
$35 million | +11%

Gross Profit
Year Ending December 31



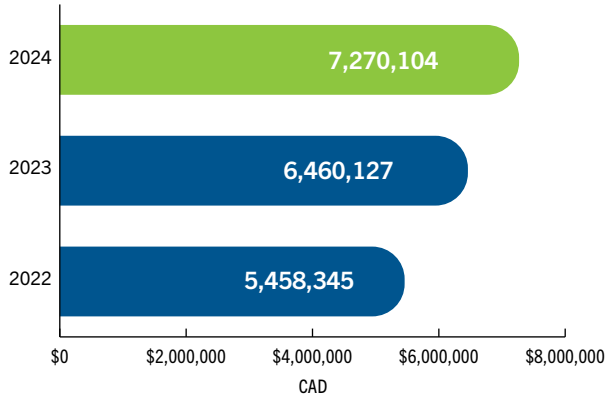
$27.8 million | +9%

EBITDA
Year Ending December 31



$9.3 million | +18%

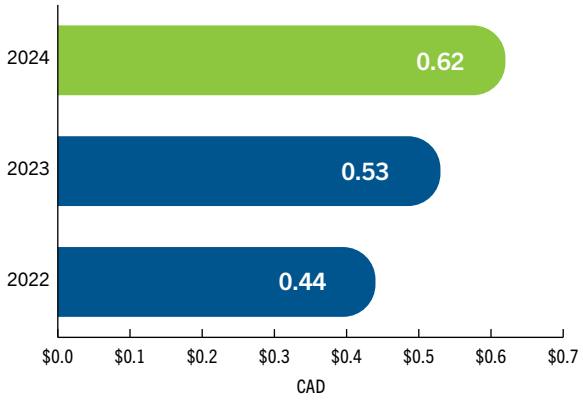
Net Income After Tax (NIAT)
Year Ending December 31



$7.2 million | +13%

Diluted Earnings Per Share (EPS)

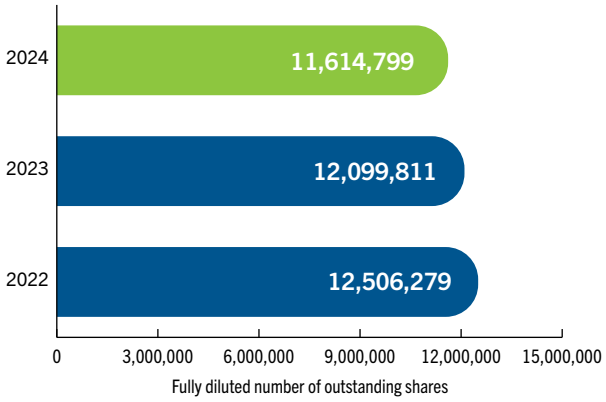
Year Ending December 31



$0.62 | +$0.09

Fully Diluted Shares Outstanding

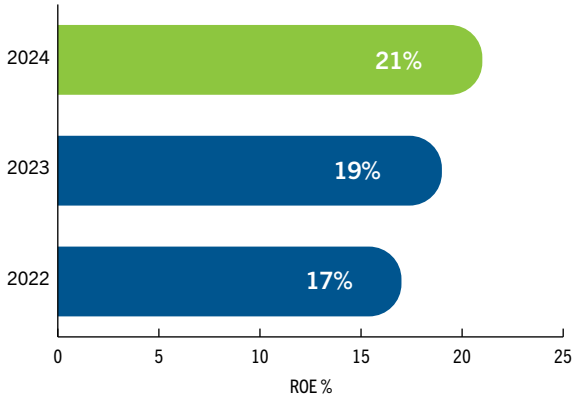
December 31



11.6 million | (0.5 million)

Return On Equity (ROE)

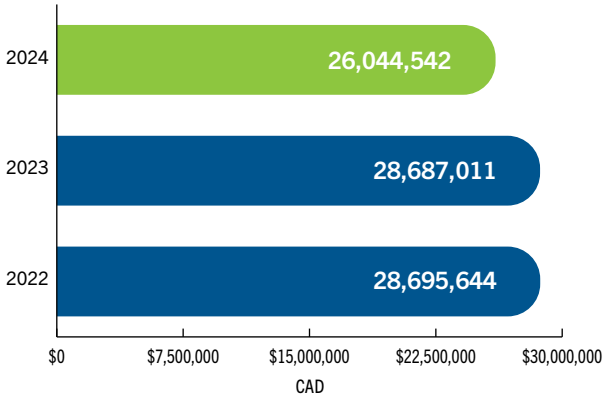
Year Ending December 31



21%

Cash, Short-term and Long-term Investments

Year Ending December 31



$26.0 million

BioSyent's Brands

Canadian Pharmaceutical Brands

FeraMAX® Therapeutic Thérapeutique 150

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® Maintenance Entretien 45

Third product using the PDIC formulation launched in 2023, developed by BioSyent and offering patients an innovative solution to maintaining healthy iron levels.

FeraMAX® Powder Poudre 15

Second product launched using the PDIC formulation with convenient dosing and pleasant tasting flavour for children.

Tibella®/MD

Rx Hormone Replacement Therapy agent (tibolone) for short-term treatment of the symptoms of menopause in women – sold in Canada under the Tibella® brand name.

RepaGyn®

Sodium hyaluronate vaginal suppository for the relief of dryness and promotion of healing of the vaginal mucosa.

inofolic®MC

Unique soft-gel capsule combining myo-inositol and folic acid for treatment of women with Polycystic Ovary Syndrome (PCOS).

Combogesic®

First formulation of acetaminophen + ibuprofen for fast pain relief available in Canada.

Proktis-M® Rectal Suppositories • Sodium Hyaluronate

Sodium hyaluronate rectal suppository which helps with healing of the anus and rectum in conditions such as operated severe internal hemorrhoids, anal fissures, and radiation-induced proctitis.

Cathejell®
2% lidocaine hydrochloride jelly, USP

Sterile gel with lidocaine in a unique collapsible applicator syringe, indicated for surface anesthesia and lubrication to ease patient discomfort for a range of medical procedures.

gelclair®

Oncology supportive care product – protective concentrated gel for relief of oral mucositis.

International Pharmaceutical Brands

FeraMAX® 150

FeraMAX® 100

FeraMAX® Powder

FeraMAX® approved for sale in a total of six international markets though a network of distribution partners.

Tibelia Global

NEW IN 2024!

Rx Hormone Replacement Therapy agent (tibolone) for short-term treatment of the symptoms of menopause in women – distributed worldwide under the Tibelia® and other brand names.

Legacy Brand

Protect-It® The Natural Choice
STORED GRAIN INSECTICIDE & EMPTY BIN TREATMENT

Bio-friendly grain insecticide used in agricultural food production for more than twenty-five years in North America.

Letter from the Chairman

Dear fellow shareholder,

It is my privilege to review BioSyent's accomplishments during the 2024 fiscal year and to look ahead to the opportunities and challenges before us as we continue to build on our strategic priorities of profitable growth, portfolio diversification, and long-term value creation.

2024 was another year of solid financial performance by BioSyent Inc. and marked our 15th consecutive year of profitability. Driven by our Canadian pharmaceutical business, total Company revenue grew by 11% overall in 2024 with 13% growth in net income after tax (NIAT). Our NIAT margin improved to 21% from 20% in the prior year as our established brands, including FeraMAX® Pd and Tibella®, continued to deliver profitable growth with incremental growth from our launch brands, FeraMAX® Pd Maintenance 45, Inofolic®, and Gelclair® (all launched in 2023).

We continued to diversify our product portfolio in 2024, in-licensing the Canadian rights to an innovative new product during the year in a new therapeutic area for BioSyent – endocrinology. We see a significant opportunity with this product in Canada as we prepare to submit for regulatory approval.

During 2024, we also deployed capital into the successful acquisition of the global rights and distribution of Tibelia® (tibolone). BioSyent has successfully marketed this product in Canada under the Tibella® brand name since 2020, with 35% annual sales growth in 2024. The acquisition of the global Tibelia® business enables BioSyent to supply the product to new and existing distributors around the world, diversifying our customer base and revenue streams. This acquisition also gives BioSyent a direct source of supply for the product, improving the profitability of the growing Canadian Tibella® business over the long-term. I am pleased to report that BioSyent delivered its first global shipments of Tibelia® in Q1 2025, providing incremental revenues and cash flows. We look forward to further growth in our international pharmaceutical business as a result of the Tibelia® acquisition.

Our Canadian pharmaceutical business delivered 11% revenue growth in 2024 with contributions from across our product portfolio, including double-digit growth from our FeraMAX® Pd product line up. In 2025, FeraMAX® was once again named the #1 Recommended iron supplement in Canada by both physicians and pharmacists. This marks the 10th consecutive year that FeraMAX® has been honoured with this vote of confidence from Canadian healthcare providers. As Canada's leader in iron health, we are committed to building on the trust patients and healthcare providers have placed in FeraMAX® by continuing to develop and expand the FeraMAX® Pd line of iron supplements to treat and prevent iron deficiency across all stages of life.

During 2024, we continued to invest in the promotion of our in-market launch-stage and growth-stage Canadian pharmaceutical brands, including FeraMAX® Pd, while also deploying capital in the expansion of our product portfolio through in-licensing and acquisitions. Concurrently, we returned capital to shareholders in 2024 through regular quarterly dividends and ongoing share buybacks. We increased our quarterly dividend by 12.5% in Q1 2024 and again by 11.1% in Q1 2025. During 2024, we repurchased 492,300 common shares under our Normal Course Issuer Bid, which was renewed for a further 12 months to December 2025. Since first commencing our share buyback program in 2018, we have repurchased shares every year thereafter, reducing our outstanding shares by more than 21%.

BioSyent is a Canadian success story. We are proud of the Canadian pharmaceutical business we have built over the last 19 years and our products which make a difference in the lives of hundreds of thousands of Canadians across the country. We have faced many challenges in our history and have persevered through our commitment to patients, healthcare providers, and our long-term strategic priorities. As Canadian businesses currently face uncertainty from the threat of tariffs and escalating barriers to global trade, at BioSyent, we remain committed to the continued growth and success of our Canadian pharmaceutical business over the long-term. With this commitment from our people, the continuing trust from healthcare professionals and patients in our products, along with our strong balance sheet, capital-light business model, robust product portfolio, and track record of success, we are poised to face the challenges of the current business environment while capitalizing on the opportunities before us.

On behalf of the Board of Directors and the entire team at BioSyent, I want to thank you, our shareholders, our employees, business partners, patients and healthcare professionals for your continued trust and support. I would also like to extend special thanks to Mr. Larry Andrews, who will be retiring from the Board of Directors, for his commitment and significant contribution to BioSyent's growth during his 7 years of service on the Board.

BioSyent's road to success has been a long one and not without bumps along the way. As we look back on our journey so far, and celebrate our track record of success, we have confidence that we will navigate the road ahead towards continued long-term growth and value creation.

Thank you for your continued trust in BioSyent Inc.

On behalf of the Board of Directors,

René C. Goehrum, Chairman

BioSyent Inc.

April 1, 2025

Board of Directors

René C. Goehrum | Chairman of the Board of Directors

Larry Andrews | Independent Director (Compensation and Human Resources Committee, Nominating Committee)

Mr. Andrews has extensive executive leadership experience in the Canadian pharmaceutical industry. Mr. Andrews served as a Board Director for GMD Distribution Inc., a logistics service provider for the life sciences industry, which was acquired by McKesson Canada in 2017. Between 2004 and 2014, Mr. Andrews was President and CEO of Cipher Pharmaceuticals, a Canadian pharmaceutical company listed on the Toronto Stock Exchange (the "TSX"). He previously served as President of AltiMed Pharmaceutical Corporation, as well as holding other senior leadership roles with major pharmaceutical companies, including Hoffman La Roche, Janssen Pharmaceuticals, and Eli Lilly Canada.

Joseph Arcuri | Independent Director (Audit Committee – Chair, Disclosure Policy Committee – Chair)

Mr. Arcuri, CPA, CA, brings audit and accounting expertise to the Board as well as significant executive leadership experience. Mr. Arcuri currently serves as Chief Financial Officer of NRStor Inc., which provides energy storage project development and construction services. Between 2013 and 2016, Mr. Arcuri served as Chief Operating Officer and Chief Financial Officer at TableRock Media Ltd., a streaming service company. In 2012, Mr. Arcuri was Chief Financial Officer of GlassBOX Television Inc., a television service provider. Between 2007 and 2011, Mr. Arcuri was President of AOL Canada Inc., an internet service provider and previously led Bell Canada's managed services group. Mr. Arcuri started his professional career with PricewaterhouseCoopers within its assurance group and later transferred to its valuation, and mergers and acquisitions service team. He is also currently the voluntary Chair of Villa Charities Inc.

Sara Elford | Independent Director (Audit Committee, Disclosure Policy Committee, Nominating Committee – Chair)

Ms. Elford is a Corporate Director who brings a wealth of capital markets and corporate governance experience to the Board. In addition to BioSyent, she is a member of the Board of Directors of BQE Water Inc., a TSX Venture Exchange ("TSXV") listed company specializing in water treatment and management, and EcoSynthetix Inc., a Toronto Stock Exchange ("TSX") listed company specializing in renewable chemicals. Ms. Elford previously served on the Board of Directors of Hydrogenics Corporation (2016-2019), a hydrogen technology company, Carmanah Technologies Corporation (2015-2019), a solar LED technology company, TSO3 Inc. (2019), a medical device sterilization technology company, Pure Technologies Ltd. (2015-2017), a pipeline leak detection technology company, WeCommerce Holdings Ltd. (2020-2022), a TSXV listed ecommerce software company, and Xebec Adsorption Inc. (2020 – 2024), a renewable gas equipment and service company. Between 1995 and 2015, Ms. Elford was a Director and Research Analyst with Canaccord Genuity Group Inc. and previously served in investment banking roles with Kidder Peabody and Wood Gundy. Ms. Elford earned her Chartered Financial Analyst designation in 1997.

Peter Lockhard | Independent Director (Lead Director, Compensation and Human Resources Committee)

Mr. Lockhard has significant sales, marketing, operations and corporate strategy experience from his career as a business leader and builder. From 2005 – 2020, Mr. Lockhard was a member of the executive leadership team of Points International Ltd., a TSX and NASDAQ-Listed international e-commerce company in the loyalty rewards industry (which was acquired and taken private in June 2022), where he served as Chief Operating Officer (2009 - 2020), Chief Revenue Officer (2007 - 2009) and VP Business Solutions (2005 - 2006). During his tenure, Mr. Lockhard helped to grow the revenue of Points International Ltd. from $US 10 million to $US 400 million. Mr. Lockhard is also a Managing Director of Aquiam Partners Ltd., a private equity firm.

Stephen Wilton | Independent Director (Audit Committee, Disclosure Policy Committee)

Mr. Wilton brings extensive product development and regulatory expertise to the Board, from a long and varied career in the pharmaceutical industry. A licensed pharmacist, Mr. Wilton earned a B.Sc. in Pharmacy from the University of Toronto and started his career working as a pharmacist in community and hospital pharmacy. After working in medical sales and marketing positions at Eli Lilly Canada he joined AstraZeneca. While at AstraZeneca, Mr. Wilton held leadership positions in Marketing where, as Executive Director, he led a team managing a $300 million specialty product portfolio, as well as three other assignments as Executive Director of Business Development, Executive Director of Pricing, Reimbursement and Healthcare Solutions, and Director of Regulatory Affairs. After his seventeen-year career at AstraZeneca, Mr. Wilton worked as Vice President of Pharmacy Affairs for the Canadian Association of Chain Drug Stores representing the interests of owners and pharmacists in the Canadian healthcare system. Mr. Wilton, also holds an MBA from York University (Schulich School of Business).

Leadership Team

René C. Goehrum | President & Chief Executive Officer

René Goehrum is an experienced entrepreneur, leader and business builder with over thirty years of experience. Previously, Mr. Goehrum was the President and a co-founder of Bratch Goehrum Inc., a professional services firm that provided marketing and sales services to clients such as Procter & Gamble, Boehringer Ingelheim, Sandoz (n.k.a. Novartis), Kraft Foods, Coca Cola, and H.J. Heinz Company. He started his career with Procter & Gamble, a world leader in marketing consumer and healthcare brands. Mr. Goehrum currently also serves as the President and Managing Director of Aquiam Partners Ltd., a private equity firm.

Robert J. March | Vice President & Chief Financial Officer

Robert March is a Chartered Professional Accountant (CPA, CA), a Certified Public Accountant (CPA, Illinois), holds a MBA from St. Mary's University and a B.Sc. in Biochemistry, Microbiology and Immunology from Dalhousie University. Mr. March started his career at Ernst & Young in Audit and Assurance Services before being promoted to Manager in Transaction Advisory Services, where his experience included insolvency and restructuring as well as general transaction services such as mergers and acquisitions. Prior to joining BioSyent, Mr. March accumulated over 15 years of progressive senior management experience in highly regulated industries including insurance, transportation and consumer packaged products in both Canada and the USA.

Marnie McCormick | Vice President & General Manager

Marnie McCormick is a passionate executive who brings over 20 years of experience and expertise across different verticals within healthcare, in Canada and internationally. Marnie has a track record of success at Fortune 100 companies leading and developing high-performing teams to consistently exceed expectations. She brings sales and marketing expertise and business process excellence across pharmaceuticals, medical devices and medical products from industry leaders including AstraZeneca, Baxter, and most recently Cardinal Health Canada where she led marketing and product management for a large distribution business and self-manufactured portfolio. Marnie joined BioSyent in 2024 where she leads the Canadian commercial business.

Navid Ashrafi, M.D. | Director, Medical and Regulatory Affairs

Navid Ashrafi was educated as a Medical Doctor and practiced medicine for over eleven years before joining the pharmaceutical industry. Dr. Ashrafi has more than ten years of international experience within the pharmaceutical business in sales, marketing, and medical positions, including Business Unit Head and Country Head for the Bayer Healthcare team in Iran. His areas of expertise include developing relations with thought leaders, health authorities, and external stake holders; providing strategic guidance to the company; and coaching and leadership to the team. Navid joined BioSyent in May 2014 and leads medical, regulatory, and quality control activities at BioSyent.

Neelu Atwal | Director, Human Resources

Neelu Atwal is the Director of Human Resources for BioSyent Inc. She is responsible for overseeing the company's Human Resource function and providing leadership to the people and culture elements of the business. Ms. Atwal brings more than twenty years of progressive hands-on human resource experience in start-ups, growth businesses, and manufacturing organizations. She sets the tone for BioSyent's talent acquisition and management initiatives. Ms. Atwal holds a Bachelor's Degree in Accounting from City University of New York and Certification in Human Resources from Ryerson University in Toronto.

Ramesh Moothan | Director, International Business Unit

Ramesh Moothan manages the International Business for BioSyent. He joined BioSyent in October 2013 and is responsible for business development and market entry strategy for the company's brands outside of Canada. Mr. Moothan has over twenty years of experience managing branded pharmaceutical businesses in Latin America, Asia-Pacific, and Africa. Prior to joining BioSyent, Mr. Moothan was associated with Alkem Labs, India as Senior General Manager (International) responsible for business in emerging markets. In the past he has held progressive roles as a Medical Representative, Product Manager, Head of Representation, and Business Head. Mr. Moothan holds an Honours B.Sc. (Chemistry) and an MBA (Marketing).

