



Management's Discussion & Analysis

Fiscal Year Ended March 31, 2025

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PRELIMINARY NOTES

This management's discussion and analysis of financial position and results of operations (**MD&A**) of Medexus Pharmaceuticals Inc. and its subsidiaries (collectively **Medexus** or **Company**) relates to the fiscal year ended March 31, 2025. It was approved by Medexus's board of directors (**Board**) on June 25, 2025.

The audited consolidated financial statements of Medexus for the fiscal year ended March 31, 2025 were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (**IFRS Accounting Standards**). This MD&A should be read in conjunction with Medexus's most recently filed audited consolidated financial statements and most recently filed annual information form (**AIF**).

Throughout this MD&A, 12-month periods (ended March 31) are sometimes referred to as "financial years" or "fiscal years" and three-month periods within each fiscal year are sometimes referred to as sequentially-numbered "financial quarters", "fiscal quarters", or "fiscal QXs" (with fiscal Q4s ended on March 31). For example, the fiscal year ended March 31, 2025 is referred to as "fiscal year 2025" and the quarter ended March 31, 2025 is referred to as "fiscal Q4 2025".

Unless the context otherwise requires, all financial information in this MD&A is presented on an IFRS Accounting Standards basis and all amounts are presented in US dollars.

Forward-looking statements

Certain statements in this MD&A contain forward-looking information within the meaning of applicable securities laws, also known and/or referred to as "forward-looking information" or "forward-looking statements". Such forward-looking statements include statements that express or involve discussions as to expectations, beliefs, plans, targets, objectives, assumptions, or future events or performance, and which are not historical facts. Forward-looking statements are often, but not always, indicated by words, phrases, or expressions such as "anticipates", "believes", "budget", "potential", "targets", "could", "estimates", "expects", "forecasts", "goals", "intends", "may", "might", "objective", "outlook", "plans", "projects", "schedule", "should", "will", "would", "prospects", and "vision", or similar words, phrases, or expressions. All forward-looking statements in this MD&A are expressly qualified by the cautionary statements in this section.

Specific forward-looking statements in this MD&A include, but are not limited to, information contained in statements regarding any of the following: Medexus's business strategy, outlook, and other expectations and plans regarding financial or operational performance, including those specific to GRAFAPEX™ (treosulfan) for Injection, in particular in light of investments in the recent commercial launch of GRAFAPEX (discussed below in this MD&A); future growth, revenues, and expenses, including in respect of the commercialization of GRAFAPEX and also in respect of IXINITY, the IXINITY manufacturing process improvement initiative (including the occurrence or timing of any further investments in that initiative), and Medexus's other leading products; the expected benefit to Trecondyv® (treosulfan for injection) of the listing agreements for public reimbursement with provincial health services in Ontario, Quebec, and British Columbia, including in respect of product-level revenue; Medexus's ability to pay dividends, distributions, and other cash amounts in respect of Medexus's outstanding securities and other instruments, including the BMO Credit Agreement (defined below), and the Company's related capital allocation and capital management strategies; Medexus's overall capital allocation strategy, including expectations

regarding availability of funds from operations, cash flow generation, and capital allocation, and also including expectations regarding cash needs, capital requirements, and needs for and ability to secure additional financing (whether in addition to the January 2025 public offering of Medexus's common shares (**Common Shares**) discussed below in this MD&A or otherwise); anticipated trends and challenges in Medexus's business and the markets in which it operates, including in respect of the Company's competitive position in and demographics of those markets, the Company's product pricing strategies, and product opportunities available to the Company, and, in particular, Medexus's ability to secure and fund commercialization rights to promising products and the performance of those products against expectations; the ability of Medexus and its business partners to secure regulatory approvals from the US Food and Drug Administration, or FDA, Health Canada, and other agencies when required, and the legislative, regulatory, and policy environment in the United States (including in light of the outcome of the November 2024 federal elections, the executive orders issued by the current US administration, and the evolving international trade situation, in particular the occurrence, timing, magnitude, and potential applicability of tariffs or restrictions on or otherwise affecting the Company's products or components of those products) and Canada (including in respect of potential expanded prescribing authority for pharmacists) and any related evaluation of the potential impact of these developments on the Company's revenue and cost structure (including on measures such as gross margin and related or derivative measures); and the impact of Medexus's balance-sheet and cost management strategies and any benefits from those strategies.

