



BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS**

DATED JANUARY 30, 2023

The following analysis concerns the financial situation, operating results and cash flows of Bee Vectoring Technologies International Inc. ("BVT" or the "Company") for the years ended September 30, 2022, and 2021. The discussion should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended September 30, 2022 and 2021, and the related notes thereto. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are reported in Canadian dollars unless otherwise noted. These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available online at www.sedar.com.

Forward-Looking Statements

This document may contain forward-looking statements relating to the Company's operations or to the environment in which it operates, which are based on the Company's operations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict or are beyond the Company's control. A number of important factors including those set forth in other public filings could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they are made.

Forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions it believes to be not unreasonable in light of all of the circumstances. In some instances, material factors or assumptions are discussed in this MD&A in connection with statements containing forward-looking information. Such material factors and assumptions include, but are not limited to: the forecasted demand for the Company's products and services; the Company's success in obtaining patents for key technologies; the Company's success in expanding its product offerings; the Company's success in building differentiated applications and products; the ability of the Company to achieve rapid incremental customer growth; the Company's ability to retain key members of its management and development teams; and the Company's ability to access the capital markets. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this MD&A and, other than as required by law, the Company's disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

Business Overview

The common shares of the Company commenced trading on the Toronto TSX Venture Exchange under the stock symbol "BEE.V" on July 7, 2015. The Company's shares stopped trading (voluntarily) on the TSX Venture on August 20th, 2020 and commenced trading on the Canadian Stock Exchange (CSE) on August 21st, 2020, under the symbol "BEE.C".

BVT has commercialized a patented and patent pending technology specifically designed to utilize bees as natural delivery mechanisms for a variety of powdered mixtures comprised of organic compounds or currently used products which inhibit or eliminate common crop diseases, while at the same time promoting the growth of the same crops. This application process is without the use of water which is beneficial to areas under strict water management practices. In addition, independent companies can deliver their biocontrol's through the BVT platform allowing a broad spectrum of applications without significant capital costs for growers.

The Company is also developing new applications and thus new revenue stream opportunities for its proprietary beneficial microbe *Clonostachys rosea* Strain BVT CR-7 ("CR-7") such as foliar spray applications and applications on seeds.

More details can be found in the Company's Management Discussion and Analysis for the year ended September 30, 2021 and on the corporate website at www.beevt.com.

Seasonality of the business

The Company's business is seasonal and follows crop cycles. In particular the BVT system is used during the blooming period of the targeted crops, which for outdoor crops will occur once in a crop season -- once a year and may last only for a few weeks (eg. 6-8 weeks in the case of blueberries). For the berry crops in North America which are the initial targeted crops, this blooming period is between January (in the Southern growing regions) and May (in the Northern growing regions). This means that revenue will be initially generated during those early months of the year, and the rest of the year there may be minimal or no revenue.

As the business expands to other crops which bloom later in the year, into other geographies around the world which will have different crop seasons, and into greenhouse production where there may be multiple crops seasons in a year, the seasonality of the business will change.

Strategic Positioning

The Company is focusing on three key strategic priorities:

1. **Commercialization in the US:** continue to gain grower acceptance through trials and demos, and secure regulatory approvals which will drive revenue in the prioritized crops. The focus is initially in berry crops across the United States, followed by other pollinated crops including fruit and nut trees;
2. **Geographic Expansion:** use the know-how gained in the US to replicate the commercial success in other markets around the world which grow the targeted crops;
3. **Portfolio Expansion & Extension:** leverage the Company's core assets of BVT CR-7 and its honeybee and bumble bee dispenser systems to develop new revenue streams by developing additional products for delivery using bees, and new application methods for BVT CR-7 to address crop disease control needs in areas such as soil or late season leaf diseases where bees would not be a suitable delivery method since there are no flowers for them to visit.

To drive these priorities and build a sustainable business, the company is working on initiatives covering 4 areas of activity:

1. **Commercialization/Marketing** – the Company has proven the fit of its technology as a value-creating tool for growers in multiple crops and is aggressively pursuing commercialization. Activities in this area include market

development and expansion, refining the product offer, establishing value proposition and positioning in prioritized crops, generating demand with growers, marketing and generating revenue.

2. **Product Development & Innovation** – the Company is creating a new category in the crop protection area, and excellence in product development and innovation are critical for sustainable long-term success. Activities include field trials in prioritized crops from proof of concept through commercial demonstrations, portfolio expansion projects and building a competitive advantage through intellectual property.
3. **Regulatory & Approvals** – regulatory approvals will give the Company complete license to operate and allow it to capture full value for its technology. Secured approvals and licenses represent competitive barriers and enable discussions with third party partners to accelerate commercialization and market expansion. Activities include completing studies to prove the technology’s efficacy and safety, submitting and pursuing regulatory approvals in select markets by using a network of regulatory subject experts who understand and are connected to the relevant authorities.
4. **Corporate Development including Partnerships** – the Company has unique technology that it believes will create a new category in crop protection and enhancement. The Company intends to build a strong internal foundational asset base and exploit partnerships to accelerate and expand its business. These partnerships will bring various strategic benefits, such as preferred supply arrangements (e.g., for bees), in-licensing of additional bio-control agents, go-to-market partnerships, or strategic technology collaborations. Activities include building a high profile as an industry leader, a network of potential partners, and negotiating agreements that fill strategic needs and accelerate the business.