Sharan Raghubir | Director, Specialty Sales

Sharan Raghubir is the Director of Specialty Sales at BioSyent. He has over twenty years of pharmaceutical industry experience gained in progressive roles at Fournier Pharma (now AbbVie), and Hoffman-La Roche (Roche) Canada. At Fournier, Mr. Raghubir worked as a Medical Sales Representative, Sales Trainer, and District Manager in Canada and then General Manager (Country Head) in Asia. In Asia, he was first responsible for the respective divisions in Vietnam and Cambodia, and then Malaysia and Singapore. At Roche Canada, Mr. Raghubir was National Sales Manager, then Senior Product Manager, and finally Business Planning Manger - Strategy. Mr. Raghubir's sales and marketing management jobs at Roche included a portfolio of five hospital brands with combined sales of greater than $95 million. Mr. Raghubir holds a B.Sc. from Queen's University and a MBA from both Queen's University and Cornell University.

Joost van der Mark | Vice President, Corporate Development

Joost van der Mark is a seasoned healthcare executive with over twenty years of experience in the biopharmaceutical industry. Prior to joining BioSyent, Mr. van der Mark was the Chief Business Officer for 3D Signatures and previously, he co-founded Orphan Canada, which subsequently sold its assets to Knight Therapeutics in 2014. Mr. van der Mark has held progressive positions in clinical research, sales, marketing, market access, strategy and business development at Bayer, Sanofi, Nycomed (n.k.a. Takeda) and Knight Therapeutics. He has a M.Sc. in Physiology/ Pharmacology from Western University and a MBA from York University (Schulich).

Kevin Wilson | Vice President, Sales

With over 30 years of experience in the pharmaceutical industry, Kevin Wilson serves as the Vice President of Sales at BioSyent Pharma Inc. In this role, he leads BioSyent's sales execution for the Community and Women's Health business, driving strategic sales initiatives to healthcare professionals across Canada. He is also BioSyent's forward face to key accounts and the pharmaceutical trade. Kevin joined BioSyent in March 2012 and brings to BioSyent a breadth of pharmaceutical knowledge in sales leadership and marketing across different healthcare businesses in such companies as Abbott, Searle / Pharmacia, and Bayer.

BioSyent Inc.

Management's Discussion and Analysis

For the years ended December 31, 2024 and 2023

March 13, 2025

Introduction

The following discussion of BioSyent Inc.'s ("**BioSyent**" or the "**Company**") operations, performance and financial condition is based on the Company's audited consolidated financial statements for the years ended December 31, 2024 and December 31, 2023 ("**Consolidated Financial Statements**"), which were prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board. 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.sedarplus.ca.

Forward-Looking Statements

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

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Undue reliance should not be placed on such statements. Certain material assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Known and unknown factors could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Important assumptions, influencing factors, risks, and uncertainties are referred to in the body of this MD&A, in the press release announcing the Company's financial results for the years ended December 31, 2024 and 2023 and in BioSyent's annual and interim financial statements and the notes thereto. These documents are available at www.sedarplus.ca.

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

Accounting Estimates and Accounting Policies

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

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

BioSyent's significant accounting judgments and estimates include recoverability of asset carrying values, impairment of trade and other receivables, income taxes, the future useful lives and residual values of equipment, the useful lives of intangible assets, the fair value of share-based payments, the value of inventory, determination of the transaction price in revenue recognition, and determination of the incremental borrowing rate and lease term in leases. For a more detailed discussion of changes to the Company's critical accounting estimates, please refer to Note 4 of the Consolidated Financial Statements for the year ended December 31, 2024.

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**") an 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 provider of innovative healthcare products.

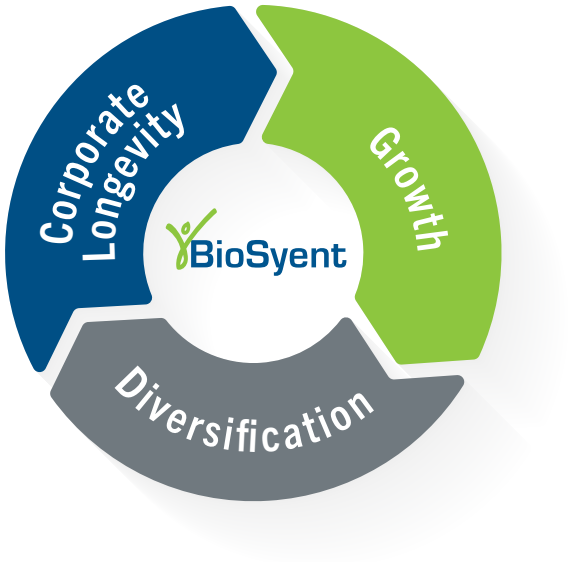
BioSyent's Strategy

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

The Company reviews its strategy and performance against its strategic objectives on an ongoing basis.

BioSyent's strategy has three components:

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



These three strategic components are prioritized in any investment and capital allocation decision made by the Company, including any decision to return capital to shareholders through the payment of dividends or through share buybacks.

Growth:

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

In addition to organic growth from its existing product portfolio, incremental growth from adding new products to its portfolio is essential to the Company's growth strategy, both in the near-term and long-term.

Diversification:

BioSyent has developed sourcing arrangements with partners from around the world. The Company's flexible format does not limit the scope of diversification opportunities it considers for both new and existing products or sales channels. In building its product portfolio, the Company considers accretive asset and business acquisition opportunities and in-licensing opportunities for products which can drive profitable growth in the near-term and long-term.

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

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

Corporate Longevity:

On an aggregate basis, the Company manages its product portfolio to maintain specific annual and long-term financial ratios, including revenue and profit CAGR and Return on Equity, in order to achieve its strategic objectives. The Company maintains a discipline in acquiring or in-licensing new products which are accretive in terms of both sales and profitability over the long-term. The level of ultimate commercial success of a new product in the market is not known at the time it is in-licensed or acquired by the Company. The Company evaluates the commercial performance of each of its products on an ongoing basis and manages the level of its investments in marketing and promotional activities with an objective of maximizing long-term sales growth and profitability overall.

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

Evolution of Strategy

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

Ultimately, BioSyent is focused on products which can deliver superior growth and return on investment. As well as acquiring or in-licensing such products, as part of BioSyent's ongoing evaluation of its product portfolio, BioSyent may de-emphasize or even discontinue the sale of certain products in order to maintain its strategic focus and resource allocation on the best opportunities in terms of growth and profitability.

Pharmaceutical Business

FeraMAX® Pd Therapeutic 150

In 2007, BioSyent Pharma launched FeraMAX® 150, an oral iron supplement, in Canada. In 2016, the Company developed a 100 mg formulation of FeraMAX® capsules ("FeraMAX® 100") for distribution in certain markets outside of Canada.

In 2020, BioSyent Pharma launched FeraMAX® Pd Therapeutic 150 in Canada, replacing FeraMAX® 150 at Canadian pharmacies. FeraMAX® Pd Therapeutic 150 is the first product launched under the trusted FeraMAX® brand using a new patented delivery system for the treatment of iron deficiency anemia based on a Polydextrose Iron Complex ("PDIC") formulation. FeraMAX® Pd Therapeutic 150 is Vegan Certified and is also recognized by the Society of Obstetricians and Gynaecologists of Canada.

FeraMAX® Pd Powder 15

In 2013, BioSyent Pharma launched FeraMAX® Powder, an oral iron product in a dissolvable, pleasant-tasting powder, in Canada. The Company has also launched the product in several international markets through distribution agreements.

In 2021, BioSyent Pharma launched FeraMAX® Pd Powder 15 in Canada, replacing FeraMAX® Powder at Canadian pharmacies. FeraMAX® Pd Powder 15 is the second product launched using the patented PDIC formulation and makes iron therapy convenient for children.

FeraMAX® Pd Maintenance 45

In 2023, BioSyent Pharma launched FeraMAX® Pd Maintenance 45, an oral iron product in a chewable tablet, in Canada. This is the third and newest FeraMAX® Pd product developed by the Company based on the patented PDIC platform. FeraMAX® Pd Maintenance 45 is a chewable, orange-flavoured iron supplement containing 45 mg of elemental iron as well as 75 mg of vitamin C and 1,000 mcg of vitamin B12. FeraMAX® Pd Maintenance 45 enhances the Company's line of FeraMAX® Pd products for the management of iron health, offering patients an innovative solution to maintaining healthy iron levels.

Cathejell®

Cathejell®
2% lidocaine hydrochloride jelly, USP

Cathejell® was in-licensed by BioSyent Pharma from a European partner in 2009. In 2012, BioSyent Pharma launched Cathejell® in Canada. Cathejell® combines a sterile gel with lidocaine in a unique collapsible applicator syringe to ease patient discomfort for 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.

RepaGyn®

RepaGyn®

RepaGyn® was in-licensed by BioSyent Pharma from a European partner in 2013. In 2014, BioSyent Pharma launched RepaGyn® in Canada. RepaGyn® is an innovative vaginal suppository recommended for relieving vaginal dryness and healing of the vaginal mucosa. RepaGyn®, a natural health product, is formulated with sodium hyaluronate and provides a hormone-free treatment proven to deliver symptom relief, and tissue repair.

Proktis-M®

Proktis-M®
Rectal Suppositories • Sodium Hyaluronate

Proktis-M® was in-licensed by BioSyent Pharma from a European partner in 2014. In 2014, BioSyent Pharma launched Proktis-M® in Canada. Proktis-M® rectal suppositories are designed to help the healing of the anus and rectum. Proktis-M® rectal suppositories 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.

Tibella® (Canada)

Tibella®

Tibella® was in-licensed from a European partner in 2016. In 2020, BioSyent Pharma launched Tibella® in Canada. Tibella®, a prescription product, 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.

Tibelia® (Global)

In September 2024, BioSyent Pharma acquired assets related to Tibelia® / Tibella® (tibolone) (including the Tibella® license agreement described above) from Novalon SA (a subsidiary of Mithra Pharmaceuticals SA) enabling it to distribute the product worldwide. In addition to the indication outlined above for Tibella®, in certain global markets, Tibelia® is also indicated for the prevention of osteoporosis in postmenopausal women at high risk of future fractures who are intolerant of, or contraindicated for, other medicinal products approved for the prevention of osteoporosis.

Combogesic®

Combogesic® was in-licensed from a partner in 2019. In 2020, BioSyent Pharma launched Combogesic® in Canada. Combogesic® combines two well-known and effective medicines, acetaminophen and ibuprofen, in a single form that has been demonstrated to synergistically provide pain relief.

Inofolic®

In 2020, BioSyent Pharma signed an exclusive License and Supply Agreement with a European partner for a new women's health product, Inofolic®, for the Canadian market. Inofolic® is a natural health product, combining myo-inositol and folic acid in a soft-gel capsule for the management of the symptoms of Polycystic Ovary Syndrome (PCOS), an endocrine disorder affecting many aspects of a woman's health, including insulin resistance, infertility, menstrual dysfunction and skin manifestations such as acne, hirsutism (excess hair growth) and alopecia (hair loss). Inofolic® has been approved for sale in Canada, the U.S.A., Europe and in several other markets around the world. BioSyent Pharma Inc. launched Inofolic® in Canada in August 2023.

Gelclair®

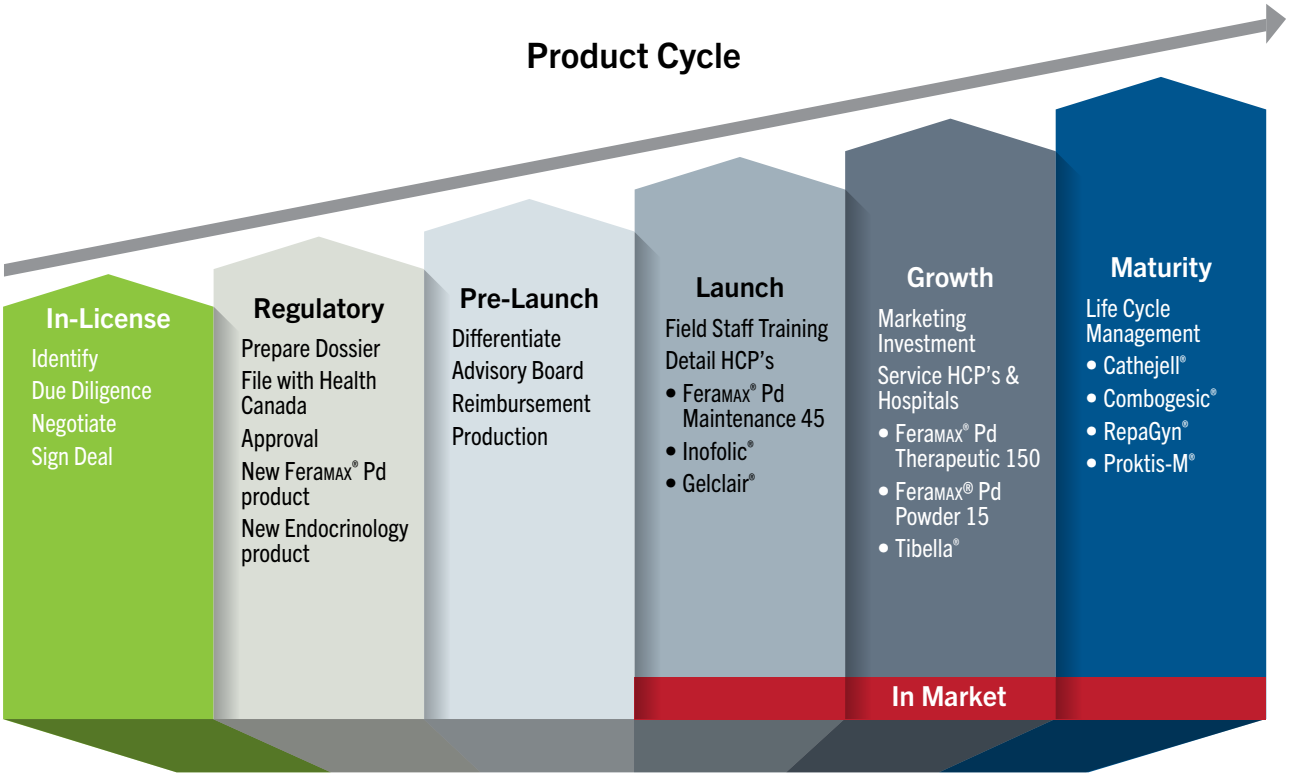
In 2022, BioSyent Pharma signed a Distribution Agreement with a European partner to acquire an exclusive license to use certain trademarks and to distribute an oncology supportive care product, Gelclair®, in Canada. Gelclair® is a viscous gel specially formulated to aid in soothing the pain of oral mucositis by forming a protective film barrier that adheres to the mucosa of the mouth to protect the nerve endings that cause pain from further irritation and to hydrate and coat damaged tissue. Oral mucositis is a painful inflammation and ulceration of the mucous membranes in the mouth and throat often experienced by patients undergoing radiation or chemotherapy for cancer or bone marrow transplant. Having obtained the necessary regulatory approvals from Health Canada, BioSyent Pharma Inc. commenced promoting Gelclair® in Canada through its Specialty Business Unit in July 2023. BioSyent Pharma Inc. commenced distribution of Gelclair® in Canada in November 2023.

New Endocrinology Product

In 2024, BioSyent Pharma signed a License and Supply Agreement with a European partner to acquire an exclusive license to register, market, sell and distribute a new endocrinology product for Canada. BioSyent Pharma is working with its European partner in meeting the necessary Health Canada regulatory submission requirements for this product.

Pharmaceutical Product Cycle

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



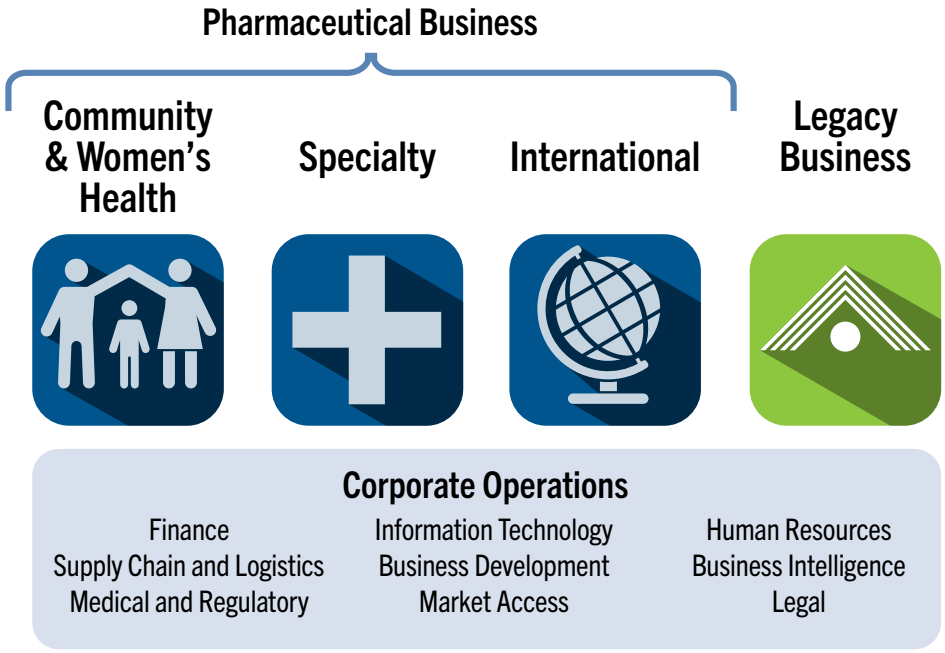
The Company currently has four products in the maturity stage (Cathejell®, RepaGyn®, Proktis-M®, and Combogesic®), four products in the growth stage (FeraMAX® Pd Therapeutic 150, FeraMAX® Pd Powder 15, Tibella® (Canada), and Tibelia® (Global)), three products in the launch stage (FeraMAX® Pd Maintenance 45, Inofolic® and Gelclair®), and two products in the regulatory stage (a new endocrinology product and a new FeraMAX® Pd product in development). New product acquisition opportunities can occur throughout the product lifecycle stages illustrated above.

Pharmaceutical Product Pipeline

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

Pharmaceutical Business Structure

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



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

Legacy Business

Protect-It®

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

New Capabilities and Awards

FeraMAX® #1 for Ninth Consecutive Year

On April 3, 2024, the Company's FeraMAX® brand was named the #1 Pharmacist and Physician recommended over-the-counter oral iron supplement brand in Canada for the ninth consecutive year *(EnsembleIQ Research and Innovation: Pharmacy Practice + Business, The Medical Post, Profession Santé,* CanadianHealthcareNetwork.ca, and ProfessionSanté.ca 2024 Survey on OTC Counselling and Recommendations).

New Endocrinology Product

On June 12, 2024, the Company announced that BioSyent Pharma had signed a License and Supply Agreement with a European partner to acquire an exclusive license to register, market, sell and distribute a new endocrinology product for Canada which management believes has significant revenue growth potential. BioSyent Pharma is working with its European partner in meeting the necessary Health Canada regulatory submission requirements for this product.

Acquisition of Tibelia® / Tibella® (tibolone) Assets

On September 20, 2024, the Company announced that it had acquired assets related to Tibelia® /Tibella® (tibolone) from Novalon SA (a subsidiary of Mithra Pharmaceuticals SA) which licensed and supplied tibolone to partners in 20 countries worldwide, including Canada, with annual revenues from the sale of this product in 2023 in excess of EUR 2.1 million. BioSyent Pharma Inc. has licensed and marketed tibolone under the Tibella® brand name in Canada since 2020.

Management believes that the acquisition of the rights to license and supply this product around the world will provide long-term incremental earnings in line with the Company's strategic objectives. The assets acquired enable BioSyent to distribute tibolone globally to existing distributors, to expand international distribution to new markets (providing future growth potential), and to produce tibolone directly through a contract manufacturer (providing a lower cost of goods on the Company's Tibella® sales in Canada). Since acquiring and integrating the international Tibelia® business into its commercial operating structure, the Company completed its first production run of Tibelia® with product deliveries to international customers commencing in January 2025. During 2025, the Company has invoiced approximately $0.8 million to date in in respect of these Tibelia® product deliveries.