In addition, forward-looking statements in this MD&A also include statements regarding the potential benefits of GRAFAPEX, among other Medexus products; expectations regarding milestone and royalty payments that are, will, and could in future become payable under the GRAFAPEX Agreement; and expectations regarding the commercialization of GRAFAPEX and the product's prospects and performance, including in respect of its potential adoption and use in the United States and the product-level revenue to be generated from and operating expenses associated with its commercialization in the United States (including expectations that GRAFAPEX will be accretive to quarterly operating cash flows by fiscal Q4 2026), together with related measures such as gross margin (and other related or derivative measures), and key commercial performance measures (specifically including the occurrence, timing, and rate of changes in key commercial performance indicators), the product's level of contribution to allo-HSCT in the United States, and its, and the Company's, potential competitive position; and anticipated trends and potential challenges in the market in which the product is expected to compete. Forward-looking statements in this MD&A include statements regarding the potential effects of the Company's termination of the US Gleolan Agreement (defined below), including any informal and/or formal dispute resolution processes that the parties could continue to pursue in future, and otherwise regarding the business relationship of the parties in the United States and Canada.

The forward-looking statements and information included in this MD&A are based on Medexus's current expectations and assumptions, including factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, and including assumptions based on regulatory guidelines, historical trends, current conditions, and expected future developments.

In particular, and without limiting the generality of the foregoing, Medexus's estimate of product-level revenue from commercialization of GRAFAPEX is based on assumptions regarding the following, among others: current and potential eligible patient populations and numbers of associated medical procedures (including related treatment, dosage, and other medical

practices) in the United States; the current US treatment landscape and current US competitive dynamics, including assumptions regarding potential future changes to each; market access dynamics and the level and speed of product uptake, including any consequences of the delay in having secured FDA approval and commercial availability of the product in the US market; Medexus's planned product pricing strategies, including the wholesale acquisition cost for GRAFAPEX (which will likely change from time to time over the life cycle of the product), and reimbursement strategies, including the share of utilization in outpatient settings, in particular under government programs such as the "340B Drug Pricing Program", and trends in hospital and other institutional management of "340B" and other government program mechanisms, which can introduce and affect exposure to pricing risk; the nature, occurrence, timing, and outcome of Medexus's investments in personnel and infrastructure to support its commercialization initiatives in support of GRAFAPEX and the nature and success of those initiatives; and the relevance and applicability of Medexus's experience commercializing Trecondyv in the Canadian market to commercialization of GRAFAPEX in the United States. The success of Medexus's planned commercial, market access, and medical strategies will depend in part on the US regulatory landscape and related dynamics, including potential future changes to each, and can introduce and affect exposure to commercial, legal, and regulatory risk. See also "Risk Factors and Risk Management—Possible failure to realize benefits of the GRAFAPEX Agreement".

Forward-looking statements are provided in this MD&A for the purposes of presenting information about management's current expectations and assumptions relating to the future, and the reader is cautioned that information may not be appropriate for other purposes and to not place undue reliance on these forward-looking statements because of their inherent uncertainty and to appreciate the limited purposes for which they are being used by management. Although Medexus believes that the expectations and assumptions upon which the forward-looking statements are based are reasonable in the circumstances based on information currently available to management, readers of this MD&A should not place undue reliance on the forward-looking statements and information in this MD&A as Medexus can give no assurance that they, or the expectations and assumptions on which they are based, will prove to be correct. Forward-looking statements and information involve inherent risks and uncertainties because they address or relate to future events and conditions.

For example, in respect of Medexus's estimate of product-level revenue from commercialization of GRAFAPEX, see "Risk Factors and Risk Management—Possible failure to realize benefits of the GRAFAPEX Agreement" in this MD&A and "Risk Factors—Risks relating to the business—Business plan execution" in the AIF. Actual results could differ, and could differ materially, from those currently anticipated by Medexus and contemplated by the forward-looking statements, whether as a result of one or more of a number of factors, risks, and uncertainties or otherwise. Relevant risks and uncertainties include, among other things, the uncertainties inherent in research and development conducted by Medexus or, more frequently, its business partners, including the ability to meet anticipated clinical endpoints, commencement and/or completion dates for clinical trials, regulatory submission dates, regulatory approval dates, and/or launch dates, as well as the possibility of unfavorable new data and further analyses of existing data; the risk that data relating to products or product candidates are subject to differing interpretations and assessments by regulatory authorities or other third parties; whether regulatory authorities or other third parties will be satisfied with the design and methodology of and results from relevant studies of a given product or product candidate; whether and when drug applications may be filed in a given market for the relevant product; whether and when any such applications may be