Milestones achieved during the year ended September 30, 2022 and to the date of this MD&A:

1. Commercialization in the US:

January 24, 2023 – The Company announced its first blueberry order in California. The Fresno-based customer will be using BVT’s proprietary Vectorite with CR-7 (*Clonostachys rosea* CR-7) biological fungicide and natural precision agriculture system on their blueberry crops and has also committed to a demonstration trial on their cherry orchards.

This newest customer was made aware of BVT’s effectiveness through contacts in Oregon who use the BVT system. The customer’s goals are to improve fruit quality, increase yield and better manage disease. Expanding the use of BVT’s system from blueberries to cherries will be highly efficient with almost no additional time or labor required since the cherry bloom will transition with the end of the blueberry bloom.

The opportunity for BVT in California is significant. The state is the country’s largest berry market: an estimated 55,000 acres of strawberries, blueberries, raspberries, and blackberries make up 30% of all American berry acreage.

August 4, 2022 – The Company announced the first California sales order of its proprietary Vectorite with CR-7 (*Clonostachys rosea* CR-7) biological fungicide and natural precision agriculture system with a strawberry and raspberry grower for one of the world’s largest berry companies.

This first sale milestone is a key component of BVT’s strategy to expand into the state of California, which is the largest growing region and our most significant market opportunity in North America. The opportunity in California includes several crops with an overall growing season which spans up to 10 months of the year, thus representing significantly larger and more diversified annual revenue streams for BVT.

The customer is a large, influential grower in the Watsonville and Salinas area. Their successful three-month demonstration trial of the BVT system last year and the resulting positive data were the main reasons for the customer to continue their business with BVT. Trial results showed the BVT system helped control fungal disease during the bloom period, which lead to healthier berries post-harvest that translated into real value for the berry company in higher quality packed berries and increased marketable yield.

The trial last year was also closely followed by the berry company, and clearly showed the BVT system’s high return on investment. ROI’s of 6x or higher are the expectation by growers for agricultural input technologies in specialty

crops like berries. Recent work is demonstrating ROI for the BVT system of 10x or higher, and this is driving conversion of new customers to the Company's system, including with this grower.

California is the country's largest berry market with an estimated 55,000 acres of strawberries, blueberries, raspberries and blackberries representing 30% of the berry acreage in the US. As a 100% organic product delivered 100% naturally, the BVT system dovetails perfectly into the California market, controlling disease and increasing yield while being exempt from residue testing requirements.

June 7, 2022 – The Company announced that it has accelerated sales commitments through a tripling of acres managed by its natural precision agriculture system in the US Pacific Northwest in FY2022 compared to the previous year. BVT is now working with 11 berry customers in Oregon and Washington on a total of 360 acres, including five paying customers and six growers conducting demonstration trials. These customers grow on more than 8,500 total acres in the region. Additionally, the Company is pursuing opportunities with growers who grow late-blooming varieties of berries.

This region has growers with large-scale operations, making progress here a key milestone for BVT's future growth. The growers with BVT managed acres in the Pacific Northwest in 2022 represent approximately a third of the 25,000 blueberry, blackberry and raspberry acres in the region.

May 11, 2022 – The Company announced its first US demonstration trial on stone fruit, with a conventional cherry grower in Washington. The trial began during the mid-April bloom period and will continue through summer harvest.

The United States is the world's second-largest cherry producer, second only to Turkey, with cherries representing the most acreage of all stone fruits. There are an estimated 85,000 acres of sweet cherries in the US, with Washington, California and Oregon growing almost 90% of the country's total yield. There are an additional 32,000 acres of tart cherries grown in the US, of which 75% are in Michigan. In addition to cherries, stone fruits include peaches, nectarines, plums, prunes, and apricots, all grown on more than 270,000 acres of farmland in the US.

The trial is being conducted to achieve a proof of concept for greater yield with BVT's natural precision agriculture system. It uses BVT's proprietary Vectorite™ with CR-7 (*Clonostachys rosea* CR-7) biological fungicide, applied through the process of bee vectoring directly onto cherry blooms.

Yield data will be available once crops are harvested in late spring and into summer.

April 20, 2022 – The Company announced positive progress in 2022 sales commitments from US growers. In just seven months into the fiscal year, the Company has invoiced growers in the Southeast region and secured commitments in the Northeast, Midwest, and Pacific Northwest – already increasing total sales year-over-year by 18%.

These positive results have been accomplished despite a very difficult farming environment in most regions. Volatile supply costs have seen fertilizer prices double over last year in several cases, and prices of fuel and other chemical products necessary to run farming operations have increased by up to 40%.

Furthermore, in Georgia, the Company's largest market last year, growers faced severe weather and hard freezes during the blueberry bloom period and this has had an impact on BVT sales as several growers have unfortunately experienced a partial or complete crop loss. The Company notes that many ag suppliers have lost significant quantity in the Georgia blueberry market, meaning their sales orders are dramatically lower than the previous year. BVT has successfully retained the same level of sales year-over-year in Georgia.