Key Performance Measures

A summary of key performance measures for the fourth quarter ("Q4") and full year ("FY") ended December 31, 2024 and December 31, 2023 are presented in the following tables along with the preceding three quarters, with commentary on the Company's overall financial performance below.

Key Performance Measure	FY 2024	% Change vs. FY 2023	% to Total Company Sales	CAGR* *(FY 2022 - FY 2024)*	Q4 2024	% Change vs. Q4 2023	% to Total Company Sales	Q3 2024	Q2 2024	Q1 2024
Canadian Pharma Sales	32,931,149	11%	94%		8,546,451	7%	97%	8,303,074	8,535,480	7,546,144
International Pharma Sales	929,975	-11%	3%		176,734	223%	2%	596,024	157,217	-
Legacy Business Sales	1,169,773	18%	3%		73,499	-68%	1%	656,913	251,869	187,492
Total Company Sales	35,030,897	11%	100%	12%	8,796,684	6%	100%	9,556,011	8,944,566	7,733,636
Gross Profit	27,856,073	9%	80%		7,154,949	7%	81%	7,486,415	7,070,835	6,143,874
EBITDA	9,343,012	18%	27%		2,241,112	36%	25%	2,849,636	2,048,071	2,204,193
NIAT	7,270,104	13%	21%	15%	1,613,194	11%	18%	2,307,894	1,580,289	1,768,727
Diluted EPS	0.62	16%			0.14	17%	0%	0.20	0.13	0.15
Net Change in Cash, Short term and Long term Investments	(2,642,469)				(1,517,036)			1,753,363	(1,986,128)	(892,668)

Key Performance Measure	FY 2023	% Change vs. FY 2022	% to Total Company Sales	CAGR* *(FY 2021 - FY 2023)*	Q4 2023	% Change vs. Q4 2022	% to Total Company Sales	Q3 2023	Q2 2023	Q1 2023
Canadian Pharma Sales	29,554,899	13%	94%		7,989,098	10%	97%	7,432,361	7,721,746	6,411,694
International Pharma Sales	1,047,747	53%	3%		54,750	-54%	1%	992,997	-	-
Legacy Business Sales	987,656	0%	3%		229,838	317%	3%	445,764	241,054	71,000
Total Company Sales	31,590,302	13%	100%	5%	8,273,686	11%	100%	8,871,122	7,962,800	6,482,694
Gross Profit	25,597,943	12%	81%		6,704,505	8%	81%	7,062,098	6,496,608	5,334,732
EBITDA	7,926,478	7%	25%		1,650,301	5%	20%	2,899,612	1,859,931	1,516,634
NIAT	6,460,127	18%	20%	1%	1,450,791	21%	18%	2,350,900	1,483,190	1,175,246
Diluted EPS	0.53	20%			0.12	33%		0.20	0.12	0.10
Net Change in Cash, Short term and Long term Investments	(8,633)				(602,603)			1,367,061	1,673,068	(2,446,159)

Driven by record quarterly sales in its Canadian pharmaceutical business in Q4 2024, total Company sales of $8,796,684 grew by 6% over Q4 2023. Total Company sales for the full year of $35,030,897 increased by 11% over the prior year, driven by 11% growth in Canadian pharmaceutical sales with growth across the Company's product portfolio.

The Company's Net Income After Tax (NIAT) margin for Q4 2024 was 18% of sales – consistent with such margin for Q4 2023. During Q4 2024, the Company recorded certain one-time intangible asset impairment write-downs of $430,016 which impacted NIAT reported for the quarter. The Company's Q4 2024 NIAT margin in the absence of these one-time charges would be 22% to sales – in line with such margin for the previous 3 quarters.

On a full year basis, the Company's NIAT margin increased to 21% of sales for FY 2024 as compared to 20% for FY 2023. While the Company's FY 2024 gross margins declined slightly from the comparative period, the ratio of the Company's selling and marketing expenses declined overall to 35% of sales in FY 2024 as compared to 38% of sales in FY 2023. The decline in this ratio was a function of continued sales growth from the Company's established brands during the year as well as incremental sales growth from the Company's three launch brands (all launched in FY 2023) in which the Company makes significant promotional investments during their launch phase.

Results of Operations for the three and twelve months ended December 31, 2024 and 2023

Total Company Sales:

Q4 2024 vs. Q4 2023

Total Company sales of $8,796,684 for Q4 2024 increased by 6% over the comparative period, driven by 7% growth in Canadian pharmaceutical sales, bolstered by 223% growth in international FeraMAX sales and offset by a 68% decline in legacy business sales.

FY 2024 vs. FY 2023

Total Company sales of $35,030,897 for FY 2024 increased by 11% over FY 2023, driven by 11% growth in Canadian pharmaceutical sales.

Canadian Pharmaceutical Sales:

Q4 2024 vs. Q4 2023

Canadian pharmaceutical sales for Q4 2024 were a record $8,546,451, increasing by 7% versus Q4 2023 sales of $7,989,098 which increased by 10% compared to Q4 2022.

The table below summarizes the Q4 2024 versus Q4 2023 percentage change in sales (dollars) by brand:

Brand	Q4 2024 vs. Q4 2023 Change
Cathejell®	+4%
Combogesic®	+39%
FeraMAX® Pd	+7%
Gelclair®	+26%
Inofolic®	+92%
RepaGyn®	-19%
Tibella® (Canada)	+41%

All of the Company's Canadian pharmaceutical brands, with the exception of RepaGyn®, contributed to sales growth in Q4 2024. The Company observed continued demand growth at the retail pharmacy level for all of its Canadian pharmaceutical products, including RepaGyn®, during the quarter. However, as a result of a reduction in trade inventory of the RepaGyn® product at the wholesale level during Q4 2024, primary sales of the product to the Company's wholesale customers declined by 19% versus Q4 2023.

The Company's Tibella® product continued to grow during Q4 2024 with a 41% increase in Canadian sales of this product over Q4 2023. Having acquired the worldwide distribution rights to Tibella® (tibolone) as well as a direct source of production in September 2024, the Company will benefit from a significant improvement in gross margins on its future sales of this product in Canada as well as increased certainty in its supply chain for this product through vertical integration. The Company is encouraged by the success of Tibella® among Canadian patients and continued growth.

During Q4 2024, the Company also began the integration of the Tibelia® Global business into its operating structure. Although no Tibelia® orders were delivered to international customers in Q4 2024, production of the product recommenced during the quarter following the transition of operations with the Company's first product deliveries completed in Q1 2025.

FY 2024 vs. FY 2023

Canadian pharmaceutical sales for FY 2024 were $32,931,149, increasing by 11% versus FY 2023 sales of $29,554,899 which increased by 13% compared to FY 2022.

The table below summarizes the FY 2024 versus FY 2023 percentage change in sales (dollars) by brand:

Brand	FY 2024 vs. FY 2023 Change
Cathejell®	+3%
Combogesic®	+66%
FeraMAX® Pd	+10%
Gelclair®	+357%
Inofolic®	+328%
RepaGyn®	+4%
Tibella (Canada)®	+35%

All of the Company's Canadian pharmaceutical brands contributed to sales growth in FY 2024, with double-digit sales increases from the Company's growth brands, FeraMAX® Pd and Tibella® and incremental sales growth from the Company's launch brands FeraMAX® Pd Maintenance 45, Inofolic®, and Gelclair® (though each with comparably modest sales in FY 2023).

International Pharmaceutical Sales:

Q4 2024 vs. Q4 2023

International FeraMAX® sales were $176,734 in Q4 2024 increasing by 223% compared to Q4 2023 sales of $54,750 which decreased by 54% compared to Q4 2022. The increase in Q4 2024 international FeraMAX® sales was the result of a shipment to a new customer in new international market during the quarter. A subsequent FeraMAX® shipment was made to this market in March 2025.

FY 2024 vs. FY 2023

International FeraMAX® sales were $929,975 in FY 2024 decreasing by 11% compared to FY 2023 sales of $1,047,747 which increased by 53% compared to FY 2022. As of December 31, 2024, the Company had received a customer deposit of approximately $0.6 million on a FeraMAX® order which was subsequently shipped and invoiced in January 2025.

The Company continues to experience unevenness in the timing of international FeraMAX® sales to its international markets from period to period as the Company's distribution partners navigate the regulatory, geopolitical, logistical and trade challenges of the business environment in certain of these markets. Despite this unevenness, the Company has made international FeraMAX® deliveries in six of the last seven quarters to Q1 2025.

Legacy Business Sales:

Q4 2024 vs. Q4 2023

Protect-It® sales for Q4 2024 were $73,499, decreasing by 68% from Q4 2023 sales of $229,838 which increased by 317% as compared to Q4 2022 as a result of inventory forward-buying be certain customers.

FY 2024 vs. FY 2023

Protect-It® sales for FY 2024 were $1,169,773, increasing by 18% from FY 2023 sales of $987,656 which were flat compared to FY 2022. Timing of demand for grain insecticides is influenced by several factors, including weather conditions, prices of agricultural inputs, the quality and quantity of the food grain harvest, and the level of infestation of stored grain, which can vary significantly from period to period.

Expenses

Q4 2024 vs. Q4 2023

	Q4 2024	% Change vs. Q4 2023	% to Total Company Sales	Q4 2023	% Change vs. Q4 2022	% to Total Company Sales
Cost of goods sold	$ 1,641,735	5%	19%	$ 1,569,181	24%	19%
Selling and marketing	$ 2,937,201	-19%	33%	$ 3,609,952	12%	44%
General and administration	$ 2,157,106	43%	25%	$ 1,508,284	-1%	18%
New business development costs	$ 55,850	-3%	1%	$ 57,320	33%	1%
Finance costs	$ 13,971	-15%	0%	$ 16,394	-12%	0%
Subtotal	$ 6,805,863	1%	77%	$ 6,761,131	11%	82%
Finance income	$ (260,088)	-24%	3%	$ (342,183)	33%	4%

Total expenses for Q4 2024 (including the cost of goods sold) were $6,805,863, increasing by 1% overall versus Q4 2023 expenses of $6,761,131 which increased by 11% versus Q4 2022. The ratio of total expenses to sales in Q4 2024 was 77%, decreasing from a ratio of 82% in Q4 2023.

The cost of goods sold was consistent overall at 19% of sales in both Q4 2024 and Q4 2023.

Total selling and marketing expenses for Q4 2024 were $2,937,201, decreasing by 19% compared to Q4 2023 selling and marketing expenses of $3,609,952. During Q4 2023, the Company incurred certain non-recurring promotional expenses related to the launch of the FeraMax® Pd Maintenance 45, Inofolic® and Gelclair® products (all launched in 2023). This reduction in selling and marketing expenses during the quarter combined with overall sales growth reduced the ratio of selling and marketing expenses to 33% of sales in Q4 2024 compared to 44% of sales in Q4 2023.

General and administration expenses for Q4 2024 were $2,157,106, increasing by 43% compared to Q4 2023 general and administration expenses of $1,508,284. This increase was a result of management's review of intangible asset recoverable amounts and resulting one-time intangible asset impairment write-downs of $430,016 during the quarter, a provision for expected credit losses of $136,491 recognized during the quarter, as well as the amortization of the Tibelia® Global product distribution rights following the acquisition of such assets in September 2024. As a result, the ratio of general and administration expenses increased to 25% of sales in Q4 2024 as compared to 18% in Q4 2023.

Finance income for Q4 2024, consisting of interest earned on short term and long term investments, was $260,088, decreasing by 24% as compared to Q4 2023 finance income of $342,183 as a result of an overall decrease in total cash and investments in Q4 2024 as compared to Q4 2023 as well as the impact of declining market interest rates as the Bank of Canada and other central banks have reduced policy interest rates.

FY 2024 vs. FY 2023

	FY 2024	% Change vs. FY 2023	% to Total Company Sales	FY 2023	% Change vs. FY 2022	% to Total Company Sales
Cost of goods sold	$ 7,174,824	20%	20%	$ 5,992,359	18%	19%
Selling and marketing	$ 12,125,260	2%	35%	$ 11,884,054	15%	38%
General and administration	$ 6,729,068	10%	19%	$ 6,124,818	12%	19%
New business development costs	$ 248,681	111%	1%	$ 117,931	21%	0%
Finance costs	$ 59,152	-14%	0%	$ 68,411	-11%	0%
Subtotal	$ 26,336,985	9%	75%	$ 24,187,573	15%	77%
Finance income	$ (1,088,586)	-4%	3%	$ (1,131,124)	115%	4%

Total expenses for FY 2024 (including the cost of goods sold) were $26,336,985, increasing by 9% overall versus FY 2023 expenses of $24,187,573 which increased by 15% versus FY 2022. The ratio of total expenses to sales in FY 2024 was 75%, decreasing from a ratio of 77% in FY 2023.

The cost of goods sold increased to 20% of sales in FY 2024 as compared to 19% in FY 2023 with continued input cost pressures on certain products, foreign exchange impacts, and changes in sales mix impacting overall gross margins for the full year.

Total selling and marketing expenses for FY 2024 were $12,125,260, increasing by 2% as compared to FY 2023 selling and marketing expenses of $11,884,054. With 11% overall sales growth during FY 2024 from the Company's established and launch brands, and certain launch-year promotional expenditures incurred on three new products launched in FY 2023 (FeraMax® Pd Maintenance 45, Inofolic® and Gelclair®), the overall ratio of selling and marketing expenses improved to 35% of sales in FY 2024 as compared to 38% of sales in FY 2023. No new products were launched in FY 2024.

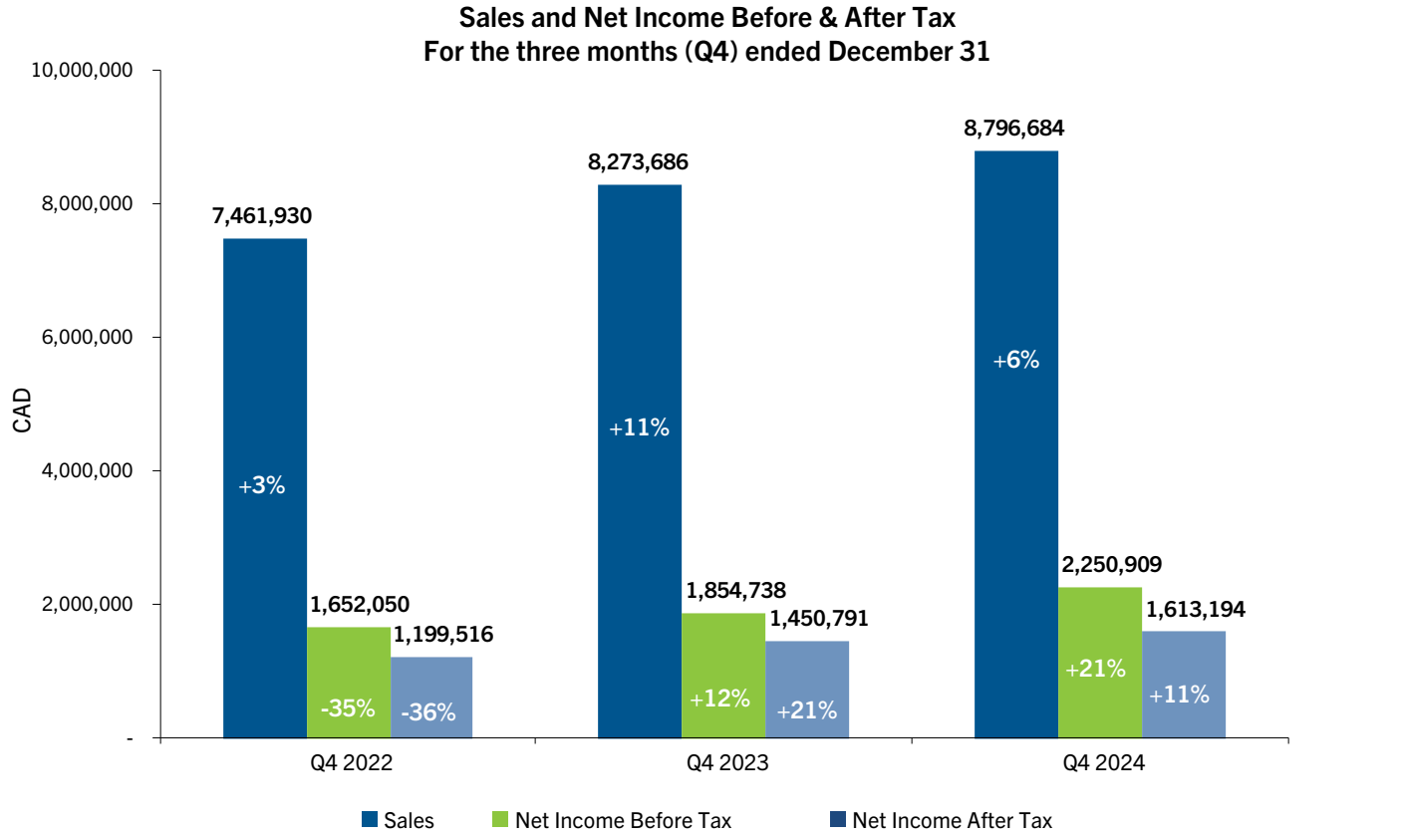
General and administration expenses for FY 2024 were $6,729,068, increasing by 10% as compared to FY 2023 general and administration expenses of $6,124,818 as a result of one-time intangible asset impairment write-downs during the year, the amortization of the Tibelia® Global product distribution rights acquired in September 2024, as well as an overall increase in new product research and development expenditures during the year. With 11% overall sales growth during the year, the ratio of general and administration expenses was consistent at 19% of total Company sales in FY 2024 and FY 2023.

Finance income for FY 2024, consisting of interest earned on short term and long term investments, was $1,088,586, decreasing by 4% as compared to FY 2023 finance income of $1,131,124. Although Management has increased the average term to maturity of its investments and deposits, Management expects a decline in the overall yield earned on its cash and investments in the near term as central banks continue to reduce their policy interest rates.