approved by regulatory authorities, which will depend on many factors, including determinations as to whether the product candidate's benefits outweigh its known risks and determinations of the product candidate's efficacy and cost effectiveness in the context of a given facility (which varies by facility type); decisions by regulatory authorities impacting labeling, manufacturing processes, safety, and/or other matters that could affect the availability or commercial potential of the product; and, if approved, whether the product will be commercially successful, including as a result of competitive developments; and the outcome of any court decisions. Further such risks and uncertainties include, among other things, risks and uncertainties associated with the legislative, regulatory, and policy environment in the United States, and other markets or jurisdictions, and, in general, the evolving international trade situation in respect of tariffs or restrictions on or otherwise affecting pharmaceutical or biologic products, including the Company's products or components of those products. A further description of material risk factors that could cause actual results or events to differ materially from those expressed in Medexus's forward-looking statements can be found under the heading "Risk Factors and Risk Management" in this MD&A and "Risk Factors" in Medexus's most recent AIF. In addition, new factors, risks, and uncertainties that affect Medexus can emerge from time to time. It is not possible for management to predict all such factors, risks, and uncertainties nor to assess in advance the impact of each such factor, risk, or uncertainty on Medexus's business, or the extent to which any factor, risk, or uncertainty, or combination of factors, risks, or uncertainties, can cause actual results to differ materially from those contained in any of Medexus's forward-looking statements.

Unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A. Except as expressly required by applicable law, Medexus does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which that forward-looking statement is made or to reflect the occurrence of unanticipated subsequent events.

Preliminary estimates

The expected results discussed in this MD&A are preliminary estimates only and have not been reviewed or audited by the Company's auditors. All such figures are based on information currently available to Medexus management and are subject to change and adjustment as Medexus's financial results for fiscal Q1 2026 are finalized. Accordingly, final reported results may differ, and may differ materially, from these preliminary estimates, and investors therefore should not place undue reliance on any such preliminary estimates. All such preliminary estimates constitute forward-looking information within the meaning of applicable securities laws, are based on a number of assumptions, and are subject to a number of risks and uncertainties. For more information, see "Forward-looking statements".

Non-GAAP measures

Company management uses, and this MD&A refers to, financial measures that are not recognized under IFRS Accounting Standards and do not have a standard meaning prescribed by generally accepted accounting principles (GAAP) in accordance with IFRS Accounting Standards or other financial or accounting authorities (non-GAAP measures) as contemplated by National Instrument 52-112, Non-GAAP and Other Financial Measures Disclosure. These non-GAAP measures may include "non-GAAP financial measures", such as EBITDA (or earnings before interest, taxes,

depreciation, and amortization), Adjusted EBITDA, Adjusted Gross Profit (Loss), and Net Debt; “supplementary financial measures”, such as gross margin, Equity Market Capitalization, and Enterprise Value; and “non-GAAP ratios”, such as Adjusted EBITDA Margin, Net Debt to Adjusted EBITDA, Adjusted Gross Margin, and Enterprise Value to Adjusted EBITDA.

Medexus’s method for calculating these measures may differ from methods used by other companies and therefore these measures are unlikely to be comparable to similarly-designated measures used or presented by other companies. Medexus believes that these non-GAAP measures complement its IFRS Accounting Standards measures and provide additional insight into, and allow for a more complete understanding of, the Company’s financial and operational results and management’s perspective on Medexus’s business and operations.

Medexus considers these non-GAAP measures to be key metrics in assessing business performance and an important measure of operating performance and cash flow. However, Medexus’s non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of Medexus’s financial information as reported under IFRS Accounting Standards.

A further explanation and discussion of each of these non-GAAP measures, including their limitations, is set out below. A reconciliation of Adjusted EBITDA, Adjusted Gross Profit (Loss) and Adjusted Gross Margin, and Net Debt to the most directly comparable IFRS Accounting Standards measures can be found under the headings “—Adjusted EBITDA and Adjusted EBITDA Margin” (reconciliation to net income (loss)), “—Adjusted Gross Profit (Loss) and Adjusted Gross Margin” (reconciliation to gross profit), and “—Net Debt” (reconciliation to current portion of long-term debt and long-term debt).