February 9, 2022 – The Company announced the results of the 2021 Rutgers R&D trial in New Jersey to assess the efficacy of BVT's proprietary Vectorite with CR-7 (*Clonostachys rosea* CR-7), applied with bee vectoring technology against blueberry anthracnose (*Colletotrichum acutatum*), the most damaging disease pathogen in eastern highbush blueberry production. The trial was conducted by Rutgers University's Specialty Crop Research and Extension Center and PE Marucci Blueberry Cranberry Research & Extension Center, a leading and grower-trusted research center in the US Northeast, during the 2021 growing season. Trial results showed BVT's honeybee system and biofungicide had an 8-27% reduction in the disease. The BVT system alone reduced Anthracnose infection in postharvest berries

by 27% compared to the control crop (no spray) and 8% compared to the grower standard application. The BVT system alone had better disease control than the current grower standard. The trial also resulted in 11-60% greater yield of healthy berries at postharvest. When the BVT system was used alone, the trial had 11% more healthy berries 10 days after harvest than a standard program, and 60% more than the control crop, which used no protection products. In both cases, BVT's biological fungicide CR-7 used alone showed higher biological efficacy than the conventional (chemical) fungicide programs.

November 4, 2021 – The Company wins IHS Markit's Crop Science award for best precision application technology innovation.

October 26, 2021 – The Company wins International Biocontrol Manufacturers Association's bronze Bernard Blum award for biocontrol innovation.

2. Geographic Expansion:

December 8, 2022 – The Company announced that the Company's proprietary *Clonostachys rosea* CR-7 (CR-7) biological fungicide has been submitted for regulatory review and approval in Canada. The submitted dossier includes CR-7 trial data already successfully completed, as well as studies into human safety, environmental impact, product efficacy and more, as required.

The Company was granted an experimental use permit (EUP) from the regulatory agency which allows us to conduct demonstration trials in multiple crops in Canada starting in 2023, even before the regulatory approval is obtained, which will create demand for its system and assist in quicker adoption once registration is granted.

For the past two years leading up to the submission, BVT worked with the Health Canada Pest Management Regulatory Agency (PMRA), Canada's agency for pesticide regulation, in pre-submission consultations to preemptively and successfully address additional tests that the Company learned would be expected, including efficacy trials, which should mean a more efficient review process.

October 6, 2022 – The Company announced the first paid demonstration trials of BVT's *Clonostachys rosea* CR-7 (CR-7) proprietary biological fungicide with two berry growers in Mexico. The trials will gather data on bee vectoring with CR-7 on common fungal diseases including Botrytis (gray mold).

Since submitting the registration dossier to Mexican regulatory authorities in April this year, BVT has been establishing strong relationships with Mexican growers. Currently, in addition to the two paid demonstration trials already planned, the team continues to work on securing more trials with farmers in Mexico for the upcoming growing season.

The 4-month trials will take place on two berry farms in the state of Guanajuato that currently use commercial bees. They will start by late October, timed with berry bloom periods.

July 14, 2022 - The Company announced it has signed a Memorandum of Understanding ("MOU") with Bioglobal A.S. ("Bioglobal") in Turkey to accelerate BVT's entry into the region, with an option to further expand into adjacent countries. Established in 2000, Bioglobal is a leading distributor of plant protection and plant nutrition products in Turkey, the Middle East and the Caucasus. Bioglobal has a long history of providing quality products and have well-established relationships with the region's growing community.

Bioglobal will move forward on registration trials of BVT's proprietary *Clonostachys rosea* CR-7 (CR-7) biological fungicide with Turkish authorities – these are official research trials that are a required part of regulatory submission. If successful, the two companies will work towards a commercial agreement to market and distribute BVT's natural precision agriculture system to growers across the region.

Turkey is an important producer of agricultural products, and bee pollination plays a vital role in Turkish agriculture with an estimated 300,000 bumble bee hives sold in the country annually. Eastern European countries are major

importers of Turkish produce. BVT's focus in Turkey will be to target strawberry and tomato growers, with plans to expand into oilseed such as rapeseed (canola), and other berries and vegetables.

This milestone represents another step in BVT's overall strategic plan to pursue geographic expansions to open new and diversified revenue streams using the expertise gained through increasing adoption of our technology in the US.

April 27, 2022 – The Company announced it has submitted its proprietary *Clonostachys rosea* CR-7 (CR-7) biological fungicide for registration in Mexico. The registration dossier was presented on April 19, 2022, at a meeting with COFEPRIS (The Federal Commission for Protection from Sanitary Risks), the Mexican health authority responsible for registration of plant protection products. The dossier included CR-7 trial data already completed in Mexico and studies into human safety, environmental impact, product efficacy and more, as required to support product registration.

Mexico's growers offer significant market potential for BVT's natural precision agriculture system: official statistics indicate that the country's production in 2019 included 41,600 acres of strawberries, 12,100 acres of blueberries and over 377,000 acres of tomatoes and peppers. In the same year, US imports of fresh and processed fruits and vegetables from Mexico amounted to US\$15.6 billion.

January 25, 2022 – The Company announced it is expanding into Peru, extending its presence into a major global blueberry market. The Company will also pursue other crops including avocados. Peru is the beachhead for BVT's entry into the South American market.