Net Income After Taxes (NIAT)

Q4 2024 vs. Q4 2023

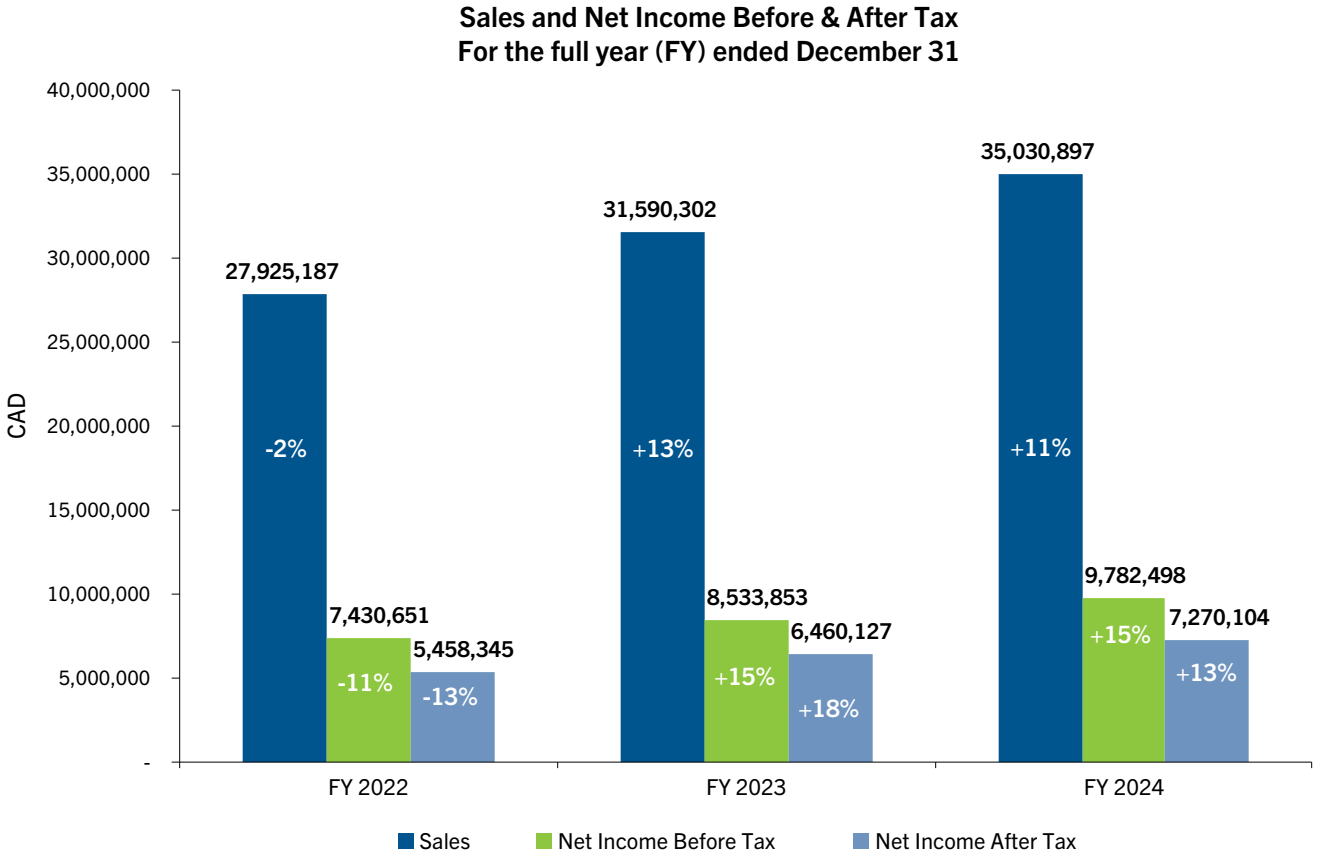
NIAT for Q4 2024 of $1,613,194 increased by 11% compared to NIAT for Q4 2023 of $1,450,791 which increased by 21% compared to Q4 2022. The Company's NIAT margin for Q4 2024 was 18% - consistent with such margin for Q4 2023. After adjusting for the effect of certain one-time intangible asset impairment write-downs during the quarter, the Company's NIAT margin would have been approximately 22% to sales, consistent with such margin for the previous nine month period ended September 30, 2024.



Including currency translation gains of $31,244, total comprehensive income for Q4 2024 was $1,644,438, increasing by 27% compared to total comprehensive income for Q4 2023 of $1,298,706, which increased by 9% compared to total comprehensive income for Q4 2022.

FY 2024 vs. FY 2023

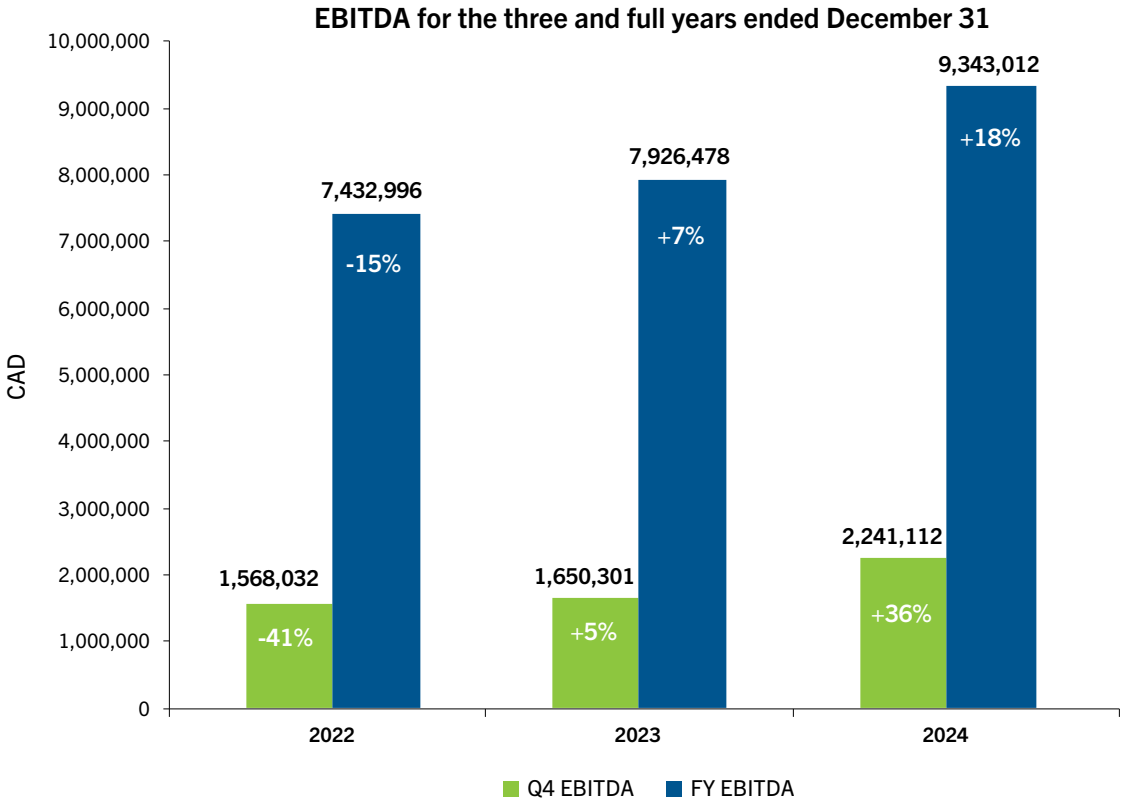
NIAT for FY 2024 of $7,270,104 increased by 13% compared to NIAT for FY 2023 of $6,460,127 which increased by 18% compared to FY 2022. The Company's NIAT margin for FY 2024 was 21% to sales as compared to 20% to sales in FY 2023 as a result of a decline in the ratio of the Company's operating expenses overall (excluding the cost of goods sold) to 55% of sales in FY 2024 from 58% of sales in FY 2023 on continued sales growth and management of selling and marketing investment in both launch and growth brands.



Including currency translation gains of $5,901, total comprehensive income for FY 2024 was $7,276,005, increasing by 13% compared to total comprehensive income for FY 2023 of $6,425,816, which increased by 17% compared to total comprehensive income for FY 2022.

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

EBITDA is a non-IFRS financial measure. The term EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Company defines EBITDA as earnings before interest income and/or expense, income taxes, depreciation and amortization. A summary of the Company's EBITDA for the three and twelve months ended December 31, 2024, 2023, and 2022 is provided in the graph below:



Q4 2024 vs. Q4 2023

EBITDA for Q4 2024 of $2,241,112 increased by 36% compared to EBITDA for Q4 2023 of $1,650,301 which increased by 5% compared to Q4 2022. The Company's EBITDA margin of 25% to sales for Q4 2024 improved from an EBITDA margin of 20% in Q4 2023. While the Company's NIAT margin was consistent at 18% of sales for both Q4 2024 and Q4 2023, the higher income tax expense and amortization expense following the acquisition of the Tibelia® Global intangible assets as well as lower interest income all represented positive adjustments to EBITDA in Q4 2024 as compared in Q4 2023, increasing the EBITDA margin overall.

A reconciliation of EBITDA to NIAT for the three months ended December 31, 2024, 2023, and 2022 is provided in the table below:

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

		2024	2023	2022
Q4 EBITDA		$ 2,241,112	$ 1,650,301	$ 1,568,032
Add:	Interest Income	260,088	342,183	258,037
Less:	Depreciation of Property and Equipment	(72,113)	(76,964)	(79,224)
	Amortization of Intangible Assets	(164,207)	(44,388)	(76,143)
	Interest Expense	(13,971)	(16,394)	(18,652)
	Income Tax Expense	(637,715)	(403,947)	(452,534)
Q4 NIAT		$ 1,613,194	$ 1,450,791	$ 1,199,516

FY 2024 vs. FY 2023

EBITDA for FY 2024 of $9,343,012 increased by 18% compared to EBITDA for FY 2023 of $7,926,478 which increased by 7% compared to FY 2022. The Company's EBITDA margin of 27% to sales for FY 2024 improved from a margin of 25% to sales in FY 2023 on a higher overall net profit margin as well as positive EBITDA adjustments on higher income tax and intangible asset amortization expenses in FY 2024 as compared to FY 2023.

A reconciliation of EBITDA to NIAT for the full years ended December 31, 2024, 2023, and 2022 is provided in the table below:

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

		2024	2023	2022
FY EBITDA		$ 9,343,012	$ 7,926,478	$ 7,432,996
Add:	Interest Income	1,088,586	1,131,124	525,795
Less:	Depreciation of Property and Equipment	(281,220)	(292,632)	(305,350)
	Amortization of Intangible Assets	(308,728)	(162,706)	(145,648)
	Interest Expense	(59,152)	(68,411)	(77,142)
	Income Tax Expense	(2,512,394)	(2,073,726)	(1,972,306)
FY NIAT		$ 7,270,104	$ 6,460,127	$ 5,458,345

Earnings per Share (EPS)

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

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Total Company Sales ($)	8,796,684	9,556,011	8,944,566	7,733,636	8,273,686	8,871,122	7,962,800	6,482,694	7,461,930
Net Income After Taxes ($)	1,613,194	2,307,894	1,580,289	1,768,727	1,450,791	2,350,900	1,483,190	1,175,246	1,199,516
Earnings Per Share – Basic ($)	0.14	0.20	0.14	0.15	0.12	0.20	0.12	0.10	0.09
Earnings Per Share – Fully Diluted ($)	0.14	0.20	0.13	0.15	0.12	0.20	0.12	0.10	0.09
TTM EPS – Diluted ($)	0.62	0.60	0.60	0.59	0.53	0.50	0.43	0.41	0.44

Fully diluted EPS for Q4 2024 was $0.14, increasing by $0.02 compared with fully diluted EPS of $0.12 for Q4 2023 which increased by $0.03 versus Q4 2022.

Fully diluted EPS for FY 2024 was $0.62, increasing by $0.09 compared with fully diluted EPS of $0.53 for FY 2023 which increased by $0.09 versus FY 2022.

Financial Resources and Liquidity

Working capital, defined here as the difference between current assets and current liabilities, decreased to $19,065,974 as at December 31, 2024 from $30,337,631 as at December 31, 2023 as the Company's long-term investments in GICs with maturities of greater than one year increased to $10,103,571 at December 31, 2024 from $2,500,000 at December 31, 2023. The Company actively manages the tenor of its GIC investments in order to maximize interest income over the short-term and long-term while maintaining the liquidity necessary to meet its operating, investing, and financing needs. The Company's cash and short-term investments, trade receivables and inventory also decreased from December 31, 2023 to December 31, 2024. Cash and short term investments of $15,940,971 accounted for 84% of working capital as at December 31, 2024 as compared with cash and short-term investments of $26,187,011 accounting for 86% of working capital as at December 31, 2023. The Company has sufficient cash and working capital to maintain its operating activities and to fund its planned growth and development activities.

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

In addition to significant investment in growth (both in organic growth from existing brands and incremental growth from new brands), from time to time, excess capital may be returned to shareholders through Normal Course Issuer Bid share buybacks and cash dividends. Between December 10, 2018 and the date hereof, the Company repurchased and cancelled approximately 3.1 million common shares with a total expenditure of approximately $22.6 million (at an average price per share of $7.26).

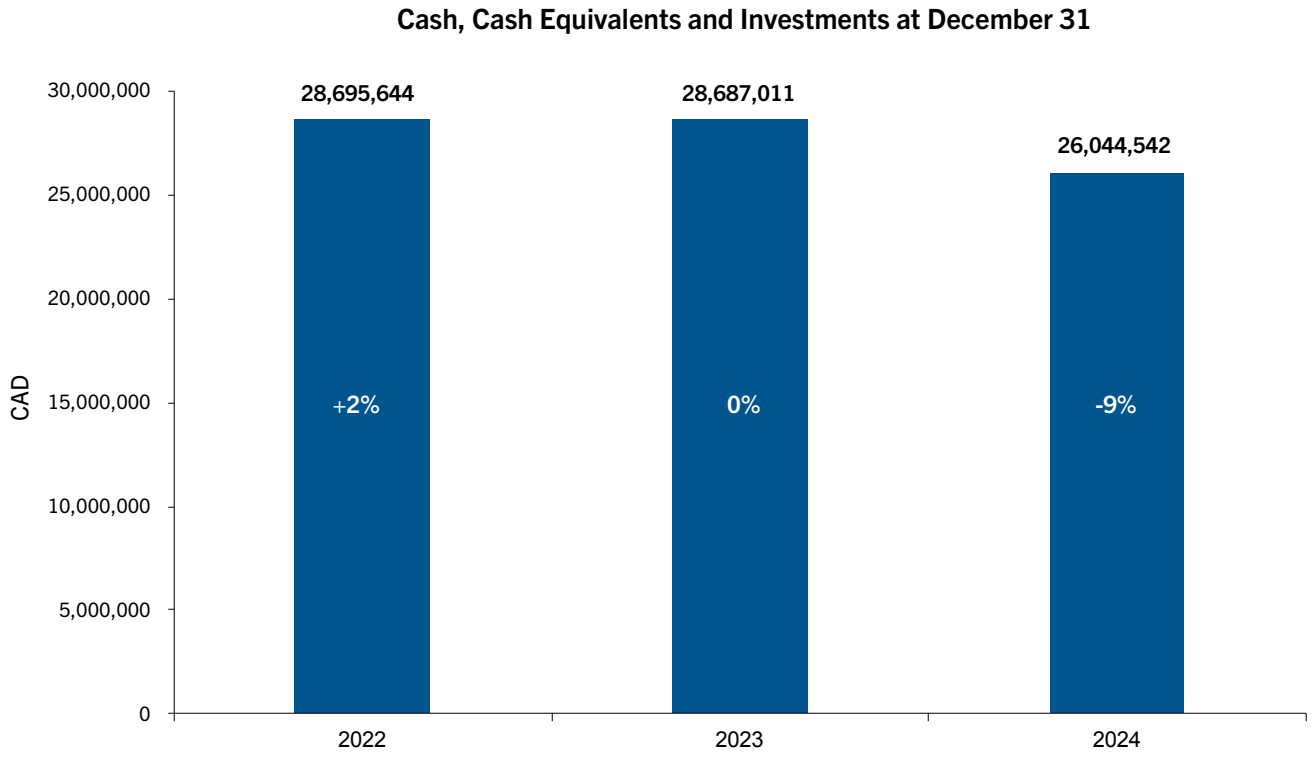
On August 23, 2022, the Company's Board of Directors adopted a Dividend Policy. Subsequent quarterly cash dividends were declared and paid on the dates indicated in the table below:

Declaration Date	Record Date	Payment Date	Amount per Common Share
October 12, 2022	November 30, 2022	December 15, 2022	$0.040
February 1, 2023	February 28, 2023	March 15, 2023	$0.040
May 25, 2023	June 2, 2023	June 15, 2023	$0.040
August 22, 2023	August 31, 2023	September 15, 2023	$0.040
November 15, 2023	November 30, 2023	December 15, 2023	$0.040
February 6, 2024	February 29, 2024	March 15, 2024	$0.045
May 16, 2024	May 31, 2024	June 15, 2024	$0.045
August 26, 2024	September 4, 2024	September 15, 2024	$0.045
November 19, 2024	November 29, 2024	December 16, 2024	$0.045
January 30, 2025	February 28, 2025	March 14, 2025	$0.050

In addition to ongoing investments in growth and portfolio diversification, based on the Company's historical financial performance and planned future growth, the Board of Directors believes that share buybacks and cash dividends are also an effective use of capital in delivering long-term value to all BioSyent shareholders.

During FY 2024, there was a net decrease in cash, short-term and long-term investments of $2,642,469 as compared to a net decrease of $8,633 during FY 2023. With FY 2024 NIAT of $7,270,104, the Company generated $8,663,484 in operating cash flows, expended $4,627,369 on net intangible asset additions, including the acquisition of the global rights to Tibelia® / Tibella® (tibolone), a further $5,176,660 on share repurchases under its NCIB, and paid net cash dividends of $2,079,691 during the year. Comparatively, with FY 2023 NIAT of $6,460,127, the Company generated $5,054,974 in operating cash flows, expended $114,704 on net intangible asset additions, a further $3,068,899 on share repurchases, and paid net cash dividends of $1,912,835 during the comparative period.

The graph below illustrates the company's cash, cash equivalents, short-term and long-term investments as of December 31, 2022, 2023, and 2024 as well as the growth over the comparative period:



Total shareholders' equity increased to $35,003,185 at December 31, 2024 from $34,759,756 at December 31, 2024. While the Company generated comprehensive income of $7,276,005 during FY 2024, it repurchased 492,300 of its own common shares during the period under its NCIB, reducing shareholders' equity by a total of $5,176,660 as a result. Shareholders' equity was further reduced by the payment of net aggregate quarterly dividends of $2,079,691 during the year. The Company's return on average equity for FY 2024 increased to 21% as compared to 19% for FY 2023.

The Company's total assets at December 31, 2024 were $41,359,450, consistent with total assets of $41,528,939 as at December 31, 2023. This compares to an increase of 3% in total assets during FY 2023 from total assets of $40,485,264 at December 31, 2022.

The Company has no short term or long term debt; however, the Company has credit facilities available with Royal Bank of Canada including a revolving demand credit facility of $1,750,000, which has not been utilized as of December 31, 2024, a foreign exchange facility, and a credit card facility of $30,000. This credit facility bears interest at a variable rate of Royal Bank prime plus 0.75% and has been secured with a General Security Agreement constituting a first ranking security interest of the Bank in the Company's property. The Company is subject to maintaining certain financial covenants if the demand credit facility is drawn upon.

Risk Management

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

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

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

1. Sourcing and Revenue Concentration

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

2. Foreign Exchange Risk

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

3. Interest Rate Risk

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 and long-term investments consist of non-redeemable GICs which also earn interest at fixed rates during their tenure.

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 will affect market rates of interest and the rate of interest earned on the Company's GICs.

4. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, short term investments, trade and other receivables, and loans receivable. The carrying amount of financial assets represents maximum credit exposure. As the Company invests in GICs with Canadian Chartered Banks, its credit risk on this account is negligible. The Company's loans receivable (see Note 12 of the Consolidated Financial Statements) are full recourse and secured by a pledge of common shares of the Company purchased by the Borrowers, who are key management personnel. Based on these factors, the Company considers the credit risk associated with these loans receivable to be low. There are no factors at the end of the period to indicate a significant increase in credit risk has occurred and there are no defaults on the loans receivable.

a. Aging of Receivables

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

The Company's gross trade accounts receivable at December 31, 2024 of $2,595,755 decreased by 10% as compared to gross trade accounts receivable of $2,890,334 at December 31, 2023 as a result of a decline in current receivables for December 2024 as compared to December 2023.

The Company has provided for expected credit losses of $200,826 (December 31, 2023 - $92,452) related primarily to disputed deductions on trade receivables adjusted for forward looking factors specific to certain Canadian pharmaceutical wholesale customers.

b. Concentration of Receivables

As of December 31, 2024, one customer represents 49% of net trade receivables (December 31, 2023 - 42%) while another customer represents 18% of net trade receivables (December 31, 2023 - 19%), a third customer represents 14% of net trade receivables (December 31, 2023 - 10%), and a fourth customer represents 9% of net trade receivables (December 31, 2023 – 16%).

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.