Adjusted EBITDA and Adjusted EBITDA Margin

Medexus defines **Adjusted EBITDA** as net income (loss), or earnings, adjusted to exclude interest income and expense, income tax recovery and expense, depreciation of property and equipment, amortization of product licenses (or other intangible assets), share-based compensation, financing and transaction costs (for clarity, including fees related to acquisitions and related financings), termination benefits, foreign exchange gains or losses, unrealized gain or loss on the fair value of the embedded derivatives in the Company’s now-repaid 6% unsecured convertible debentures (**Convertible Debentures**) (before their maturity in October 2023), unrealized gain or loss on the fair value of amounts payable in connection with business combination transactions, income from sale of assets, and impairment of intangible assets. Medexus also sometimes presents the following ratios based on Adjusted EBITDA –

- Adjusted EBITDA Margin, which is calculated by dividing Adjusted EBITDA for a given period by the Company’s net revenue as shown on Medexus’s consolidated statements of income (loss) and comprehensive income (loss) (or income statement) for that same period, expressed as a percentage.
- Net Debt to Adjusted EBITDA (or Net Debt/Adj. EBITDA), which is calculated by dividing Net Debt as of a given date by Adjusted EBITDA for a given period ending on that same date – typically a trailing period of 12 months, four fiscal quarters, or one fiscal year – expressed as a multiple.

Medexus believes that Adjusted EBITDA and related ratios, when used in conjunction with IFRS Accounting Standards measures, are useful supplemental measures of operating performance because Medexus believes that Adjusted EBITDA corresponds more closely over time to the performance of the Company's underlying business assets. In particular, Medexus believes that Adjusted EBITDA facilitates comparisons of historical performance by excluding non-cash items (such as stock-based payments, fair value adjustments, and impairment charges) and other amounts not directly attributable to the Company's primary operations (such as the impact of acquisitions, dispositions, and settlements).

Company management and the Board also use this non-GAAP measure to develop internal budgets and evaluate the performance of the Company and its management team.

Key limitations to using Adjusted EBITDA include the following –

- Adjusted EBITDA does not reflect the cash requirements necessary to service interest or principal payments on Medexus's debt, that may be required to pay the Company's taxes, that Medexus pays in connection with financing and special transactions, or that Medexus pays to former employees as termination benefits, among others.
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often must be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for those potential future replacements.
- Although stock-based compensation expenses are non-cash charges, Medexus relies on equity instruments to compensate and incentivize Company directors, officers, and employees, and expects to continue doing so in the future.
- Although adjusting for the fair value of the embedded derivatives in the Convertible Debentures and the fair value of amounts payable in connection with business combination transactions are non-cash adjustments, these charges generally reflect the value of amounts that Medexus may be required to pay or, in particular in the case of the Convertible Debentures, was ultimately required to pay, as determined under IFRS Accounting Standards.

Reconciliation to net income (loss)

The following table is derived from and should be read together with Medexus's consolidated statement of operations for the 12-month period ended March 31, 2025. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted EBITDA and provides additional information related to Medexus's operating performance.

(Amounts in \$ '000s)

	Fiscal quarter ended March 31,		Fiscal year ended March 31,	
	2025	2024	2025	2024
Net income (loss)	\$(553)	\$762	\$2,247	\$(214)
Add back:				
Depreciation and amortization (property, equipment, product licenses)	2,436	1,449	7,178	5,806
Financing costs	2,005	2,224	8,195	13,364
Income tax expense (recovery)	(206)	228	(807)	320
EBITDA	3,682	4,663	16,813	19,276
Add back:				
Share-based compensation	119	125	1,056	939
Transaction-related fees and expenses	—	282	—	282
Termination benefits	541	823	897	823
Foreign exchange loss (gain)	65	377	1,068	165
Unrealized loss (gain) on fair value of derivatives	—	—	—	(82)
Unrealized gain on fair value of business combination payables	(2,480)	(2,759)	(2,480)	(2,759)
Impairment loss	338	888	2,801	888
Adjusted EBITDA	2,265	4,399	20,155	19,532
Adjusted EBITDA Margin (%)	9.2%	16.9%	18.6%	17.3%

Comparison of the fourth quarter ended March 31, 2025 and 2024: For fiscal Q4 2025, the \$2.1 million year-over-year Adjusted EBITDA decrease was primarily due to the GRAFAPEX personnel and infrastructure investments of \$2.7 million as well as higher research and development expenses incurred in connection Company's planned investment in the IXINITY manufacturing process improvement initiative, which has had a positive impact on batch yield and manufacturing costs.