3. Portfolio Expansion & Extension:

January 10, 2023 - The Company and BioSafe Systems ("BioSafe") jointly announced a signed commercial agreement. BioSafe Systems, an industry leader in environmentally sustainable products, will offer a range of products based on BVT's *Clonostachys rosea* CR-7 (CR-7) proprietary microbe for use in foliar and soil drench markets in the United States, with future options to expand into Mexico and other countries.

BVT will provide technical grade CR-7 on a non-exclusive basis to BioSafe, who will develop and market end-use biological products for plant health and control of foliar and soil diseases. The new end-use products will build upon the expertise of both companies which have agreed to closely collaborate to expedite the time to market on all formulations and obtain any necessary regulatory requirements. The first product is expected to enter the market as early as the 2023 growing season.

The two companies had previously announced (**January 12, 2022**) they have signed a Memorandum of Understanding (MOU) where the companies have agreed to enter into detailed discussions on multiple business partnership projects that call upon each other's expertise. BioSafe and BVT are both leaders in the agricultural biologicals industry with a similar customer base, and offer services and products that are complementary to one another.

October 25, 2022 – The Company announced a partnership with Missouri-based Agri Spray Drones, a leading-edge provider of end-to-end agricultural drone solutions. To evaluate drone application of BVT's proprietary *Clonostachys rosea* CR-7 (CR-7) biological fungicide on large-acre crops such as soybeans, corn, alfalfa and canola.

"BVT has been primarily focused on delivering CR-7 via commercially-managed bees," said Ashish Malik, CEO of BVT. "Additionally, we have also been working on alternate delivery methods including foliar, soil-applied, seed treatment – and now drone applications. This exciting development is part of our overall strategy to maximize the utility of our core patented asset, CR-7, and expand its application into non-pollinated crops providing farmers an additional sustainable tool to control pathogens and improve yields."

In the new partnership, BVT and Agri Spray will evaluate drone delivery of lightweight CR-7 powder onto crops such as soybeans (which represents an 86 million acre opportunity in the US alone) and alfalfa. This will complement the seed treatment work BVT has also been focused on to enhance soybean crops, and holds potential to provide a season-long program for more efficient growth. Efficacy trials are ongoing and will continue into 2023.

October 12, 2022 – The Company announced its first sales commitment in the growing Controlled Environment Agriculture (“CEA”) market. This key customer is a leading industry innovator in indoor vertical farming with multiple US locations and will be conducting a paid pilot of the BVT system as a crop productivity tool.

CEA involves growing crops indoors in a highly conditioned environment as the most common forms are greenhouse and vertical farming. Entering this sector is a significant growth opportunity for BVT given the global CEA market was valued at over US\$74 billion in 2021 and is estimated to reach US\$125 billion by 2027.

This innovative agriculture method has several planet-friendly benefits. Farming vertically means 4-6 acres’ worth of crops can be grown in a single indoor acre.⁽²⁾ The ability to grow food closer to major population centers limits the carbon footprint that results from transportation across great distances. Plus, this process uses 70-90% less water than conventional outdoor methods, and requires significantly fewer pesticides, fertilizers and far less heavy machinery.

March 9, 2022 – The Company announced positive results in the progress of its proprietary biological control agent *Clonostachys rosea* strain CR-7 (“CR-7”) in the seed treatment market – a significant new revenue opportunity for the Company. The BVT trials conducted in 2021 were built on the positive results from the proof-of-concept work done in 2020 in both the US and Switzerland.

In the trials, soybean seeds were treated with CR-7 together with, and in comparison to, other seed treatment products before they were planted. The purpose of the seed treatment application is to help the seed and the germinating plant fight various soil pests and diseases, and to help with the emergence and vigor of the plant in its early stages, allowing the crop to better reach its genetic potential for yield. The advantage of this approach is precision: unlike foliar sprays, seed treatments get 100% of the product on the plant, and in some cases, impart properties that benefit the plant throughout the growing season.

Soybeans represent a significant market opportunity for BVT. There are 320 million acres planted worldwide, with 86 million in the US, 98 million in Brazil and 40 million in Argentina. BVT estimates about 80% of the soybeans in the US get a seed treatment before planting, including about 50% which get a biological inoculant treatment.

The seed treatment market is a specialized one with different channels in the major growing regions, where things like understanding the genetics of the seed varieties and relationships to the seed companies is important. It is a market which BVT intends to be a technology provider for partners to develop.

October 14, 2021 - announced its first commercial agreement with BIOGARD, a division of CBC (Europe) S.r.l., one of the leading bioprotectant companies in Europe. Through the agreement, BVT will have exclusive access to BIOGARD's biological insecticide *Beauveria bassiana* ATCC 74040 for bee vectoring uses throughout the European Union and Switzerland. The agreement will enable BVT to operate in the EU through the development and registration of a bee-vectoring product extension of an already-accepted biological active substance, rather than awaiting approval of a new active substance submission - a process that can take up to 3 years.