All common shares of the Company purchased with the proceeds of a loan are required to be pledged as security for the satisfaction and performance of the loan obligations. If the Borrower ceases to be employed by the Company or a subsidiary of the Company prior to the end of the original Maturity Dates or the extended Maturity Date, as applicable, all outstanding loan obligations shall become due and payable on the thirtieth (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.

Subject to the pledge on the common shares in favour of the Company, the Borrower is the sole owner of all common shares purchased on its behalf pursuant to the MSLP. All proceeds from the sale of common shares acquired through the MSLP are expected to be directed to the Company until the loan obligations have been satisfied in full.

Interest receivable of $13,288 was accrued on the loans for the year ended December 31, 2024 (year ended December 31, 2023 - $16,598) at prescribed interest rates of 5.00% to 6.00% per annum (year ended December 31, 2023 - 4.00% to 5.00% per annum) and has been included in finance income on the Company's Consolidated Statements of Comprehensive Income.

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

5. Liquidity Risk

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

The Company generates sufficient cash from operating activities to fund its operations and fulfill its obligations as they become due. The Company has credit facilities available with Royal Bank of Canada totalling $3,090,000, including a revolving demand credit facility of $1,500,000 which it has not drawn down as at the date hereof, a foreign exchange facility of $1,500,000, and credit card facilities totalling $90,000. The Company's funds have not been committed in any way, except as set out in Note 21 of the Consolidated Financial Statements.

6. Information Technology (IT)

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

The Company is reliant on the integrity of its IT systems, hardware, software, third party IT service providers, 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 the inherent risk of malicious and unauthorized breaches by outside parties acting unlawfully. The frequency and sophistication of attempted cyberattacks by malicious actors continues to grow. 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 or intellectual property, 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.

7. Competition

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

8. Climatic Conditions

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

9. General Economic Conditions

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

10. Innovation

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

11. Width of Product Portfolio

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

12. Capital Risk

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

13. Agreements Relating to the Development and Distribution of Products Internationally

The Company currently has several collaboration or distribution agreements relating to the marketing and distribution of FeraMAX® and Tibelia® 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 March 13, 2025, the following common shares, stock options, and Restricted Share Units were outstanding:

	No. of Shares	Exercise Price Range
Issued common shares	11,465,416	
Treasury shares: RSU Plan in Trust	(202,199)	
Outstanding common shares	11,263,217	
Stock options outstanding	124,282	$6.20 - $ 10.97
RSUs outstanding	208,500	
Fully Diluted at March 13, 2025	11,595,999	

Normal Course Issuer Bid

On December 16, 2024, the Company announced that the TSX Venture Exchange had accepted its Notice of Intention to Make a NCIB for a further 12-month period ending on December 18, 2025 during which the Company would be permitted to purchase up to 690,000 of its own common shares for cancellation. 123,800 common shares have been repurchased and cancelled by the Company under this NCIB between December 19, 2024 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 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.

As of the date hereof, 202,199 of the Company's own common shares were held in trust pursuant to its RSU Plan for future settlement of vested RSUs granted to employees, senior management, and directors of the Company. As of the date hereof, there are 208,500 unvested RSUs outstanding.

Commitments

Office Leases

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

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

Fiscal Year	Annual Rent and Occupancy Costs
2025	$ 286,204
2026	$ 388,633
2027	$ 388,633
2028	$ 388,633
2029	$ 259,089
Total	$ 1,711,192

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

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

The table below summarizes compensation for key management personnel of the Company for the years ended December 31, 2024 and December 31, 2023:

	Years ended December 31,	
	2024	2023
Number of Key Management Personnel	5	6
Salary, Benefits, and Bonus	$1,570,065	$1,777,806
Share-Based Payments	$323,136	$378,786

During the year ended December 31, 2024, the Company recorded share-based payment expense of $323,136 (year ended December 31, 2023 - $378,786) related to the amortization of RSUs granted to key management under the Company's RSU Plan, the vesting of options granted prior to 2020 under the Company's SOP, as well as the Company's contributions to the ESPP for the purchase of common shares on behalf of participating key management personnel.

As at December 31, 2024, there were loans receivable under the MSLP from key management personnel of $207,923 (December 31, 2023 - $274,601). MSLP loan repayments of $59,316 were received from key management personnel during the year ended December 31, 2024 (year ended December 31, 2023 - $135,306). Interest accrued on these MSLP loans during the year ended December 31, 2024 totalled $11,971 (year ended December 31, 2023 - $16,375).

Transactions with Directors

During the year ended December 31, 2024, the Company paid cash fees to its directors in the amount of $127,128 (year ended December 31, 2023 - $129,188) and recorded share-based payments expense for accounting purposes of $85,440 (year ended December 31, 2023 - $81,265) related to the amortization of RSUs under the Company's RSU Plan.

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.

BioSyent Inc.

Audited Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

March 13, 2025

Expressed in Canadian Dollars

Management's Responsibility For Financial Reporting

To the Shareholders of BioSyent Inc.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements for BioSyent Inc. (the **"Company"),** including significant accounting judgments and estimates in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required. The consolidated financial statements for the years ended December 31, 2024 and 2023 are compliant with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board and Audit Committee are also responsible for recommending the appointment of the Company's external auditors. The Board of Directors has approved the information contained in the accompanying consolidated financial statements.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access, and meet periodically and separately with the Board, Audit Committee and management to discuss their audit findings.

Robert March

Vice-President and Chief Financial Officer, BioSyent Inc.

March 13, 2025

Independent Auditor's Report

To the Shareholders of BioSyent Inc.:

Opinion

We have audited the consolidated financial statements of BioSyent Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Tibelia / Tibella (tibolone) Acquisition

Key Audit Matter Description

As described in Note 5 of the consolidated financial statements, on September 20, 2024, the Company entered into an asset purchase agreement with the trustees of Novalon SA and Mithra Pharmaceuticals SA to acquire certain assets related to Tibelia / Tibella (tibolone).

We considered the accounting for the Tibelia / Tibella (tibolone) acquisition to be a key audit matter due to the significant judgment applied by management in concluding that this transaction did not represent a business under IFRS 3 Business Combinations, which, in applying the concentration test, included the use of significant estimates by management in estimating the fair value of the assets acquired as part of the transaction. This resulted in an increased extent of audit effort.

Audit Response

We responded to this matter by performing audit procedures relating to the accounting for the Tibelia / Tibella (tibolone) acquisition. Our audit work in relation to this included, but was not restricted to, the following:

- We obtained and examined the underlying agreements related to the acquisition;
- We evaluated management's assessment on whether the acquisition represents an asset acquisition or a business under IFRS 3 Business Combinations;
- We assessed the methodology and key inputs used to estimate the fair value of the assets acquired as part of the transaction, and utilized an internal valuations expert in doing so;
- We assessed the adequacy of the presentation and disclosures relating to the acquisition in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

MNP LLP

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jonathan Mac Neil.

Toronto, Ontario
March 13, 2025

Chartered Professional Accountants
Licensed Public Accountants

MNP LLP

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

AS AT	December 31, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents *(Note 6)*	$ 12,113,376	$ 7,984,534
Short term investments *(Note 7)*	3,827,595	18,202,477
Trade and other receivables *(Note 8)*	2,906,829	3,477,096
Inventory *(Note 9)*	5,328,086	5,894,495
Prepaid expenses and deposits	201,971	243,460
Derivative asset *(Note 10)*	5,790	-
Loans receivable - current *(Note 12)*	87,433	69,419
CURRENT ASSETS	24,471,080	35,871,481
Long term investments *(Note 11)*	10,103,571	2,500,000
Loans receivable - non current *(Note 12)*	141,140	205,182
Deferred tax asset *(Note 25)*	401,166	359,470
Property and equipment *(Note 13)*	1,200,992	1,439,930
Intangible assets *(Note 14)*	5,041,501	1,152,876
NON CURRENT ASSETS	16,888,370	5,657,458
TOTAL ASSETS	$ 41,359,450	$ 41,528,939
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued liabilities	$ 3,998,938	$ 5,077,676
Income tax payable *(Note 25)*	396,343	111,114
Contract liability *(Note 15)*	155,166	134,461
Customer advances	658,032	-
Derivative liability *(Note 10)*	-	27,285
Lease liability - current *(Note 16)*	196,627	183,314
CURRENT LIABILITIES	5,405,106	5,533,850
Deferred tax liability *(Note 25)*	110,055	197,602
Lease liability - non current *(Note 16)*	841,104	1,037,731
NON CURRENT LIABILITIES	951,159	1,235,333
Share capital *(Note 17)*	5,306,450	5,122,350
Contributed surplus	2,139,278	2,286,934
Cumulative translation adjustment	(171,554)	(177,455)
Retained earnings	27,729,011	27,527,927
TOTAL EQUITY	35,003,185	34,759,756
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 41,359,450	$ 41,528,939

Contingencies *(Note 20)*
Commitments *(Note 21)*
Related party transactions *(Note 22)*
Subsequent events *(Note 27)*

APPROVED ON BEHALF OF THE BOARD

René Goehrum
DIRECTOR
March 13, 2025

Joseph Arcuri
DIRECTOR
March 13, 2025

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

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

	For the years ended December 31,	
	2024	2023
Net revenues from contracts with customers *(Note 26)*	$ 35,030,897	$ 31,590,302
Cost of goods sold *(Notes 9, 18)*	7,174,824	5,992,359
Gross profit	27,856,073	25,597,943
Selling, general and administration expenses *(Note 18)*	18,854,328	18,008,872
Business development costs *(Note 18)*	248,681	117,931
Operating profit	8,753,064	7,471,140
Finance costs *(Notes 16, 18)*	59,152	68,411
Finance income *(Note 18)*	(1,088,586)	(1,131,124)
NET INCOME BEFORE TAXES	9,782,498	8,533,853
Current income tax *(Note 25)*	2,641,637	2,207,695
Deferred tax recovery *(Note 25)*	(129,243)	(133,969)
NET INCOME AFTER TAXES	7,270,104	6,460,127
OTHER COMPREHENSIVE INCOME		
Currency translation gains (losses)	5,901	(34,311)
TOTAL COMPREHENSIVE INCOME	$ 7,276,005	$ 6,425,816
Basic weighted average number of shares outstanding *(Note 19)*	11,586,767	11,949,895
Basic earnings per share *(Note 19)*	$ 0.627	$ 0.541
Diluted weighted average number of shares outstanding *(Note 19)*	11,807,876	12,170,410
Diluted earnings per share *(Note 19)*	$ 0.616	$ 0.531

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

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

	For the years ended December 31,	
	2024	2023
OPERATING ACTIVITIES		
Net income after taxes	$ 7,270,104	$ 6,460,127
Items not affecting cash:		
Depreciation - property and equipment *(Notes 13, 18)*	281,220	292,632
Amortization - intangible assets *(Notes 14, 18)*	308,728	162,706
Share-based payments *(Note 17)*	553,521	513,486
Change in derivative asset / liability *(Note 10)*	(33,075)	27,285
Net finance income *(Note 18)*	(1,029,434)	(1,062,713)
MSLP loan interest accrued *(Note 12)*	(13,288)	(16,598)
Deferred tax recovery *(Note 25)*	(129,243)	(133,969)
Expected credit losses *(Notes 10, 18)*	136,491	140,317
Intangible asset impairments *(Note 14)*	430,016	-
Inventory adjustments *(Note 9)*	-	122,597
Net change in non-cash working capital items:		
Trade and other receivables	395,318	241,363
Inventory	566,409	(1,481,749)
Prepaid expenses and deposits	41,489	11,498
Accounts payable and accrued liabilities	(1,078,738)	14,794
Contract liability	20,705	(23,139)
Customer advances	658,032	(6,772)
Income tax payable *(Note 25)*	285,229	(206,891)
Cash provided by operating activities	8,663,484	5,054,974
INVESTING ACTIVITIES		
Additions to property and equipment *(Note 13)*	(42,282)	(59,526)
Net additions to intangible assets *(Note 14)*	(4,627,369)	(114,704)
Decrease in short term investments *(Note 7)*	14,374,882	2,628,608
Increase in long term investments *(Note 11)*	(7,603,571)	(2,500,000)
Interest received	1,127,044	770,703
MSLP loan repayments received *(Note 12)*	59,316	158,766
Cash provided by investing activities	3,288,020	883,847
FINANCING ACTIVITIES		
Payments - lease liability principal *(Note 16)*	(183,314)	(174,055)
Payments - lease liability interest *(Note 16)*	(59,152)	(68,411)
Repurchase of common shares - NCIB *(Note 17)*	(5,176,660)	(3,068,899)
Purchase of RSU Plan Shares - held in Trust *(Note 17)*	(265,617)	(443,472)
Payments for employee withholding taxes - RSU settlements *(Note 17)*	(314,517)	(183,720)
Net dividends paid *(Note 17)*	(2,079,691)	(1,912,835)
Proceeds from stock options exercised *(Note 17)*	250,388	66,857
Cash used in financing activities	(7,828,563)	(5,784,535)
Effect of foreign currency translation adjustment	5,901	(34,311)
INCREASE IN CASH AND CASH EQUIVALENTS	4,128,842	119,975
Cash and cash equivalents, beginning of year	7,984,534	7,864,559
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 12,113,376	$ 7,984,534
SUPPLEMENTARY DISCLOSURE:		
NET CHANGE IN CASH AND INVESTMENTS		
Cash, short term and long term investments, beginning of year	$ 28,687,011	$ 28,695,644
Decrease in short term investments	(14,374,882)	(2,628,608)
Increase in long term investments	7,603,571	2,500,000
Increase in cash and cash equivalents	4,128,842	119,975
CASH AND INVESTMENTS - END OF YEAR	$ 26,044,542	$ 28,687,011
CASH PAID FOR TAXES	$ (2,356,408)	$ (2,414,586)

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

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

	Share Capital	Contributed Surplus	Cumulative Currency Translation Adjustment	Retained Earnings	Total Shareholders' Equity
Balance as of January 1, 2024	$ 5,122,350	$ 2,286,934	$ (177,455)	$ 27,527,927	$ 34,759,756
Comprehensive Income for the year	-	-	5,901	7,270,104	7,276,005
Common shares repurchased under Normal Course Issuer Bid *(Note 17)*	(224,092)	-	-	(4,952,568)	(5,176,660)
Common shares repurchased and held in RSU Plan Trust *(Note 17)*	(265,617)	-	-	-	(265,617)
Effect of Share-based payments: RSU expense *(Note 17)*	-	553,521	-	-	553,521
Effect of Share-based payments: Net Release of shares from RSU Plan Trust upon RSU vesting *(Note 17)*	183,959	(498,476)	-	-	(314,517)
Effect of Share-based payments: Options exercised *(Note 17)*	489,850	(239,462)	-	-	250,388
Dividends paid *(Note 17)*	-	36,761	-	(2,116,452)	(2,079,691)
Balance as of December 31, 2024	$ 5,306,450	$ 2,139,278	$ (171,554)	$ 27,729,011	$ 35,003,185

	Share Capital	Contributed Surplus	Cumulative Currency Translation Adjustment	Retained Earnings	Total Shareholders' Equity
Balance as of January 1, 2023	$ 5,367,432	$ 2,228,517	$ (143,144)	$ 25,909,718	$ 33,362,523
Comprehensive Income for the year	-	-	(34,311)	6,460,127	6,425,816
Common shares repurchased under Normal Course Issuer Bid *(Note 17)*	(173,775)	-	-	(2,895,124)	(3,068,899)
Common shares repurchased and held in RSU Plan Trust *(Note 17)*	(183,720)	-	-	-	(183,720)
Effect of Share-based payments: Options vested *(Note 17)*	-	3,444	-	-	3,444
Effect of Share-based payments: Options exercised *(Note 17)*	130,184	(63,327)	-	-	66,857
Effect of Share-based payments: RSU Expense *(Note 17)*	-	510,042	-	-	510,042
Effect of Share-based payments: Net Release of shares from RSU Plan Trust upon RSU vesting *(Note 17)*	(17,771)	(425,701)	-	-	(443,472)
Dividends paid *(Note 17)*	-	33,959	-	(1,946,794)	(1,912,835)
Balance as of December 31, 2023	$ 5,122,350	$ 2,286,934	$ (177,455)	$ 27,527,927	$ 34,759,756

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

1. General Information

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

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

The Company changed its name from "Hedley Technologies Inc." to "BioSyent Inc." on June 13, 2006 to reflect the Company's forward focus on the pharmaceutical market. BioSyent Pharma was incorporated on April 6, 2006 under the Canada Business Corporations Act and commenced operations in 2006. Hedley Technologies Ltd. was incorporated on January 30, 1996 in the province of British Columbia, Canada. Hedley USA was incorporated on May 13, 1994 in the state of Washington, USA. BioSyent Pharma International Inc. was incorporated on April 18, 2016 in Barbados. Subsequent to the reporting period on February 24, 2025, a fifth wholly-owned subsidiary of BioSyent Inc., BioSyent Pharma Europe B.V., was incorporated in the Netherlands.

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

These Financial Statements were approved by the Board of Directors on March 13, 2025.

2. Basis of Presentation

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

Statement of Compliance

These consolidated financial statements for the years ended December 31, 2024 and 2023 have been prepared and are in compliance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis of Consolidation

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

Functional and Presentation Currency

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

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

3. Summary of Material Accounting Policies

Financial Instruments

All financial assets and financial liabilities, in respect of financial instruments, are recognized on the Company's statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are incremental and are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The classification of financial instruments dictates how these assets and liabilities are measured subsequently in the Company's consolidated financial statements.

Financial Instruments Measured at Fair Value Through Profit or Loss (FVTPL)

Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of sale in the near term. Derivative financial instruments that are not designated and effective as hedging instruments are classified as FVTPL. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the year. Financial assets in this category include certain short-term investments and derivatives. The Company may enter into derivative financial instruments to manage exposure to foreign exchange fluctuations and to improve the returns on its cash assets. These instruments are non-hedge derivative instruments.

Financial Assets Measured at Amortized Cost

Financial assets measured at amortized cost are financial assets whereby the business model objective is to collect contractual cash flows and the cash flows represent SPPI (Solely Payments of Principal and Interest). Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Financial assets in this category include cash and cash equivalents, short-term and long-term investments, trade receivables, other receivables (which includes interest receivable), and loans receivable.

Loans receivable consist of full recourse loans issued to employees, as described in Note 12. As the loans are full recourse, they are not recorded as share-based payments, but instead as loans, which fall within the scope of IFRS 9 *Financial Instruments*.

Impairment of Financial Assets

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired.

The Company recognizes expected credit losses ("**ECLs**") for trade receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

Evidence of impairment may include disputed payment deductions by customers, indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Trade receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

The Company recognizes loss allowances for ECLs on its financial assets measured at amortized cost, including loans receivable. ECLs for trade receivables are a probability-weighted estimate of credit losses. The Company applies a three-stage approach to measure ECLs. The Company measures an ECL:

- at an amount equal to 12 months of expected losses for performing loans receivable if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1);
- at an amount equal to lifetime expected losses on loans receivable that have experienced a significant increase in credit risk since origination (Stage 2); and
- at an amount equal to lifetime expected losses which are credit impaired (Stage 3).

The Company considers a significant increase in credit risk to have occurred if contractual payments are more than 30 days past due and considers the loans receivable to be in default if they are 90 days past due. A significant increase in credit risk or default may have also occurred if there are other qualitative factors (including forward looking information) to consider; such as borrower specific information (i.e. change in credit assessment). Such factors include consideration relating to whether the counterparty is experiencing significant financial difficulty, there is a breach of contract, concessions are granted to the counterparty that would not normally be granted, or it is probable the counterparty will enter into bankruptcy or a financial reorganization.

At December 31, 2024 and 2023, loans receivable are a Stage 1 financial asset.