Comparison of Fiscal Years Ended March 31, 2025 and 2024: For fiscal year 2025, the \$0.6 million, or 3.2%, year-over-year Adjusted EBITDA increase was primarily due to the effects of the Company's ongoing financial discipline efforts, partially offset by the GRAFAPEX personnel and infrastructure investments of \$2.7 million and \$5.2 million for fiscal Q4 2025 and fiscal year 2025. Adjusted EBITDA also benefited from improvements in IXINITY cost of sales of products due to Medexus's investments in its IXINITY manufacturing process improvement initiative. For fiscal Q4 2025, the \$2.1 million, or 47.7%, year-over-year Adjusted EBITDA decrease was primarily due to the GRAFAPEX personnel and infrastructure investments discussed above.

Adjusted Gross Profit (Loss) and Adjusted Gross Margin

Medexus defines **Adjusted Gross Profit (Loss)** and **Adjusted Gross Margin** as gross profit (loss), as determined under IFRS Accounting Standards, and gross margin (which Medexus defines as gross profit (loss) divided by net revenue, expressed as a percentage), each before amortization of product licenses (or other intangible assets), which is a component of cost of sales as determined under IFRS Accounting Standards. Adjusted Gross Profit (Loss) and Adjusted Gross Margin adjust cost of sales, and therefore gross profit (loss) and gross margin, to exclude these non-cash amounts.

Medexus believes that Adjusted Gross Profit (Loss) and Adjusted Gross Margin, when used in conjunction with IFRS Accounting Standards measures, are a useful supplemental measure of operating performance because Medexus believes that Adjusted Gross Profit (Loss) and Adjusted Gross Margin correspond more closely over time to the performance of the Company's underlying business assets. In particular, Medexus believes that Adjusted Gross Profit (Loss) and Adjusted Gross Margin facilitate comparisons of historical performance because amortization of intangible assets (for example, product licenses) are non-cash amounts that are not directly attributable to the Company's primary operations.

Company management and the Board also use this non-GAAP measure to develop internal budgets and evaluate the performance of the Company and its management team.

One limitation to using Adjusted Gross Profit (Loss) and Adjusted Gross Margin is that, although amortization is a non-cash charge, the assets being amortized often must be replaced in the future, and Adjusted Gross Profit (Loss) and Adjusted Gross Margin do not reflect any cash requirements for those potential future replacements.

Reconciliation to gross profit

The following table is derived from and should be read together with Medexus's consolidated financial statements for the most recently completed financial period. This supplementary

disclosure is intended to more fully explain disclosures related to Adjusted Gross Profit (Loss) and Adjusted Gross Margin and provides additional information related to Medexus's financial position.

	Fiscal quarter ended March 31,		Fiscal year ended March 31,	
	2025	2024	2025	2024
Net revenue	24,754	25,962	108,332	113,054
Cost of sales	12,322	12,657	51,748	53,540
Gross profit	12,432	13,305	56,584	59,514
Gross margin	50.2%	51.2%	52.2%	52.6%
Add back: Amortization of product licenses	2,359	1,387	6,925	5,555
Adjusted Gross Profit	14,791	14,080	63,509	65,069
Adjusted Gross Margin	59.8%	56.6%	58.6%	57.6%

Net Debt

Medexus defines **Net Debt** as the sum of long-term debt (which includes the current and non-current portions of the facilities under the BMO Credit Agreement) less cash and cash equivalents, in each case as shown on Medexus's consolidated statements of financial position (or balance sheet) as of a given date.

Medexus believes that Net Debt, when used in conjunction with IFRS Accounting Standards measures, provides useful supplemental information about Medexus's financial position, in particular about the Company's level of indebtedness as of a given date. Key limitations to using Net Debt include the fact that it is a schematic representation of the amount of outstanding indebtedness and cash and cash equivalents that would be available to repay that outstanding indebtedness, without regard to potential cost and/or nonavailability of rights to use cash for voluntarily prepayments, and that it does not include all debt-like contractual obligations of the Company.

Reconciliation to current portion of long-term debt and long-term debt

The following table is derived from and should be read together with Medexus's consolidated financial statements for the most recently completed financial period. This supplementary

disclosure is intended to more fully explain disclosures related to Net Debt and provides additional information related to Medexus's financial position.

(Amounts in \$ '000s)

As at:	March 31, 2025	March 31, 2024
Current portion of long-term debt	36,980	15,743
Long-term debt	198	34,153
	<hr/>	<hr/>
	37,178	49,896
Less: Cash and cash equivalents	23,973	5,255
	<hr/>	<hr/>
Net Debt	13,205	44,641

Comparison of Net Debt as at March 31, 2025 and 2024: As at March 31, 2025, the Company's Net Debt was \$13.2 million, a decrease of \$31.4 million year-over-year. The decrease in Net Debt was due to principal repayments of \$14.1 million and the net proceeds from the overnight marketed public offering of Common Shares completed in January 2025.