COVID-19

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

The agriculture industry is considered essential (for food supply), and while the Company is still able to service its customers, to date, the Company has been impacted as follows:

- 1) New sales impacted as travel restrictions have made it difficult to conduct demonstrations to growers – the most effective way for the Company to discuss and demonstrate its solution with new customers is through in-person interactions. The Company has a small field organization, so it relies on its sales and marketing personnel being able to travel across the US from Canada and within the US for its commercial efforts. Due to the travel restrictions through much of the spring and early summer this was not possible, and so the Company had to use a less effective “virtual” sales process to reach new growers. Despite these constraints the company was still able to penetrate new markets in the midwestern US and the Pacific Northwest, although with fewer growers than it was targeting. As travel restrictions ease, and word-of-mouth from the growers who did use the system spreads, the Company expects being able to reach a wider group of growers for the next season.
- 2) Product registration process has slowed – most government agencies around the world have been running with reduced staff and limited office space during 2020-2021. Regulatory review times have thus been affected in many countries across the industry. As an example, this has affected the timing on the regulatory approval project for the Company in Mexico: the agriculture and health authorities in Mexico have noted that there are delays in the dossier submission and review processes (they have not indicated how long the delays are). It may also have a lingering effect on other registration related activities for the company in the future.
- 3) R&D activities impacted by travel restriction and access to researchers and labs – many of the Company’s R&D activities involve doing studies with university researchers and third-party contract research organizations. These studies use lab space, and university researchers use student researchers to help conduct trials. Labs have had to curtail the amount of studies they can do while respecting social distancing requirements, and with the shortage of students, university researchers have less available labor for them to conduct studies. As a result, the Company has had to reduce the amount of trials it was planning on conducting and delay certain projects to a future date.

The Company will continue to assess the impact on its operations and make adjustments to navigate through the effects of the COVID-19 pandemic on the market and economy.

Based on the current events and circumstances known to us to date, which have resulted in economic uncertainty, we believe the Company is subject to a financing risk. Access to financing from the public markets may be more difficult as investors may be risk averse during times of economic uncertainty. In addition, as the Company has no material revenue, its ability to fund its operations is dependent upon its securing financing through the sale of equity or assets. See “Risk Factors” below.

Selected Annual Information

	Year ended September 30, 2022	Year ended September 30, 2021	Year ended September 30, 2020
Total revenues	\$496,743	\$399,080	\$288,868
Net loss ⁽¹⁾⁽²⁾	\$(4,932,060)	\$(4,122,579)	\$(6,715,391)
Net loss per share – basic ⁽³⁾⁽⁴⁾	\$(0.04)	\$(0.04)	\$(0.08)
Net loss per share – diluted ⁽³⁾⁽⁴⁾	\$(0.04)	\$(0.04)	\$(0.08)
	As at September 30, 2022	As at September 30, 2021	As at September 30, 2020
Total assets	\$5,922,267	\$5,252,607	\$2,470,377
Total non-current financial liabilities	\$907,027	\$157,254	\$80,629
Distribution or cash dividends ⁽⁵⁾	Nil	Nil	Nil

- (1) Loss from continuing operations, in total;
- (2) Net loss from operations, in total;
- (3) Loss from continuing operations, on a per-share and diluted per share basis;
- (4) Net loss from operations, on a per-share and diluted per-share basis; and
- (5) Declared per-share for each class of share.

Results of Operations

The following discussion of the Company's financial performance is based on the financial statements for years ended September 30, 2022 and 2021.

As at September 30, 2022 the Company had a cash and cash equivalents balance of \$210,301 (September 30, 2021 - \$2,710,805) and total current assets of \$3,268,686 (September 30, 2021 - \$2,925,259) (consisting of cash, sales tax and accounts receivable, financial assets (an equity swap), inventory and prepaid expenses and deposits). During the year, long term assets (equipment, intangible assets, and right of use assets) increased to \$2,653,581 from \$2,327,348 as the result of a lease extension which increased the right of use asset by \$339,951 from 2021. Liabilities at September 30, 2022 totalled \$2,161,320 (September 30, 2021 - \$722,079) and comprised of \$1,188,754 (September 30, 2021 - \$486,317) of trade payables and accruals, a lease liability of \$422,618 (September 30, 2021 - \$85,359), loans payable of \$60,000 (September 30, 2021 - \$150,403) and a convertible debenture of \$489,948 issued in 2022 as part of a financing arrangement. During the quarter, a government SBA loan was forgiven and resulted in a gain on forgiveness in the amount of \$26,762.

Working capital (deficiency), which is comprised of current assets less current liabilities, was \$2,014,393 at September 30, 2022 compared to working capital of \$2,360,434 at September 30, 2021.

Net loss in 2022 was \$4,932,060 compared to \$4,122,579 in 2021 as summarized further below.

Revenue and gross profit:

The company invoices and collects in USD since its customers are in the US. Sales are translated to CAD using the average exchange rate for the year.

	2022	2021	% Growth 2022 vs 2021
Sales in USD	\$ 394,300	\$ 315,678	+ 25%
Sales in CAD	\$ 496,743	\$ 399,080	+ 24%

Sales in 2022 in USD were 25% greater than in 2021. This growth represents significant progress in new markets which was somewhat offset by modest growth in Georgia, the Company's largest market where external factors contributed to difficult market conditions.

Overall, growth in markets other than Georgia blueberries was +78% which included first revenues in California, a quadrupling of revenues in the Pacific Northwest and a 46% growth in the Midwest and Northeast. This successful penetration of multiple markets across the US not only gives the Company significant growth opportunities for the future, but the diversification also makes it less susceptible to variability from external conditions which can have a strong impact on any given market – variability which can occur from time to time in agriculture related markets.