Financial Liabilities Measured at Amortized Cost

Financial liabilities measured at amortized cost are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired. Financial liabilities in this category include accounts payable and accrued liabilities.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's forward foreign exchange contract derivatives are measured at fair value through profit or loss using Level 2 inputs. There were no transfers between Levels 1 or 2 during the year.

Revenue Recognition

In accordance with IFRS 15 *Revenue*, The Company applies the following 5-step revenue recognition model based on the principle that an entity should recognize revenue as performance obligations are satisfied based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from the sale of goods is recognized at the point when the Company has satisfied its performance obligations in the contract and control is transferred to the customer, generally upon shipment or delivery of the goods to the customer. Revenue is recognized at an amount that reflects the consideration to which the Company ultimately expects to be entitled in exchange for those goods. In the Company's Canadian Pharmaceutical Business, promised consideration from a wholesaler customer can vary due to product returns, discounts, volume rebates, refunds, credits, price concessions, incentives, or similar items. Revenue is recorded net of these amounts. Where the consideration promised in a contract with a customer includes a variable amount, the Company estimates the amount of consideration to which it ultimately expects to be entitled in exchange for transferring the promised goods or services to the customer and the amount of revenue recognized is adjusted accordingly.

The Company may also offer other discount programs, including retail coupons and copay discount cards for the purchase of certain of its products by end-consumers. The Company estimates the amount of such discounts based on historical experience and the specific terms of each program. Revenue is recorded net of these amounts. The estimated amounts of such discounts are recorded as these retail coupons and copay discount cards are distributed.

The Company recognizes a contract liability based on its estimate of the amount of consideration it expects to refund to its customers. This contract liability is updated at the end of each reporting period for any changes in circumstances.

Property and Equipment

Property and equipment are recorded at historical cost less accumulated depreciation. The cost of property and equipment is its purchase price, together with any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company records depreciation of property and equipment at the following rates and methods based on the assets' estimated useful economic lives:

Furniture and fixtures	20%	declining balance method
Equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Computer software	30%	declining balance method
Lease right-of-use asset		Straight-line over 10-year term of lease
Leasehold improvements		Straight-line over 10-year term of lease

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the Statements of Comprehensive Income.

Cash and Cash Equivalents, Short-term and Long-term Investments

Cash and cash equivalents include cash held at financial institutions and highly liquid deposits with the ability to be converted into cash within 90 days or less of their acquisition date.

Short term investments are comprised of deposits with Chartered Canadian banks with original maturities of more than 90 days whereas long-term investments have maturities that will be realized 12 months after the date of the reporting period. These investments are held in Canadian dollars or in foreign currencies and are interest bearing.

Inventory

Inventory is measured on a first-in, first-out basis at the lower of cost and net realizable value. When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. A provision for obsolescence is determined based on historical experience and product expiration dates.

Intangible Assets

Intangible assets with definite useful lives consist of:

- new product dossier and filing costs, which represent professional, consulting, and regulatory fees incurred in obtaining regulatory approvals of products for marketing and manufacturing purposes;
- product licenses and rights, which represent contractual milestone payments and professional fees incurred in acquiring product licenses and distribution rights;
- new product development, which represents expenditure on materials and services in the development of new products;
- trademarks and patents, which represent legal and application fees incurred in registering trademarks and patents in various jurisdictions;
- trade certifications, which represent legal and registration fees incurred in obtaining international trade certifications of products; and

- future milestone payments associated with the acquisition of intangible assets are capitalized to the cost of the intangible asset when it is determined that the milestones have a high likelihood of being attained.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Amortization commences when the intangible asset is available for use. The amortization period and the amortization method for an intangible asset with a definite useful life are reviewed at least annually at the end of each financial reporting year. Intangible assets with definite useful lives are amortized on a straight-line basis over their estimated useful lives (see *Note 14*). New product dossier and filing costs are amortized over the estimated economic lives of the underlying products commencing upon their availability for use. Product licenses and rights are amortized over the expected useful life. New product development costs are amortized over the estimated economic useful life of the product commencing upon its availability for use. Trademarks and patents are amortized over the period covered by the registration period, ranging between 10 and 15 years, unless the economic life is shorter.

Development Costs

Research costs are expensed as incurred. Development costs are also expensed unless the Company can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of resources to complete the development of the asset; and
- the ability to measure reliably the expenditure during development.

Impairment of Non-Financial Assets

Equipment and intangible assets are reviewed for impairment at the end of each annual reporting period for events or circumstances that indicate that the carrying value of an asset may not be recoverable. In such cases where an indicator of impairment exists, the recoverable amount of the asset is estimated to determine whether there is an impairment loss. The recoverable amount of an asset is first tested on an individual basis.

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available market data less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market presence and trends, strength of customer relationships, strength of local management, strength of debt and capital markets, and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. A change in any of the significant assumptions or estimates used to evaluate non-financial assets could result in a material change to the results of operations.

Foreign Currency Translation

Items included in the financial records of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in net income.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the year-end rates of exchange, and the results of their operations are translated at average rates of exchange for the year. The resulting translation adjustments are included in cumulative translation adjustment in shareholders' equity. Additionally, foreign exchange gains and losses related to certain intercompany loans that are net investments in a foreign operation are included in cumulative translation adjustment account, as part of other comprehensive income.

Taxation

Tax expense comprises current and deferred tax. Tax is recognized in the Consolidated Statements of Comprehensive Income except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current Tax:

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that are enacted or substantively enacted at the end of the year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax:

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising from investments in subsidiaries that are not expected to reverse in the foreseeable future.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share-Based Payments

The Company has equity-settled share-based payment plans, including a Restricted Share Unit ("RSU") Plan, an Incentive Stock Option Plan, and an Employee Share Purchase Plan ("ESPP") which are described in *Note 17*. The Company accounts for share-based payments under these plans in accordance with IFRS 2, *Share-based payment*.

RSU Plan

For RSUs granted to employees and directors, the Company recognizes an expense over the vesting period of the RSUs equal to the fair value at the grant date based on the closing market price of the Company's common shares on the TSX Venture Exchange and an estimate of the number of RSUs expected to vest.

The Company classifies outstanding RSUs as equity instruments in accordance with IAS 32, *Financial instruments: presentation*. Over the vesting period of RSUs, as the Company recognizes an expense, it also recognizes a corresponding increase in contributed surplus for the fair value of such RSUs.

RSUs are settled with the issuance to RSU holders of common shares of the Company, either newly issued or purchased by the Company in the open market. Common shares purchased in the open market by the Company for future RSU settlements are held in an RSU Trust until the time of settlement when they are released to RSU holders. These common shares held in the RSU Trust are classified as equity and accounted for as Treasury Shares in accordance with IAS 32 and are measured at the price paid in the open market. Upon settlement of the RSUs and the release of the common shares to RSU holders, these common shares are reclassified to share capital.

Incentive Stock Option Plan

Compensation costs attributable to all stock options granted to employees and directors are measured at fair value, using the Black-Scholes option pricing model, at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. For options with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

Any consideration paid by employees upon the exercise of any stock options increases share capital. The Company does not repurchase stock options from option holders.

Options granted to non-employees are measured at the fair value of the goods and services received or to be received.

ESPP

Any Company matching of employee contributions to the ESPP is accounted for as an expense at the time of the cash contribution.

Repurchase of Shares under Normal Course Issuer Bid ("NCIB")

Repurchases by the Company of its own common shares under a NCIB are accounted for in accordance with IAS 32, *Financial Instruments: Presentation*. Upon reacquiring shares under a NCIB, the Company deducts from equity the purchase price of these shares and any costs to acquire such shares. Any such shares held by the Company are considered treasury shares until they are cancelled.

Earnings per Share

Basic earnings per share is computed by dividing the net income after taxes by the weighted average number of common shares outstanding during the year. Diluted earnings per share information is calculated assuming the deemed exercise of all in-the-money stock options and that all deemed proceeds to the Company are used to repurchase the Company's stock at the average market price during the year. No adjustment to diluted earnings per share is made if the result of this calculation is anti-dilutive.

Leases

The Company accounts for its leases in accordance with IFRS 16, *Leases*. All contracts that meet the definition of a lease are recorded in the statement of financial position with a "right of use" asset and a corresponding liability. The asset is accounted for as property, plant and equipment and is depreciated on a straight-line basis over the term of the lease contract. The liability is unwound using the interest rate inherent in the lease. The Company has recognized a right-of-use asset and a lease liability in respect of its lease for head office space (see *Notes 13 and 16*). The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of 12 months or less and for leases of low-value assets.

Business Combinations

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company.

In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value at the date of acquisition, as are the identifiable net assets acquired. Acquisition-related costs are expensed as incurred. The excess of the consideration over the fair value of the net identifiable assets acquired is recorded as goodwill.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognized, to reflect new information obtained about facts and

circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date. The measurement period is the period from the date of acquisition to the date that the Company obtains complete information about the facts and circumstances that existed as of the acquisition date and is subject to a maximum period of one year.

Newly Adopted Accounting Policies

Amendments to IAS 1, Presentation of Financial Statements

In October 2022, the IASB issued amendments to *IAS 1, Presentation of Financial Statements*, to clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the classification of liabilities as current or non-current based on rights that are in existence at the end of the reporting period and are unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments also clarify the definition of "settlement" of a liability. The amendments were effective January 1, 2024. There was no material impact to the Company's consolidated financial statements upon adoption of these amendments.

Accounting Pronouncements Issued but not yet Effective

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued *IFRS 18, Presentation and Disclosure in Financial Statements*. *IFRS 18* replaces *IAS 1 Presentation of Financial Statements* and introduces new presentation requirements within the statement of income or loss, including specified totals and subtotals, disclosure of management-defined performance measures, and aggregation and disaggregation of financial information based on identified roles of the primary financial statements and the notes. This new standard is effective for reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively. Earlier application is permitted. The Company is currently assessing the potential impact of adopting this standard.

4. Use of Estimates and Accounting Judgments by Management

The preparation of these 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.

Judgments

a. Recoverability of asset carrying values

The Company assesses its equipment and intangible assets for impairment if there are events or changes in circumstances that indicate that carrying values may not be recoverable at each statement of financial position date. Such indicators include changes in the Company's business plans, changes in the market and evidence of physical damage.

Determination as to whether and how much an asset is impaired involves management's judgment on highly uncertain matters such as future selling and purchasing prices, the effects of inflation on operating expenses, discount rates, and economics of different pharmaceutical or medical products.

b. Impairment of trade and other receivables

The Company performs ongoing credit evaluations of its customers and grants credit based on a review of historical collection experience, current aging status, financial condition of the customer, and anticipated industry conditions. Customer payments are regularly monitored and ECLs are established in accordance with IFRS 9.

c. Income taxes

The Company is subject to income tax assessment in multiple jurisdictions. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken in the ordinary course of business for which the ultimate tax determination is uncertain.

The Company recognizes liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

The Company computes an income tax provision in each of the jurisdictions in which it operates. Actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occur subsequent to the issuance of these Financial Statements. Additionally, estimating income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income before such deductions expire. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period.

d. Acquisitions

The Company assesses whether an acquisition is an asset acquisition or a business combination. The Company accounts for an acquisition as a business combination if the assets acquired and liabilities assumed constitute a business and the Company obtains control of the business. When the cost of a business combination exceeds the fair value of the identifiable assets acquired or liabilities assumed, such excess is recognized as goodwill. Transaction related costs are expensed as incurred.

If an acquisition does not meet the definition of a business combination, the Company accounts for the acquisition as an asset acquisition.

Estimates

The most significant estimates made by management include the following:

a. Depreciation

Depreciation of the Company's equipment involves estimates of future useful lives and residual values. These estimates may change as more experience is obtained or as general market conditions change, thereby impacting the value of the Company's equipment.

b. Amortization of intangible assets

The amortization of the Company's intangible assets involves estimates of their useful lives. Such estimates may change as more experience is obtained or as general market conditions change, thereby impacting the value of the Company's intangible assets.

c. Share-based payments

Grants of RSUs and stock options are measured at their fair value on the grant date.

Management estimates the fair value of RSUs by reference to the closing price of the Company's common shares on the TSX Venture Exchange at the grant date. Management uses the Black-Scholes option pricing model to estimate the fair value of stock options determined at the grant date for options granted to employees and directors. Significant assumptions affecting the valuation of options include the term allowed for option exercise, a volatility factor relating to the Company's historical share price, dividend yield, forfeiture rate and risk-free interest rate.

The estimated forfeiture rate also affects the valuation of RSUs.

d. Inventory

Management has estimated the value of inventory based upon its assessment of the net realizable value. All slow-moving merchandise has been provided for by management. In making this estimate, management considers the product life of inventory. Product expiry dates are important in the determination of the net realizable value of inventory. Management ensures that systems are in place to identify and properly value inventory that may be approaching its expiry date.

e. Determination of transaction price

As a result of the existence of elements of variable consideration in the Company's contracts with customers arising from returns, discounts, rebates, retail coupons, copay discount cards, and other price incentives, the Company is required to estimate the amount of variable consideration from the customer to which it ultimately expects to be entitled and to adjust the transaction price and amount of revenue recognized accordingly.

The Company uses historical customer return data to determine the expected return percentages. These percentages are applied to determine the amount of the variable consideration. Any significant changes in experience as compared to historical return patterns will impact the expected return percentages estimated by the Company.

The Company provides for estimated payments to customers based on various trade programs and sales promotional incentives. These arrangements with purchasing organizations and other payers are dependent upon the submission of claims after the initial recognition of the revenue.

The Company estimates the amount payable to each customer for each trade and incentive program separately using: i) historical redemption patterns; ii) sales lead times; and iii) customer rates for discounts and rebates. Estimates incorporate the usage of internal data and other wholesaler and third-party analyses.

The Company updates its expected returns and sales promotional incentives on a quarterly basis and the contract liability, trade and promotional accruals are adjusted accordingly. To the extent that payments differ from the estimates of the related liabilities, accounts payable and accrued liabilities, contract liability, net income and comprehensive income will be affected in future periods.

f. Determination of incremental borrowing rate

When the Company enters into leases as lessee and where the interest rate implicit in a lease cannot be readily determined, the Company determines its incremental borrowing rate in order to measure its lease liability. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-to-use asset in a similar economic environment. In determining its incremental borrowing rate, the Company considers the term of the lease, the nature of the leased asset, and its level of indebtedness with reference to market risk-free interest rates.

g. Determination of lease term

When the Company enters into leases as lessee, it determines the lease term as the non-cancellable period of the lease together with periods covered by an option to extend the lease if it reasonably expects to exercise such option and periods covered by an option to terminate the lease if it reasonably expects not to exercise such option. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Company considers: the contractual terms and conditions for the optional periods compared with market rates; whether any significant leasehold improvements have been undertaken; the costs of terminating the lease; the importance of the underlying asset to the Company's operations; and any conditionality associated with exercising the option (see *Note 17*).

5. Acquisition of Tibelia® / Tibella® (tibolone) Global Product Distribution Rights

On September 20, 2024, the Company entered into an Asset Purchase Agreement with the trustees of Novalon SA and Mithra Pharmaceuticals SA (the "Vendors") to acquire certain assets related to Tibelia® / Tibella® (tibolone), a hormone replacement therapy drug for the treatment of the symptoms of menopause, including intellectual property, global rights, certain licensing,

distribution, supply agreements and other key contracts as well as certain inventory and equipment (the "Acquisition"), for total cash consideration of EUR 2,782,959 (CAD 4,213,123).

In accordance with the Company's accounting policies and *IFRS 3 – Business Combinations*, the Company conducted a concentration test on the Acquisition and determined that substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset, namely, the tibolone global product distribution rights. Based on this assessment, the Company determined that the Acquisition is not a business combination and accounted for the transaction as an acquisition of intangible assets in accordance with *IAS 38 – Intangible Assets* (*see Note 14*).

6. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

	December 31, 2024	December 31, 2023
Cash on deposit in banks	$9,621,950	$4,906,014
Redeemable GICs	2,491,426	3,078,520
Total cash and cash equivalents	$12,113,376	$7,984,534

7. Short term Investments

Short term investments consist of the following:

	December 31, 2024	December 31, 2023
Non-redeemable GICs	$3,122,595	$18,202,477
Dual currency deposits *(Note 10)*	705,000	-
Total short term investments	$3,827,595	$18,202,477

8. Trade and Other Receivables

Trade and other receivables is comprised of the following:

	December 31, 2024	December 31, 2023
Trade accounts receivable *(Note 10)*	$2,394,929	$2,797,882
Accrued interest receivable on GICs	477,709	653,885
Other receivables	34,191	25,329
Total trade and other receivables	$2,906,829	$3,477,096

9. Inventory

Inventory is comprised of the following:

	December 31, 2024	December 31, 2023
Raw and Packaging Materials	$981,253	$1,269,980
Finished Goods	4,346,833	4,624,515
Total inventory	$5,328,086	$5,894,495

For the year ended December 31, 2023, the Company donated inventory with a cost of $122,597 to a Canadian registered charity. The cost of this donated inventory was included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income for the period.

No inventory donations were recorded for the year ended December 31, 2024.

Cost of Goods Sold consists of the following:

	Years ended December 31,	
	2024	2023
Raw and Packaging Materials and Finished Goods	$6,966,581	$5,783,767
Freight	208,243	208,592
Total cost of goods sold	$7,174,824	$5,992,359

10. Financial Instruments and Financial Risk Management

Fair Value Measurement

Fair Value Estimation of Financial Instruments

The carrying value of the Company's cash and cash equivalents, short term and long term investments, trade and other receivables, loans receivable, and accounts payable and accrued liabilities approximate their fair values. The difference between the carrying value and the fair value of the loans receivable due to interest being charged at the prescribed rate (see *Note 12*) is insignificant for the year.

Risks

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

- **Foreign Exchange Options and Forwards:**

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 December 31, 2024, the Company had entered into options to purchase up to a total of USD 2,300,000 to USD 4,100,000 (December 31, 2023 - USD 1,425,000 to USD 2,512,500) at exchange rates expressed in CAD per USD ranging from 1.3298 to 1.3850 (December 31, 2023 - 1.3198 to 1.3200) which will be settled on various dates between January 2025 and December 2025 (December 31, 2023 - January 2024 and November 2024). The Company's right to buy USD 2,300,000 (December 31, 2023 - USD 1,425,000) on the respective settlement dates is subject to the spot exchange rates on the settlement dates being above 1.3298 CAD per USD (December 31, 2023 - 1.3198 to 1.3900 CAD per USD). The Company's obligation to buy USD 4,100,000 (December 31, 2023 - USD 2,512,500) on the respective settlement dates is subject to the spot exchange rates on the settlement dates being below a range of 1.3190 to 1.3650 CAD per USD (December 31, 2023 - within a range of 1.2995 to 1.3200 CAD per USD).

At December 31, 2024, the Company had also entered into forward contracts with a right to buy USD 150,000 at a rate of 1.4227 CAD per USD. No such forward contracts were entered into as of December 31, 2023.

The fair value of foreign exchange options and forwards is estimated based on quoted values from financial institutions. The Company's foreign exchange options and forwards resulted in a derivative asset of $5,790 as at December 31, 2024 (December 31, 2023 – derivative liability of $27,285).

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

December 31, 2024	Level 1	Level 2	Level 3
Foreign Exchange Options and Forwards	-	$5,790	-

December 31, 2023	Level 1	Level 2	Level 3
Foreign Exchange Options	-	($27,285)	-

- **Dual Currency Deposits:**

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

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

December 31, 2024	Level 1	Level 2	Level 3
DCDs	-	$705,000	-

December 31, 2023	Level 1	Level 2	Level 3
DCDs	-	-	-

At December 31, 2024, the Company also had the following USD denominated DCD that was convertible into CAD:

Type of Financial Instrument	Spot Rate on Transaction Date	Principal (USD)	Net Fair Value (CAD)	Guaranteed Interest Rate	Maturity Date	Fixed Maturity Conversion Rate
DCD	1.3761	$500,000	$705,000	5.00%	January 15, 2025	1.4100

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

At December 31, 2023, the Company had nil DCDs.