Equity Market Capitalization

Medexus defines **Equity Market Capitalization** as the product of the closing price of a Medexus common share on the Toronto Stock Exchange, or TSX, converted from Canadian dollars to US dollars at the then-current daily exchange rate published by the Bank of Canada, multiplied by the total number of Common Shares outstanding, in each case as of a given date.

Enterprise Value

Medexus defines **Enterprise Value** (or **EV**) as the sum of Net Debt plus Equity Market Capitalization. Medexus also may present the following ratios based on Enterprise Value –

- Enterprise Value to Revenue (or EV/Revenue), which is calculated by dividing Enterprise Value by the Company's net revenue as shown on Medexus's consolidated statements of income (loss) and comprehensive income (loss) (or income statement) for a given period – typically a trailing period of 12 months, four fiscal quarters, or one fiscal year.
- Enterprise Value to Adjusted EBITDA (or EV/Adj. EBITDA), which is calculated by dividing Enterprise Value by Adjusted EBITDA for a given period – also typically a trailing period of 12 months, four fiscal quarters, or one fiscal year.

Management believes that Enterprise Value and related ratios, when used in conjunction with IFRS Accounting Standards measures, are useful supplemental measures of Medexus's financial position and performance because they provide an indication of the Company's total value as of

a given date, including as related to the performance of the Company's underlying business assets over time as reflected in net revenue and Adjusted EBITDA.

Protected names and marks

This MD&A contains references to trademarks and other protected names and marks, including those belonging to other companies, persons, or entities. Solely for convenience, trademarks and other protected names and marks referred to in this MD&A may appear without the "®", "™", or other similar symbols. Each such reference should be read as though it appears with the relevant symbol. Any such references are not intended to indicate, in any way, that the holder or holders will not assert those rights to the fullest extent under applicable law.

Website addresses

Uniform resource locators, or website addresses, that may appear in this MD&A are intended to be provided as inactive textual references only. Information contained on or accessible through these website addresses is not a part of this MD&A and is not incorporated by reference into this MD&A or any of Medexus's public filings.

COMPANY OVERVIEW

Medexus is a leading specialty pharmaceutical company focused on commercializing innovative and rare disease treatment solutions in North America. Medexus's experienced management team has a long and proven track record of successfully sourcing, developing, and commercializing pharmaceutical products in a variety of therapeutic areas at all stages of their life cycle throughout the United States and Canada. Medexus's current focus is on hematology and oncology products and allergy, dermatology, and rheumatology products. Medexus currently generates revenue from a portfolio of 15 brands across the United States and Canada, of which our leading products are discussed below.

Medexus's current leading products in the **hematology-oncology** product group are –

- **GRAFAPEX™** (treosulfan) for Injection (US) and **Trecondyv®** (treosulfan for injection) (Canada), part of a preparative regimen for allogeneic hematopoietic stem cell transplantation, or allo-HSCT, to be used in combination with fludarabine, used in treating eligible patients with acute myeloid leukemia, or AML, and myelodysplastic syndromes, or MDS
- **IXINITY®** [coagulation factor IX (recombinant)] (US), an intravenous recombinant factor IX therapeutic for use in patients with hemophilia B, a hereditary bleeding disorder characterized by a deficiency of clotting factor IX in the blood which is necessary to control bleeding

Medexus's current leading products in the **allergy, dermatology, and rheumatology** product group are –

- **Rupall®** (rupatadine (as rupatadine fumarate)) (Canada), an innovative prescription allergy medication with a unique mode of action
- **Rasuvo®** (methotrexate) injection (US) and **Metobject® Subcutaneous** (methotrexate injection) (Canada), a unique formulation of methotrexate (auto-pen and pre-filled syringe) designed to treat rheumatoid arthritis and other auto-immune diseases

For more information about Medexus's products and programs, see "Medexus's Business—Core products and programs" in the AIF.

Medexus believes that it offers a commercial platform with demonstrated scalability, supported by a commercial infrastructure that spans therapeutic areas and geographies. The Company continues to focus on seeking revenue growth and operational leverage to drive efficiency across the Company's US and Canadian operations and building a disciplined approach to capital allocation and cost management.

Medexus builds on its product offerings through both organic growth and a continuous evaluation of strategic business development opportunities to complement its existing product portfolio by licensing and acquiring new products in both current and planned therapeutic areas based on the Company's strategic plan.