In Georgia, growers faced severe weather and hard freezes during the blueberry bloom period which had an impact on BVT sales as several growers unfortunately experienced a partial or complete crop loss. These challenges were in addition to high supply costs faced by the farmers which have seen fertilizer prices double over last year in several cases, and prices of fuel and other chemical products necessary to run farming operations increase by up to 40%. Despite these challenges BVT was able to grow by 4%, while many ag suppliers saw sales orders significantly lower.

Overall gross margins improved to 50% in 2022 compared to 42% in 2021. Improvements in gross margin were driven by lower cost of production of BVT's *Clonostachys rosea* strain BVT CR-7 and an increase in sales of the Company's honeybee system which carries a better margin than its bumble bee system.

Below is a summary of the results for the years ended September 30, 2022 and 2021:

	2022	2021
Sales	\$ 496,743	\$ 399,080
Cost of sales	250,458	232,578
Gross profit	246,285	166,502
Expenses		
Office and general (i)	2,377,341	2,405,136
Investor and public relations (ii)	419,105	407,518
Sales, advertising and marketing (iii)	542,377	587,145
Share based payments (iv)	543,029	357,489
Trials, research and development (v)	914,874	575,779
Royalty payments	1,569	2,677
Loss before other items	(4,552,010)	(4,169,242)
Loss on foreign exchange	(46,480)	(11,385)
Write-off of abandoned patents	(38,968)	(1,181)
Gain on sale of equipment	9,754	-
Loss on settlement of debt	(53,006)	-
Gain on forgiveness of government grant	26,762	38,353
Unrealized loss on swap agreement (vi)	(500,115)	-
Realized loss on swap agreement (vi)	(53,041)	-
Change in fair value of debenture (vii)	305,716	-
Interest expense	(30,672)	-
Other income	-	20,876
Net loss	\$ (4,932,060)	\$(4,122,579)

(i) Office and general:

Office and general remained in line with a couple notable exceptions. An increase in salaries as the Company hired additional personnel to support the increase in business activity. This increase was offset by a reduction in using external consultants. Depreciation increased due to an increase in equipment acquired, and a slight increase in travel as COVID restrictions eased.

(ii) Investor and public relations: The Company undertakes various initiatives in order to market and communicate with investors and to educate the public on the Company and its products. The expense fluctuates depending on the timing of the marketing campaigns.

(iii) Sales advertising and marketing: The Company targeted various business development opportunities through these sales and marketing initiatives including demonstrations of the technology. These costs are anticipated to increase further as COVID restrictions are removed and the company invests in commercialization activities.

(iv) Share based payments: Represents the value of options and RSUs that vested during the period. During the period, the Company granted more options to purchase common shares of the Company to and officers and director that in the prior period. This is a non-cash expense.

(v) Trials, research and development: This expense relates to regulatory approval associated work, lab research and trials of BVT's crop inoculation products and bee delivery platform.

(vi) The Company entered into a financing arrangement that included an equity swap (the "Swap") component (see details in note 4 to the annual audit financial statements for the year ended September 30, 2022). The Swap gets adjusted to its fair value each reporting period, and the resulting unrealized gain or loss is recorded in the statement of loss. Similarly, there may be a realized gain or loss resulting from the swap payments.

(vii) As part of a financing arrangement the Company issued convertible debentures. The debentures are adjusted to their fair value each reporting period, and the resulting unrealized gain or loss is recorded in the statement of loss.

Summary of quarterly results

Three Months Ended	Net Revenues (\$)	Net Loss	
		Net loss (\$)	Basic and Diluted (Loss) Per Share (\$)
30-Sept-22	17,564	(1,410,201)	(0.01)
30-June-22	153,629	(926,386)	(0.01)
31-Mar-22	285,568	(1,513,400)	(0.01)
31-Dec-21	39,982	(1,082,073)	(0.01)
30-Sept-21	-	(1,153,125)	(0.01)
31-June-21	64,178	(1,132,614)	(0.01)
31-Mar-21	334,902	(959,407)	(0.01)
31-Dec-20	-	(877,433)	(0.01)

Liquidity and Capital Resources

As at September 30, 2022, the Company had a working capital of \$2,014,393 (September 30, 2021 – working capital of \$2,360,434), being defined as current assets less current liabilities. The decrease in working capital has occurred due to funds deployed in operations, as the Company is not yet cash flow positive.

In fiscal 2022, the Company used cash of \$2,895,009 in operating activities, compared with \$2,850,054 in 2021.

In fiscal 2022, the Company used cash of \$178,738 in investing activities, compared to \$351,979 in 2021. The main components of this were \$125,104 of costs related to regulatory approvals, patent registrations and development costs (2021 - \$160,580). The Company also spent \$99,833 for the purchase of equipment (2021 - \$191,399). These cash outflows were partially offset by the proceeds from the sale of equipment in the amount of \$46,199.

During 2022, the Company collected \$446,959 from the Swap arrangement, \$264,600 from the issue of shares and warrants, and \$50,000 from the exercise of options and warrants. These proceeds were offset by loan repayments in the amount of \$63,860, share issuance costs of \$34,515 and lease payments of \$82,812, for total cashflow from financing activities of \$580,372.