➢ **Foreign Exchange Risk:**

The Company currently earns revenue in Canadian dollars, U.S. dollars and Euros and incurs costs in Canadian dollars, U.S. dollars and Euros. Management monitors the foreign currency net liability position on an ongoing basis during the year and adjusts the total net monetary liability balance accordingly. When it is appropriate to de-risk future foreign exchange transactions, the Company uses foreign exchange options, forward contracts, and DCDs 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

	December 31, 2024	December 31, 2023
Description of Asset/(Liability)	USD	USD
Cash and cash equivalents	986,072	604,011
Short term investments	500,000	-
Accounts receivable	3,319	15,352
Less: Accounts payable	(387,463)	(1,355,966)
Net Total	1,101,928	(736,603)
Foreign Exchange Rate CAD per USD at the end of the year	1.4389	1.3226

At December 31, 2024, 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 $116,539 higher or lower on an after-tax basis, respectively (December 31, 2023 - $71,606 lower or higher, respectively).

Foreign Exchange Sensitivity Analysis - EUR

	December 31, 2024	December 31, 2023
Description of Asset/(Liability)	EUR	EUR
Cash and cash equivalents	1,677,342	686,448
Less: Accounts payable	(225,917)	(97,616)
Less: Customer advances	(396,900)	-
Net Total	1,054,525	588,832
Foreign Exchange Rate CAD per EUR at the end of the year	1.4928	1.4626

At December 31, 2024, 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 $115,703 higher or lower on an after-tax basis, respectively (December 31, 2023 - $63,300 higher or lower, respectively).

➢ **Interest Rate Risk:**

Cash flow interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in interest rates. Some of the Company's cash and cash equivalents as at the date of the Company's Consolidated Statements of Financial Position are invested in redeemable guaranteed investment certificates (each, a "GIC"), which earn interest at fixed rates during their tenure. The Company's short-term and long-term investments consist of non-redeemable GICs which also earn interest at fixed rates during their tenure. These GICs have original maturities of 9 to 36 months.

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 year. The Company actively manages the tenor of its GIC investments in order to maximize interest income over the short-term and long-term while maintaining the liquidity necessary to meet its operating, investing, and financing needs.

➢ **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 and long term investments, trade and other receivables, and loans receivable. The carrying amount of financial assets represents maximum credit exposure. As the Company invests in GICs with Canadian Chartered Banks, its credit risk on this account is negligible. The Company's loans receivable (*see Note 12*)

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

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

Aged Trade Accounts Receivable	December 31, 2024	December 31, 2023
Current	$ 1,686,276	$ 2,246,964
Past due 1-30 days	733,714	579,832
Past due 31-60 days	38,943	8,464
Over 60 days	136,822	55,074
Expected Credit Losses	(200,826)	(92,452)
Closing Balance *(Note 8)*	$ 2,394,929	$ 2,797,882
Maximum Credit Risk	2,595,755	2,890,334

As of December 31, 2024, one customer represents 49% of net trade receivables (December 31, 2023 - 42%) while another customer represents 18% of net trade receivables (December 31, 2023 - 19%), a third customer represents 14% of net trade receivables (December 31, 2023 - 10%), and a fourth customer represents 9% of net trade receivables (December 31, 2023 – 16%).

The Company has provided for expected credit losses of $200,826 (December 31, 2023 - $92,452) related primarily to disputed deductions on trade receivables adjusted for forward looking factors specific to certain Canadian pharmaceutical wholesale customers.

Cash, cash equivalents, short-term investments and long-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, subject to certain conditions, and are maintained with Canadian financial institutions of reputable credit and therefore bear minimal credit risk.

➢ **Liquidity Risk:**

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

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 including a revolving demand credit facility of $1,750,000 which it has not drawn down as at the date hereof, a foreign exchange facility, and credit card facilities totalling $30,000.

There were no changes to the Company's exposure to liquidity risk, credit risk, or interest rate risk or to its approach to managing these risks during the year ended December 31, 2024.

11. Long term Investments

	December 31, 2024	December 31, 2023
Non-redeemable GICs	$10,103,571	$2,500,000
Total long term investments	$10,103,571	$2,500,000

12. Loans Receivable

On December 8, 2016, the Board of Directors approved a Management Share Loan Program ("MSLP") under which the Company offered secured loans to certain management personnel employed by the Company (each a "Borrower") up to a maximum of fifty percent of each Borrower's base annual salary for the sole

purpose of their purchase of the Company's issued and outstanding common shares at prevailing market prices through the facilities of the TSX Venture Exchange.

	Loans Receivable ($)
Balance, December 31, 2022	416,769
Repayments	(158,766)
Accrued Interest	16,598
Balance, December 31, 2023	274,601
Repayments	(59,316)
Accrued Interest	13,288
Balance, December 31, 2024	**228,573**
Current portion, December 31, 2024	**87,433**
Non-current portion, December 31, 2024	**141,140**
Current portion, December 31, 2023	69,419
Non-current portion, December 31, 2023	205,182

All common shares of the Company purchased with the proceeds of a loan are required to be pledged as security for the satisfaction and performance of the loan obligations. If the Borrower ceases to be employed by the Company or a subsidiary of the Company prior to the end of the original maturity dates or the extended maturity date, as applicable, all outstanding loan obligations shall become due and payable on the thirtieth (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.

Subject to the pledge on the common shares in favour of the Company, the Borrower is the sole owner of all common shares purchased on its behalf pursuant to the MSLP. All proceeds from the sale of common shares acquired through the MSLP are expected to be directed to the Company until the loan obligations have been satisfied in full.

Interest receivable of $13,288 was accrued on the loans for the year ended December 31, 2024 (year ended December 31, 2023 - $16,598) at prescribed interest rates of 5.00% to 6.00% per annum (year ended December 31, 2023 - 4.00% to 5.00% per annum) and has been included in finance income on the Company's Consolidated Statements of Comprehensive Income.

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

13. Property and Equipment

	Furniture and Fixtures	Equipment	Computer Equipment	Computer Software	Right-of-Use Asset *(see Note 16)*	Leasehold Improvements	Total
COST:							
December 31, 2022	$ 254,939	$ 240,005	$ 359,709	$ 398,459	$ 1,330,455	$ 680,511	$ 3,264,078
2023 Additions	-	26,362	32,866	298	-	-	59,526
December 31, 2023	$ 254,939	$ 266,367	$ 392,575	$ 398,757	$ 1,330,455	$ 680,511	$ 3,323,604
2024 Additions	13,364	-	19,293	9,625	-	-	42,282
December 31, 2024	**$ 268,303**	**$ 266,367**	**$ 411,868**	**$ 408,382**	**$ 1,330,455**	**$ 680,511**	**$ 3,365,886**
ACCUMULATED DEPRECIATION:							
December 31, 2022	$ (169,165)	$ (145,308)	$ (267,108)	$ (339,464)	$ (443,486)	$ (226,511)	$ (1,591,042)
Changes in 2023	(17,155)	(23,925)	(32,711)	(17,744)	(133,046)	(68,051)	(292,632)
December 31, 2023	$ (186,320)	$ (169,233)	$ (299,819)	$ (357,208)	$ (576,532)	$ (294,562)	$ (1,883,674)
Changes in 2024	(14,422)	(21,071)	(30,721)	(13,909)	(133,046)	(68,051)	(281,220)
December 31, 2024	**$ (200,742)**	**$ (190,304)**	**$ (330,540)**	**$ (371,117)**	**$ (709,578)**	**$ (362,613)**	**$ (2,164,894)**
CARRYING AMOUNT							
December 31, 2022	$ 85,774	$ 94,697	$ 92,601	$ 58,995	$ 886,969	$ 454,000	$ 1,673,036
December 31, 2023	$ 68,619	$ 97,134	$ 92,756	$ 41,549	$ 753,923	$ 385,949	$ 1,439,930
December 31, 2024	**$ 67,561**	**$ 76,063**	**$ 81,328**	**$ 37,265**	**$ 620,877**	**$ 317,898**	**$ 1,200,992**

14. Intangible Assets

	New Product Dossier and Filing Costs	Product Licenses and Rights	New Product Development	Trademarks and Patents	Total
COST:					
December 31, 2022	$ 1,879,554	$ 1,017,212	$ 190,137	$ 114,711	$ 3,201,614
2023 Net Additions	100,371	-	14,333	-	114,704
December 31, 2023	$ 1,979,925	$ 1,017,212	$ 204,470	$ 114,711	$ 3,316,318
2024 Additions	4,451	4,617,665	141,475	-	4,763,591
2024 Disposals	(136,222)	-	-	-	(136,222)
December 31, 2024	**$ 1,848,154**	**$ 5,634,877**	**$ 345,945**	**$ 114,711**	**$ 7,943,687**
ACCUMULATED AMORTIZATION:					
December 31, 2022	$ (343,760)	$ (424,630)	$ (19,547)	$ (38,906)	$ (826,843)
Changes in 2023	(135,494)	(6,797)	(11,710)	(7,891)	(161,892)
December 31, 2023	$ (479,254)	$ (431,427)	$ (31,257)	$ (46,797)	$ (988,735)
Changes in 2024	(129,317)	(149,932)	(25,353)	(4,126)	(308,728)
December 31, 2024	**$ (608,571)**	**$ (581,359)**	**$ (56,610)**	**$ (50,923)**	**$ (1,297,463)**
ACCUMULATED IMPAIRMENT LOSSES:					
December 31, 2022	$ (713,341)	$ (461,366)	$ -	$ -	$ (1,174,707)
Changes in 2023	-	-	-	-	-
December 31, 2023	$ (713,341)	$ (461,366)	$ -	$ -	$ (1,174,707)
Changes in 2024	(152,773)	(178,691)	(86,455)	(12,097)	(430,016)
December 31, 2024	**$ (866,114)**	**$ (640,057)**	**$ (86,455)**	**$ (12,097)**	**$ (1,604,723)**
CARRYING AMOUNT					
December 31, 2022	$ 822,453	$ 131,216	$ 170,590	$ 75,805	$ 1,200,064
December 31, 2023	$ 787,330	$ 124,419	$ 173,213	$ 67,914	$ 1,152,876
December 31, 2024	**$ 373,469**	**$ 4,413,461**	**$ 202,880**	**$ 51,691**	**$ 5,041,501**

New Product Dossier and Filing Costs

Tibella®

In 2016, the Company entered into a License and Supply Agreement with a European partner to acquire the exclusive Canadian rights to use the product registration documentation of a women's health pharmaceutical product and a license to sell, market and distribute this product in Canada under the brand name Tibella®. The Company has marketed this product in Canada since 2020. To date, the Company has incurred $781,864 in regulatory and development costs related to this product (December 31, 2023 - $781,864). Such costs are included in intangible assets as New Product Dossier and Filing Costs and are being amortized on a straight-line basis over the 8-year estimated useful life of the product. On September 20, 2024, the Company acquired the global rights to tibolone, including its license for the Canadian rights to the product.

Combogesic®

In 2019, the Company entered into a License and Exclusive Supply Agreement with a New Zealand partner to acquire a license to market, sell and distribute a portfolio of pain management products in Canada under the brand name Combogesic®. The Company has marketed one of these products in Canada since 2020. To date, the Company has incurred $346,139 in regulatory and development costs (December 31, 2023 - $341,688) related to these products which are included in intangible assets as New Product Dossier and Filing Costs and were being amortized on a straight-line basis over the 15-year term of the License and Exclusive Supply Agreement.

For the year ended December 31, 2024, the Company recognized an impairment loss of $152,773 (year ended December 31, 2023 – $nil) related to certain new product dossier and filing costs, representing the excess of the carrying amount of these costs over their estimated recoverable amount. This impairment loss is included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income *(see Note 18)*. Additionally, certain new product dossier and filing costs, totalling $136,222, became recoverable upon the disposal of the underlying product rights by the Company during the year ended December 31, 2024 (year ended December 31, 2023 – $nil).

For the year ended December 31, 2024, $129,317 of amortization expense on New Product Dossier and Filing Costs (year ended December 31, 2023 – $135,494) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these assets (*see Note 18*).

Product Licenses and Rights

Tibelia® / Tibella® (tibolone) - Global Rights

On September 20, 2024, the Company entered into an Asset Purchase Agreement to acquire the global product distribution rights to Tibelia® / Tibella® (tibolone), a hormone replacement therapy drug for the treatment of the symptoms of menopause in women, from the trustees of Mithra Pharmaceuticals SA and Novalon SA (see *Note 5*). The total cost of these rights was $4,384,077, including cash purchase consideration of $4,213,123 plus professional fees of $426,999 less the settlement of certain prior licensing costs of $256,045. These assets are being amortized on a straight-line basis over their estimated 10-year economic life.

Endocrinology Product® - Canadian License

On June 12, 2024, the Company announced that it had entered into a Distribution Agreement with a European partner to acquire an exclusive license to register, market, sell and distribute a new endocrinology product in Canada. The Company paid an initial license fee of EUR 50,000 (CAD 73,295) upon signing the Distribution Agreement and is committed to additional license fee payments of EUR 50,000 (CAD 73,295) upon the regulatory submission of the product for Canada, and EUR 100,000 (CAD 146,590) upon the grant of the Marketing Authorization of the product in Canada. This product has not yet been approved by Health Canada. Amortization of these license fees will commence upon the commercial launch of the product in Canada.

Gelclair® - Canadian License

In 2022, the Company entered into a Distribution Agreement with a European partner to acquire an exclusive license to use certain trademarks and to distribute an oncology supportive care product in Canada. The Company paid an initial license fee of EUR 70,000 (CAD 94,192) upon signing the Distribution Agreement and an additional license fee of EUR 55,000 (CAD 80,625) in June 2024 subsequent to the launch of the Gelclair® product in Canada. The license fee was being amortized on a straight-line basis over 10 years.

Inofolic® - Canadian License

In 2020, the Company entered into an exclusive License and Supply Agreement to acquire the exclusive rights to distribute a women's health product, Inofolic®, in Canada and a license of certain trademarks and technology related thereto. The Company has marketed this product in Canada since 2023. The $30,000 cost of these rights and license is included in intangible assets as product licenses and rights and were being amortized on a straight-line basis over the initial license term to December 31, 2030.

For the year ended December 31, 2024, the Company recognized an impairment loss of $178,691 (year ended December 31, 2023 – $nil) related to certain product licenses and rights, representing the excess of the carrying amount of these assets over their estimated recoverable amount. This impairment loss is included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income *(see Note 18)*.

For the year ended December 31, 2024, $149,932 of amortization expense on Product Licenses and Rights (year ended December 31, 2023 – $6,797) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these assets (*see Note 18*).

New Product Development

As of December 31, 2024, the Company had incurred cumulative new product development costs consisting of labour, laboratory and professional fees totalling $345,945 (December 31, 2023 – $204,470) relating to the development of several new products, three of which have been launched commercially and are currently being marketed. The Company has commenced amortization of certain new product development costs upon the completion of development work.

For the year ended December 31, 2024, the Company recognized an impairment loss of $86,455 (year ended December 31, 2023 – $nil) related to certain new product development costs, representing the excess of the carrying amount of these costs over their estimated recoverable amount. This impairment loss is included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income *(see Note 18)*.

For the year ended December 31, 2024, $25,353 of amortization expense on New Product Development costs (year ended December 31, 2023 – $11,710) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these assets *(see Note 18)*.

Trademarks and Patents

As of December 31, 2024, the Company has incurred cumulative trademark and patent application and filing costs of $114,711 (December 31, 2023 – $114,711) relating to product registration application costs in various jurisdictions. These assets have finite lives and are being amortized on a straight-line basis over the terms of the respective trademarks and patents (ranging from 10 to 15 years).

For the year ended December 31, 2024, the Company recognized an impairment loss of $12,097 (year ended December 31, 2023 – $nil) related to certain new product development costs, representing the excess of the carrying amount of these costs over their estimated

recoverable amount. This impairment loss is included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income *(see Note 18)*.

For the year ended December 31, 2024, $4,126 of amortization expense on New Product Development costs (year ended December 31, 2023 - $7,891) has been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income in respect of these assets (*see Note 18)*.

15. Contract Liability

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

The table below summarizes changes in the contract liability for years ended December 31, 2024 and 2023:

	Contract Liability ($)
Balance, December 31, 2022	157,600
Estimated variable consideration	123,047
Settlement of variable consideration	(146,186)
Balance, December 31, 2023	**134,461**
Estimated variable consideration	129,573
Settlement of variable consideration	(108,868)
Balance, December 31, 2024	**155,166**

16. Lease Liability

The Company leases its head office space in Mississauga, Ontario, Canada. The Company's current office lease commenced on September 1, 2019 and extends to August 31, 2029. The Company has an option to extend this lease beyond the 10-year non-cancellable term for a further term of 5 years. As per IFRS 16 *Leases*, the Company has recognized a right-of-use asset in respect of this office lease based on a 10-year lease term *(see Note 13)*.

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

	Lease Liability ($)
Balance, December 31, 2022	**1,395,100**
Interest expense	68,411
Payments	(242,466)
Balance, December 31, 2023	**1,221,045**
Interest expense	59,152
Payments	(242,466)
Balance, December 31, 2024	**1,037,731**
Current portion, December 31, 2024	**196,627**
Long-term portion, December 31, 2024	**841,104**
Current portion, December 31, 2023	183,314
Long-term portion, December 31, 2023	1,037,731

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

Fiscal Year	Lease Payments
2025	$ 245,980
2026	$ 253,008
2027	$ 253,008
2028	$ 253,008
2029	$ 168,672
Total	$ 1,173,676

For the year ended December, 31, 2024, not included in the lease liability, the Company incurred occupancy costs, net of recoveries, related to its office leases of $146,439 (year ended December 31, 2023 - $133,046) which have been included in selling, general and administration expenses in the Company's Consolidated Statements of Comprehensive Income.

17. Share Capital

a. Authorized

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

b. Issued and outstanding common shares

	Number of Issued Common Shares	Number of Treasury Shares	Number of Outstanding Common Shares	Amount
Balance, December 31, 2022	**12,339,161**	**(241,300)**	**12,097,861**	**$ 5,367,432**
Options exercised (c)	9,348	-	9,348	130,184
Shares repurchased under NCIB for cancellation (d)	(394,100)	(6,000)	(400,100)	(173,775)
Shares repurchased for RSU Plan Trust and held in Treasury (e)	-	(25,000)	(25,000)	(183,720)
Net Release of shares from RSU Plan Trust upon RSU Vesting (g)	-	58,957	58,957	(17,771)
Balance, December 31, 2023	**11,954,409**	**(213,343)**	**11,741,066**	**$ 5,122,350**
Cancellation of shares held in Treasury	(6,000)	6,000	-	-
Options exercised (c)	28,107	-	28,107	489,850
Shares repurchased under NCIB for cancellation (d)	(487,300)	(5,000)	(492,300)	(224,092)
Shares repurchased for RSU Plan Trust and held in Treasury (e)	-	(30,800)	(30,800)	(265,617)
Release of shares from RSU Plan Trust upon RSU Vesting (g)	-	35,944	35,944	183,959
Balance, December 31, 2024	**11,489,216**	**(207,199)**	**11,282,017**	**$ 5,306,450**

c. Options exercised

During the year ended December 31, 2024, 28,107 common shares were issued against options exercised (year ended December 31, 2023 – 9,348 common shares) for total proceeds on exercise of $250,388 (year ended December 31, 2023 - $66,857) and $239,462 in fair value was transferred from contributed surplus to share capital (year ended December 31, 2023 - $63,327).

d. Normal Course Issuer Bid (NCIB)

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

On December 13, 2022, the Company announced that the TSX Venture Exchange had accepted its renewal of the NCIB, pursuant to which the Company would be permitted to purchase up to 690,000 of its own common shares for cancellation over a further 12-month period commencing on December 19, 2022 and ending on December 18, 2023. Purchases of shares by the Company under the NCIB are made through the facilities of the TSX Venture Exchange or alternative Canadian trading systems at the market price of the shares at the time of acquisition.