SELECTED ANNUAL INFORMATION

(Amounts in \$ '000s)

Fiscal year ended March 31,	2025	2024	2023
Net revenue	108,332	113,054	108,096
Gross profit	56,584	59,514	60,038
Selling, general and administrative expenses	43,182	44,869	48,253
Research and development expenses	1,228	1,607	2,943
Net income (loss)	2,247	(214)	1,221
Adjusted EBITDA*	20,155	19,532	16,149
Basic net income (loss) per Common Share	0.09	(0.01)	0.06
Diluted net income (loss) per Common Share	0.08	(0.01)	0.06
Total assets	171,838	155,733	161,329
Total non-current financial liabilities	22,385	59,181	55,385

* See "Preliminary Notes—Non-GAAP measures".

Note regarding period-to-period variations

The Company earns revenue from the sale of the products it is distributing. From period to period, the fluctuation in the Company's net revenue is primarily a function of changes in patient demand, inventory levels held by customers, government chargebacks and rebates, customer discounts and returns, and changes in the Company's product portfolio, including due to the execution or termination of product license agreements.

Medexus acquired the exclusive right to commercialize Gleolan in the United States in March 2022 and successfully completed the full transition of US commercial responsibility to Medexus in August 2022. Although Medexus recognized at least a portion of Gleolan sales in the United States commencing March 2022, September 2022 was the first full month, and the three-month period ended December 31, 2022 was the first full fiscal quarter, in which Medexus recognized 100% of Gleolan net sales in the Company's net revenue. See also "Discussion of Operations—Cost of sales, gross profit and gross margin". In March 2025, Medexus entered into an agreement to terminate the March 2022 license, supply, and distribution agreement. See "Highlights for Twelve-Month Period Ended March 31, 2025—Operational Highlights—Product highlights—

Other product highlights—Gleolan (US)”. As a result of the March 2025 termination of the March 2022 license, supply, and distribution agreement, net revenue after fiscal year 2025 will not include product-level revenue from Gleolan in the United States, although Medexus will recognize some royalty revenue in fiscal Q1 2026 under the terms of the termination agreement. As a result of the termination agreement, Medexus no longer has the obligation to pay time-based and sales-based milestone amounts that would have been payable in fiscal year 2026 and thereafter.

The timing and commercial terms of orders, particularly large orders, can cause variability in Medexus’s net revenue. In addition, pharmacy and wholesale customers of IXINITY exhibit varying buying patterns relative to patient unit demand, which is difficult to forecast with precision and has been influenced by developments in the broader hemophilia B treatment solutions market. This variance can result in those customers building up and subsequently working through inventory on hand, resulting in quarterly sales of IXINITY that do not directly correspond to short-term changes in patient unit demand. Beginning in fiscal Q3 2024, the Company’s largest pharmacy customer of IXINITY reduced its purchases of IXINITY relative to past practice, which appear to have largely stabilized as of fiscal Q3 2025, partly due to contractual purchase commitments agreed with this pharmacy customer in part to ensure continuity of supply. Similar dynamics have also affected Rasuvo, with recent reductions in non-statutory discounts offered to customers, together with effective unit-level price reductions, in particular in fiscal Q2 2025, contributing to a meaningful adverse impact on Rasuvo net sales in each of the first two quarters of fiscal year 2025.

The Covid-19 pandemic created significant disruptions in the selling environment that created moderate disruptions through early fiscal year 2023.

Medexus’s selling, general and administrative expenses have varied in large part due to the net effect of the Company’s investments in personnel and infrastructure to support commercialization initiatives for new products and product candidates, in particular GRAFAPEX and Gleolan in the United States, and cost reduction initiatives, including those implemented in October 2022 and January 2024. GRAFAPEX personnel and infrastructure investments increased meaningfully over fiscal year 2025, particularly in fiscal Q4 2025. Medexus expects that these investments will stabilize at around \$3 million to \$4 million for fiscal Q1 2026 and around \$4 million per quarter thereafter. Medexus continues to expect that GRAFAPEX will be accretive to quarterly operating cash flows by fiscal Q4 2026. As a result of the March 2025 termination of the March 2022 license, supply, and distribution agreement, selling, general and administrative expenses after fiscal year 2025 will not include operating expenses attributable to Gleolan in the United States.

Medexus’s research and development expenses have varied in large part due to the decrease over time in expenditures relating to the Company’s now-completed phase 4 clinical trial of IXINITY and due to the timing of expenditures relating to its ongoing IXINITY manufacturing process improvement initiative.