The Company's monthly burn rate on average, which was calculated as cash spent per month in operating activities, was approximately \$245,000. At its current operating level, the Company will not have sufficient funds generated from ongoing operations to cover short-term operational needs. The Company expects to still operate at a loss for at minimum the next 12 months. As such, the Company will need additional future financings for costs related to operations, maintaining its patents, conducting trials and its growth strategy. The Company will plan future financings as required through the sale of debt and (or) equity. The Company has been successful in the past at raising necessary funds but the timing and ability to do so will depend on the liquidity of the financial markets, economic conditions, as well as the acceptance of investors to small cap companies. There can be no guarantee that the Company will be able to continue securing any required financing.

Since obtaining EPA approval in August 2019, the Company commenced generating sales, has continued to sign new sales agreements, and expects future sales to help with liquidity issues.

The primary need for liquidity is to fund working capital requirements of the business, including operating costs, and maintaining the Companies patents. The primary source of liquidity has primarily been private financings and, to a lesser extent, by cash generated from the exercise of warrants and options.

The Company has no financial commitments or obligations other than a lease for office space and production facility. The Company leases office space for their headquarters in Mississauga Ontario. The original lease terms expired in October 2020 and has been extended with annual minimum lease payments as follows:

Year	Minimum lease payment
2023	95,464
2024	99,144
2025	102,221
2026	105,327
2027	108,432

The Company has no capital expenditure commitments and has the ability to reduce or increase its research and development activities and other discretionary costs depending on the level of available funds.

The Company can maintain a sufficient level of inventory to meet expected sales demand.

Overall, given the working capital at September 30, 2022, the Company does not have enough to maintain at minimum the next 12 months.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of BVT including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Related Party Transactions

Key management includes members of the board, the Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the years ended September 30, 2022 and September 30, 2021:

	2022	2021
*CEO fees and expense reimbursements (i)	\$368,157	\$ 308,501
*CFO fees (ii)	30,000	5,000
*Consulting fees charged by a Chelsian Sales & Service (iii)	56,000	40,000
*Consulting fees charged Flueckiger Consulting (iv)	-	22,079
*Consulting fees charged Exelerate Inc. (vii)	49,348	20,000
Shares based payments - Options	303,800	53,350
Share based payments - RSUs	13,750	263,200
	\$821,055	\$ 712,130

**represents key management remuneration*

- (i) Salary and/or consulting fees paid to the CEO for services rendered was USD \$245,208 in 2022 compared to USD\$275,000 in 2021. The CEO also received USD 43,045 towards health benefits. As at September 30, 2022, \$93,565 (September 30, 2021 - \$20,438) is owed to the CEO for past fees and health benefits. The CEO also received RSUs with a fair value of \$60,500 (2021 - \$124,000) which have not yet vested and are not included in share based payments. On August 16, 2022, \$101,333 of amounts owing to the CEO was settled with the issuance of 596,078 common shares.
- (ii) Consulting fees charged by CFO Advantage Inc, a corporation owned by the CFO of the Company, for services of the Chief Financial Officer. As at September 30, 2022 \$5,650 (2021 –\$325) was owed to CFO Advantage Inc. On August 16, 2022, \$16,950 of amounts owing to the CFO was settled with the issuance of 99,706 common shares. In 2021 the CFO also received RSUs that vested with a fair value of \$37,200 which was included in share based payments
- (iii) Consulting fees charged by Chelsian Sales & Service Inc (“Chelsian”), a corporation owned by a director, for assisting with day-to-day operations. As at September 30, 2022 \$1,300 (2021 –\$1,300) was owed to Chelsian. The director also received RSUs that vested with a fair value of \$233,750 (2021 - \$31,000) which have not yet vested. On August 16, 2022, \$39,550 of amounts owing to Chelsian was settled with the issuance of 232,647 common shares.
- (iv) Consulting fees charged by Flueckiger Consulting, a corporation owned by a former director of the Company, for reviewing product development and marketing plans, reviewing data from trials, and other services as required In fiscal 2021, the former director also received RSUs that vested with a fair value of \$31,000 which is included in share based payments.
- (v) The Company employs a relative of a director of the Company as sales manager. During the year ended September 30, 2022, the employee earned a salary and benefits of \$116,600 (2021 - \$109,798).
- (vi) Consulting fees charged by Exelerate Inc, a corporation owned by a director of the Company, for governance and business development services. The director also received RSUs that vested with a fair value of \$13,750 (2021 - \$40,000) and options with a fair value of \$16,275 which are included in share based payments.

Proposed Transactions

As at the date of this MD&A there are no proposed transactions.

Accounting Estimates and judgements

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain.

The estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Estimates

Useful life of equipment, right-of-use asset and intangible assets

Depreciation and amortization of equipment, right-of-use asset and intangible assets with finite lives are dependent upon estimates of useful lives and when the asset is available for use, which are determined through the exercise of judgment and are dependent upon estimates that take into account factors such as economic and market conditions, frequency of use, anticipated changes in laws and technological improvements.

Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of stock options and of common share purchase warrants issued. The model requires the input of subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. Estimates are used for valuing RSUs granted for determining vesting dates when RSU's are granted with vesting conditions that are based on non-market performance conditions and milestones.

Embedded derivatives

As part of assessing whether an instrument is a hybrid financial instrument and contains an embedded derivative, significant judgement is required in evaluating whether the host contract is more akin to debt or equity and whether the embedded derivative is clearly and closely related to the underlying host contract. The Company concludes that the host instrument of the convertible debentures is a debt host due to the holder's right to redeem the instrument for cash at a point in time in the future. The Company determines that the conversion option is not closely related to the debt host, and that the conversion option is required to be separated from the host instrument and accounted for as an embedded derivative due to the variability in the number of shares issuable under the convertible debentures. In applying its judgement, the Company relies primarily on the economic characteristics and risks of the instrument as well as the substance of the contractual arrangements.

The initial fair values of the embedded derivative conversion options and subsequent re-measurements at fair value at each reporting date are determined by using the Black-Scholes pricing model which requires exercise of judgment in relation to variables such as expected volatilities in share price and foreign exchange rates.

Judgments

Capitalization of development costs

Initial capitalization of development costs is based on management's judgment that technological and economic feasibility is confirmed, usually when the product development project has reached a defined milestone according to an established project management model.

Capitalization of regulatory costs

Initial capitalization of regulatory costs is based on management's judgment that future economic benefits attributable to the Companies assets will flow to the Company.

Functional currency

In concluding on the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

Income taxes and recoverability of potential deferred tax assets

Income taxes and tax exposures recognized in the consolidated financial statements reflect management's best estimate based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference. In addition, when the Company incurs losses for income tax purposes, it assesses the probability of taxable income being available in the future based on its budgeted forecasts. These forecasts are adjusted to take into account certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Going concern

The Company applies judgment in assessing whether material uncertainties exist that would cause doubt as to whether the Company could continue as a going concern.

Convertible debentures

Judgement is required in determining the classification of financial instruments issued in the financing transaction as liabilities or equity.

Financial Instruments

Fair Value

Financial instruments of the Company as at September 30, 2022 and September 30, 2021 consist of cash, accounts receivables, financial asset at fair value through profit and loss, accounts payable and accrued liabilities, convertible debentures and loans payable. There are no significant differences between the carrying amounts of the cash, accounts receivables and accounts payables and accrued liabilities reported on the consolidated statements of financial position and their estimated fair values because of the short-term maturities of these items. Loans payables are recognized initially and subsequently at amortized cost and approximate fair value due to the market rate of interest applied. Financial asset at fair value through profit and loss and convertible debentures are revalued at each reporting date based on level 3 inputs in the fair value hierarchy as disclosed in Note 4 and 12.

Fair value hierarchy

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Company's risk exposures and their impact on the Company's financial instruments are summarized below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, foreign exchange risk, commodity price risk and other price risk, such as equity risk. Financial instruments affected by market risk include cash deposits.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of a change in foreign exchange rates. The Company is exposed to foreign currency risk on cash, other receivables and accounts payable and loans denominated in U.S. dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at September 30, 2022, the Company had \$(2,945) of net financial instruments denominated in U.S. dollars. The effect on comprehensive loss before income tax of a 10% change in the foreign currency against the Canadian dollar on the above-mentioned net monetary assets and liabilities of the Company is estimated to be an increase/decrease of \$294, assuming that all other variables remained constant.

Interest rate risk

The Company is exposed to insignificant interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short-term nature of interest-bearing cash. The Company does not have any debt that bears variable interest rates.

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 obligations. The Company's maximum exposure to credit risk at the end of the reporting period is the carrying value of its cash and accounts receivable and the face value of its asset carried at fair value through profit and loss, being \$3,800,000. Cash is held with both financial institutions in Canada and the United States, and management believes that exposure to credit risk is not significant. The Company manages its credit risk related to trade and other receivables by establishing procedures to establish payment terms and approval policies of customers. In the opinion of management, the credit risk is moderate, and no credit losses are expected.

Price risk

The Company is exposed to price risk. Price risk is the risk that the commodity prices that the Company charges are significantly influenced by its competitors and the commodity prices that the Company must charge to meet its competitors may not be sufficient to meet its expenses. The Company reduces the price risk by ensuring that it obtains information regarding the prices set by its competitors to ensure that its prices are appropriate to the unique attributes of its product and services. In the opinion of management, the price risk is low and is not material.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. See note 1 for further disclosure on the going concern assumption.

The Company's accounts payable and accrued liabilities are subject to normal trade terms and have contractual maturities payable within 30 days for 2022 and 2021.

At September 30, 2022, the Company has current assets of \$3,268,686 (September 30, 2021- \$2,925,259) and current liabilities of \$1,254,293 (September 30, 2021 – \$564,825) resulting in working capital of \$2,014,393 (September 30, 2021 – working capital (\$2,360,434)).

Disclosure of Share Capital

As at the date of this report the Company had 133,501,369 common shares issued and outstanding.

As at the date of this report the Company had 36,938,424 share purchase warrants outstanding.

As at the date of this report the Company 19,569,271 stock options and RSUs outstanding.

Risks

See risk section detailed in the Company's filing statement as filed on SEDAR on June 1st, 2015.