During the year ended December 31, 2023, the Company repurchased 400,100 of its common shares for an aggregate price of $3,064,898 and incurred costs of $4,001 related to the repurchase of these shares. The Company's retained earnings were reduced by $2,895,124 upon the repurchase of these shares, representing the excess of the aggregate repurchase price over the reduction in share capital of $173,775. Of the 400,100 common shares repurchased in 2023, 394,100 were cancelled during the year and 6,000 were held in treasury as of December 31, 2023 and were subsequently cancelled.

On December 13, 2023, the Company announced that the TSX Venture Exchange had accepted its renewal of the NCIB, pursuant to which the Company would be permitted to purchase up to 650,000 of its own common shares for cancellation over a further 12-month period commencing on December 19, 2023 and ending on December 18, 2024. Purchases of shares by the Company under the NCIB are made through the facilities of the TSX Venture Exchange or alternative Canadian trading systems at the market price of the shares at the time of acquisition.

During the year ended December 31, 2024, the Company repurchased 492,300 of its common shares for an aggregate price of $5,076,421 and incurred costs of $100,239, including a tax on share buybacks introduced in 2024, related to the repurchase of these shares. The Company's retained earnings were reduced by $4,952,568 upon the repurchase of these shares, representing the excess of the aggregate repurchase price over the reduction in share capital of $224,092. Of the 492,300 common shares repurchased

in 2024, 487,300 were cancelled during the year and 5,000 were held in treasury as of December 31, 2024 and were subsequently cancelled.

On December 16, 2024, the Company announced that the TSX Venture Exchange had accepted its renewal of the NCIB, pursuant to which the Company would be permitted to purchase up to 690,000 of its own common shares for cancellation over a further 12-month period commencing on December 19, 2024 and ending on December 18, 2025. Purchases of shares by the Company under the NCIB are made through the facilities of the TSX Venture Exchange or alternative Canadian trading systems at the market price of the shares at the time of acquisition.

e. RSU Plan Trust

During the year ended December 31, 2024, the Company purchased 30,800 of its common shares pursuant to its RSU Plan (*see note 17(g)*) for an aggregate purchase price of $265,617.

202,199 treasury shares are held in trust as of December 31, 2024 (December 31, 2023 – 207,343 shares) for future settlement of vested RSUs granted to employees, senior management, and directors of the Company.

f. Preferred Shares

There are nil preferred shares outstanding as of December 31, 2024 (December 31, 2023 – nil).

g. Share-Based Payments

Restricted Share Unit ("RSU") Plan

The Board adopted a Restricted Share Unit Plan on March 4, 2020, which was approved by shareholders on May 27, 2020 and 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.

The table below summarizes the RSUs granted during the years ended December 31, 2023 and 2024:

Grant Date	Number of RSUs Granted	Grant Price per Unit	Grantees	Vesting Term	Vesting Dates
31-Mar-23	62,378	$7.50	Management and Employees	3 Years	31-Mar-26
31-Mar-23	9,642	$7.50	Directors	3 Years	31-Mar-26 30-Jun-26 30-Sep-26 31-Dec-26
2023 Total:	**72,020**	**$ 540,150**			
27-Mar-24	55,976	$8.70	Management and Employees	3 Years	27-Mar-27
27-Mar-24	10,044	$8.70	Directors	3 Years	31-Mar-27 30-Jun-27 30-Sep-27 31-Dec-27
26-Aug-24	9,060	$10.21	Management	3 Years, subject to certain performance conditions	26-Aug-27
2024 Total:	**75,080**	**$ 666,877**			

The table below summarizes the RSUs vested during the years ended December 31, 2023 and 2024:

Vest Date	Number of RSUs Vested	Value transferred from Contributed Surplus to Share Capital	Number of Common Shares released from RSU Trust	Fair Value of Common Shares released from RSU Trust	Number of Common Shares withheld in RSU Trust	Fair Value of Common Shares withheld in RSU Trust	Net Settlement Amount
31-Mar-23	103,720	$ 374,429	51,858	$ 388,935	51,862	$ 388,965	$ (14,536)
30-Jun-23	7,086	$ 25,580	3,542	$ 26,522	3,544	$ 26,537	$ (957)
02-Oct-23	7,117	$ 25,692	3,557	$ 27,946	3,560	$ 27,970	$ (2,278)
2023 Totals:	**117,923**	**$ 425,701**	**58,957**	**$ 443,403**	**58,966**	**$ 443,472**	**$ (17,771)**
02-Jan-24	7,157	$ 25,837	3,577	$ 32,014	3,580	$ 32,041	$ (6,204)
19-Mar-24	56,031	$ 409,026	28,013	$ 238,111	28,018	$ 238,153	$ 170,873
01-Apr-24	2,164	$ 15,797	1,081	$ 9,394	1,083	$ 9,411	$ 6,386
02-Jul-24	2,175	$ 15,878	1,087	$ 10,870	1,088	$ 10,880	$ 4,998
30-Sep-24	2,183	$ 15,936	1,091	$ 11,954	1,092	$ 11,965	$ 3,971
31-Dec-24	2,192	$ 16,002	1,095	$ 12,045	1,097	$ 12,067	$ 3,935
2024 Totals:	**71,902**	**$ 498,476**	**35,944**	**$ 314,388**	**35,958**	**$ 314,517**	**$ 183,959**

As at December 31, 2024, there were 208,500 RSUs outstanding (December 31, 2023 – 203,798), as shown below:

	December 31, 2024		December 31, 2023	
	Number of RSUs	Weighted average grant price	Number of RSUs	Weighted average grant price
Outstanding, beginning of year	203,798	$7.75	244,123	$5.85
Granted	75,080	$8.88	72,020	$7.50
Dividend reinvestment	3,667	$8.25	6,105	$7.07
Vested	(71,902)	$6.93	(117,923)	$3.61
Forfeited	(2,143)	$7.89	(527)	$3.61
Outstanding, end of year	208,500	$8.44	203,798	$7.75

The weighted-average remaining contractual life of the 208,500 RSUs outstanding at December 31, 2024 is 1.41 years (December 31, 2023 – 1.35 years).

During the year ended December 31, 2024, the Company recorded aggregate share-based payment expense of $553,521 on the amortization of outstanding RSUs (December 31, 2023 - $510,042).

Incentive Stock Option Plan

On March 11, 2014, the Board approved an incentive stock option plan (the "**SOP**") which was adopted by the shareholders of the Company on June 13, 2014. The Board approved an amended SOP on March 4, 2020 which was approved by shareholders on May 27, 2020 and re-approved on May 26, 2021, May 17, 2022, May 25, 2023, and May 16, 2024. The purpose of the SOP is to assist the Company in attracting, retaining and motivating directors, officers, employees and other persons who provide ongoing services to the Company and its affiliates and to closely align the personal interests of such participants with those of the Company's shareholders, by providing them with the opportunity to acquire common shares of the Company, and thereby a proprietary interest in the Company and its subsidiaries, through the exercise of share purchase options.

No options were granted by the Company during the year ended December 31, 2024 or during the year ended December 31, 2023.

During the year ended December 31, 2024, the Company recorded $nil net share-based payment expense (year ended December 31, 2023 - $3,444) relating to previous option grants to employees, directors, officers and advisors under the SOP, which is included in selling, general and administration expenses in the Consolidated Statements of Comprehensive Income.

As at December 31, 2024, there were 124,282 options outstanding (December 31, 2023 – 154,947), as shown below:

	December 31, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	154,947	$8.44	164,295	$8.37
Granted	-	-	-	-
Exercised	(28,107)	$8.91	(9,348)	$7.15
Expired	(2,558)	$8.24	-	-
Outstanding, end of year	124,282	$8.34	154,947	$8.44

As of December 31, 2024, 124,282 options have vested and are exercisable by the option holders (December 31, 2023 – 154,947). These exercisable options have a weighted average exercise price of $8.34 (December 31, 2023 - $8.44).

The weighted-average remaining contractual life of the 124,282 (December 31, 2023 – 154,947) options outstanding is 2.52 years (December 31, 2023 – 3.43 years) and the range of exercise prices for these options is $6.20 - $10.97 (December 31, 2023 - $6.20 - $10.97).

28,107 options were exercised during the year ended December 31, 2024 (year ended December 31, 2023 – 9,348 options). The weighted average share price on the date of exercise of options exercised during the year ended December 31, 2024 was $11.04 (year ended December 31, 2023 - $8.50).

Employee Share Purchase Plan

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

During the year ended December 31, 2024, the Company recorded share-based payment expense of $108,137 (year ended December 31, 2023 - $94,912) relating to the Company's contributions to the ESPP for the purchase of common shares on behalf of participating employees. Such share-based payment expense related to the Company's ESPP contributions has been included in selling, general and administrative expenses in the Consolidated Statements of Comprehensive Income.

h. Dividends

During the year ended December 31, 2024, the Company paid cash dividends to common shareholders as follows:

Amount per Common Share	Payment Date	Record Date	Aggregate Amount	Amount held in RSU Plan Trust	Net Amount
$0.045	March 15, 2024	February 29, 2024	$533,259	$9,169	$524,090
$0.045	June 15, 2024	May 31, 2024	$530,520	$9,247	$521,273
$0.045	September 15, 2024	September 4, 2024	$530,634	$9,197	$521,437
$0.045	December 16, 2024	November 29, 2024	$522,039	$9,148	$512,891
		TOTAL:	**$2,116,452**	**$36,761**	**$2,079,691**

During the year ended December 31, 2023, the Company paid cash dividends to common shareholders as follows:

Amount per Common Share	Payment Date	Record Date	Aggregate Amount	Amount held in RSU Plan Trust	Net Amount
$0.040	March 15, 2023	February 28, 2023	$493,542	$9,652	$483,890
$0.040	June 15, 2023	June 2, 2023	$491,311	$7,578	$483,733
$0.040	September 15, 2023	August 31, 2023	$481,352	$8,436	$472,916
$0.040	December 15, 2023	November 30, 2023	$480,589	$8,293	$472,296
		TOTAL:	**$1,946,794**	**$33,959**	**$1,912,835**

18. Expenses by Nature

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

	Years ended December 31,	
	2024	2023
Cost of goods sold *(Note 9)*	$ 7,174,824	$ 5,992,359
Selling and marketing	$ 12,125,260	$ 11,884,054
Advertising, Promotion and Selling Costs	5,986,740	6,625,247
Employee Costs	5,186,142	4,252,542
Logistics, Quality Control & Regulatory	865,066	937,268
Share-based Payments *(Note 17)*	87,312	68,997
General and administration	$ 6,729,068	$ 6,124,818
Employee Costs	3,038,795	3,119,597
Corporate Expenses	839,538	884,737
Share-based Payments *(Note 17)*	574,346	539,401
Professional Fees	479,678	388,663
Impairment of Intangible Assets *(Note 14)*	430,016	-
Information Technology	384,117	287,052
Amortization - Intangible Assets *(Note 14)*	308,728	162,706
Depreciation - Property and Equipment *(Note 13)*	281,220	292,632
Insurance	203,527	163,328
Research and Development	171,373	83,271
Expected Credit Losses *(Note 10)*	136,491	140,317
Net Foreign Exchange Losses (Gains)	(118,761)	63,114
New business development costs	$ 248,681	$ 117,931
Finance costs	$ 59,152	$ 68,411
Interest expense - lease liability *(Note 16)*	59,152	68,411
Finance income	$ (1,088,586)	$ (1,131,124)
Interest Income	(1,088,586)	(1,131,124)

19. Earnings per Share

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

	Years ended December 31,	
	2024	2023
Numerator		
Net income attributable to common shareholders	$ 7,270,104	$ 6,460,127
Denominator		
Basic		
Weighted average number of shares outstanding	11,586,767	11,949,895
Effect of dilutive securities	221,109	220,515
Weighted average number of shares outstanding	11,807,876	12,170,410
Basic earnings per share	$ 0.627	$ 0.541
Diluted earnings per share	$ 0.616	$ 0.531

20. Contingencies

Litigations

From time to time, the Company may be exposed to claims and legal actions in the normal course of business. As at December 31, 2024, the Company was not aware of any litigation or threatened claims either outstanding or pending.

Combogesic® License and Exclusive Supply Agreement

Under the terms of the 2019 License and Exclusive Supply Agreement for Combogesic® *(see Note 14),* the Company is required to make royalty payments to the licensor based on net sales of the pain management products in Canada and contingent on the market share of competing products in Canada over the 15-year term of the agreement. The royalty rates range from 0% to 6.5% on net sales. For the years ended December 31, 2024 and 2023, such fees have been expensed and included in the Company's Consolidated Statements of Comprehensive Income.

Inofolic® License and Supply Agreement

Under the terms of the 2020 License and Supply Agreement for Inofolic® (see *Note 14*), the Company is required to make certain royalty payments to the Licensor equal to 6.00% of the estimated net selling price of the product, which are included in the per unit purchase price of product purchased by the Company from the Licensor. For the years ended December 31, 2024 and 2023, such fees have been expensed and included in the Company's Consolidated Statements of Comprehensive Income.

21. Commitments

Office Lease

The Company's current office lease agreement commenced on September 1, 2019 and extends to August 31, 2029 (*see Note 16*).

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

Fiscal Year	Annual Rent and Occupancy Costs
2025	$ 381,605
2026	$ 388,633
2027	$ 388,633
2028	$ 388,633
2029	$ 259,089
Total	$ 1,806,593

Purchase Commitments

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

22. Related Party Transactions

Key Management Personnel Compensation

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

The table below summarizes compensation for key management personnel of the Company for the years ended December 31, 2024 and December 31, 2023:

	Years ended December 31,	
	2024	2023
Number of Key Management Personnel	5	6
Salary, Benefits, and Bonus	$1,570,065	$1,777,806
Share-Based Payments	$323,136	$378,786

During the year ended December 31, 2024, the Company recorded share-based payment expense of $323,136 (year ended December 31, 2023 - $378,786) related to the amortization of RSUs granted to key management under the Company's RSU Plan, the vesting of options granted prior to 2020 under the Company's SOP, as well as the Company's contributions to the ESPP for the purchase of common shares on behalf of participating key management personnel.

As at December 31, 2024, there were loans receivable under the MSLP from key management personnel of $207,923 (December 31, 2023 - $274,601). MSLP loan repayments of $59,316 were received from key management personnel during the year ended December 31, 2024 (year ended December 31, 2023 - $135,306). Interest accrued on these MSLP loans during the year ended December 31, 2024 totalled $11,971 (year ended December 31, 2023 - $16,375).

Transactions with Directors

During the year ended December 31, 2024, the Company paid cash fees to its directors in the amount of $127,128 (year ended December 31, 2023 - $129,188) and recorded share-based payments expense for accounting purposes of $85,440 (year ended December 31, 2023 - $81,265) related to the amortization of RSUs under the Company's RSU Plan.

23. Capital Disclosures

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

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

December 31, 2024	$35,003,185
December 31, 2023	$34,759,756

The Company's principal objectives in managing capital are:

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

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

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

The Company does not have any externally imposed capital compliance requirements at December 31, 2024. There were no changes in the Company's approach to capital management during the year.

24. Credit Facilities

The Company has credit facilities available with Royal Bank of Canada including a revolving demand credit facility of $1,750,000, which has not been utilized as of December 31, 2024, a foreign exchange facility, and a credit card facility of $30,000. The revolving demand credit facility bears interest at a variable rate of Royal Bank prime plus 0.75% and has been secured with a General Security Agreement constituting a first ranking security interest of the Bank in the Company's property. The Company is subject to maintaining certain financial covenants if the demand credit facility is drawn upon.

25. Taxes

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

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

The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period. The operations are subject to income tax rates of 26.5% (2023 – 26.5%) in the Canadian jurisdiction, 22.1% (2023 – 22.1%) in the U.S. jurisdiction, and 9.0% (2023 - 5.5%) in the Barbados jurisdiction.

The reconciliation of the combined Canadian federal and provincial statutory tax rate of 26.5% (2023 – 26.5%) to the effective tax rate is as follows:

	2024	2023
Net Income Before Taxes	9,782,498	8,533,853
Combined statutory income tax rate	26.50%	26.50%
Expected income tax expense at current rate	2,592,362	2,261,471
Foreign tax differential	(43,212)	(62,559)
Non-deductible expenses	70,422	29,649
RSU deduction	(6,981)	(176,256)
Non-taxable portion of capital gains	(1,615)	-
Investment tax credits	(124,931)	-
Book to filing adjustment	8,506	(5,612)
Tax rate changes and other adjustments	17,843	27,033
Provision for tax	2,512,394	2,073,726
Current income tax expense	2,641,637	2,207,695
Deferred tax recovery	(129,243)	(133,969)
	2,512,394	2,073,726
Current income tax payable	(396,343)	(111,114)

Deferred tax:

Deferred tax assets have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax assets (liabilities):

	2024	2023
Balance at the beginning of the year	161,868	27,899
Recognized in profit/loss	129,243	133,969
Balance at the end of the year	291,111	161,868

Deferred tax balances:

	2024	2023
Contract liability	5,064	12,005
RSU shares in trust	377,071	345,311
Lease liability	274,998	323,577
Deferred tax assets	657,133	680,893
Equipment and intangibles	(201,489)	(319,235)
Right of Use Asset	(164,533)	(199,790)
Deferred tax liabilities	(366,022)	(519,025)

26. Segment Reporting

A segment is a component of the Company:

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

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

iii. for which discrete financial information available.

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

The revenue breakdown by business is provided below:

a. for both the pharmaceutical and insecticide business; and

b. for both Canadian and international jurisdictions

	Years ended December 31,	
	2024	2023
Canada		
Pharmaceutical Business	$32,931,149	$29,554,899
Insecticide Business	903,215	745,846
Total Canada	$33,834,364	$30,300,745
International Jurisdictions		
Pharmaceutical Business - Middle East	$929,975	$1,047,747
Insecticide Business - United States	266,558	241,810
Total International Jurisdictions	$1,196,533	$1,289,557
Total Revenue	$35,030,897	$31,590,302

For the year ended December 31, 2024, in the Canadian Pharmaceutical Business, net revenues from transactions with three major customers each amounted to 10% or more the Company's total revenues. The amount of revenues from each of these three customers totalled $13,173,251, $7,254,603 and $5,460,122, respectively, during 2024 (2023 – three customers with revenues of $11,816,097, $6,526,305 and $5,301,431 respectively).

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

	December 31, 2024	December 31, 2023
Canada	$16,836,681	$5,596,289
Barbados	51,689	61,169
Total Non-current Assets	$16,888,370	$5,657,458

27. Subsequent Events

Dividend Declaration

On January 30, 2025, the Company's Board of Directors declared a dividend of $0.05 per common share to shareholders of record on February 28, 2025 payable on March 14, 2025.

BioSyent Pharma Europe B.V.

On February 24, 2025, the Company established BioSyent Pharma Europe B.V., a wholly-owned subsidiary of BioSyent Inc., as a private limited company (*besloten vennotschap* / B.V.) domiciled in the Netherlands.

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Peter D. Lockhard (Lead Director)
Ontario, Canada

Stephen Wilton
Ontario, Canada

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