Net income (loss) for periods ended on or before December 31, 2023 included unrealized loss (gain) on the change in fair value of the embedded derivatives in the now-repaid Convertible Debentures, which matured on October 16, 2023. This non-cash value was estimated at each reporting date and was sensitive to, among other things, fluctuations in Medexus’s share price. In addition, net income (loss) can be impacted by fluctuations in currency exchange rates.

Assets as of March 31, 2025 were positively affected by the recognition of an increase in intangible assets related to GRAFAPEX as a result of the FDA approval in January 2025, partially offset by an impairment loss recognized in fiscal year 2025 primarily relating to a reduction in the carrying value of Gleolan and topical terbinafine to zero. See “Highlights for Twelve-Month Period Ended March 31, 2025—Operational Highlights—Product highlights—Other product highlights.”

Non-current financial liabilities as at March 31, 2025 were lower than prior years due to the debt repayments of \$14.1 million in fiscal year 2025 and the reclassification of the Term Facility (defined below) from long term to current in accordance with the terms of the BMO Credit Agreement.

HIGHLIGHTS FOR TWELVE-MONTH PERIOD ENDED MARCH 31, 2025

The following describes highlights in Medexus's financial and operating performance for the 12-month period ended March 31, 2025 (the Company's fiscal year 2025).

Financial highlights

- Net revenue of \$108.3 million, a decrease of \$4.8 million, or 4.2%, compared to \$113.1 million for fiscal year 2024. The \$4.8 million year-over-year net revenue decrease was primarily due to reduced net sales of Rasuvo (largely due to reductions in non-statutory discounts offered to customers, together with effective unit-level price reductions) in fiscal year 2025 and sustained declines in net sales of IXINITY since fiscal Q3 2024, partially offset by year-over-year increases in net sales of Rupall (in Canada) and Gleolan (in both the United States and Canada). In addition, Medexus achieved \$0.6 million of product-level revenue from GRAFAPEX in fiscal Q4 2025.
- Adjusted EBITDA of \$20.2 million, an increase of \$0.7 million, or 3.6%, compared to \$19.5 million for fiscal year 2024. See "Preliminary Notes—Non-GAAP measures—Adjusted EBITDA and Adjusted EBITDA Margin". The \$0.7 million year-over-year Adjusted EBITDA increase was primarily due to the effects of the Company's ongoing financial discipline efforts, partially offset by the GRAFAPEX personnel and infrastructure investments of \$5.2 million for fiscal year 2025. See also "Discussion of Operations—Selling, general and administrative expenses" and "Discussion of Operations—Cost of sales, gross profit and gross margin".
- Operating income of \$8.2 million, a decrease of \$2.6 million, or 24.1%, compared to \$10.8 million for fiscal year 2024.
- Net income of \$2.2 million, an increase of \$2.4 million compared to net loss of \$0.2 million for fiscal year 2024.
- Available liquidity of \$24.0 million (March 31, 2025), consisting of cash and cash equivalents, compared to \$5.3 million (March 31, 2024). The primary factor in this net increase in cash was Medexus's completion of an overnight marketed public offering of Common Shares in January 2025. See "Liquidity and Capital Resources", including "—Cash flows".
- Cash provided by operating activities of \$24.0 million, an increase of \$5.3 million compared to \$18.7 million for fiscal year 2024.

Operational Highlights

Leading products

Hematology-oncology

GRAFAPEX (US)

In January 2025, Medexus was informed that the FDA approved GRAFAPEX, an alkylating agent, with fludarabine as a preparative regimen for allogeneic hematopoietic stem cell transplantation, or allo-HSCT, in adult and pediatric patients one year of age and older with AML or MDS. GRAFAPEX holds Orphan Drug Designation under the Orphan Drug Act, meaning that the

product will benefit from a seven-year period of regulatory exclusivity in the FDA-approved indication. Medexus holds exclusive commercial rights to GRAFAPEX in the United States under a February 2021 exclusive license agreement with medac (**GRAFAPEX Agreement**).

Medexus executed a commercial launch of GRAFAPEX in the first half of calendar year 2025, with product commercially available in the United States in February 2025. The launch, which was originally expected to occur by April 2025, followed swiftly on the FDA's approval of the product in January 2025, allowing Medexus to begin generating product-level revenue in fiscal Q4 2025. Based on internal estimates and research, Medexus continues to expect that annual product-level revenue from GRAFAPEX will exceed US\$100 million within five years after commercial launch, with the specific nature and level of success of Medexus's commercialization initiatives in support of GRAFAPEX, among other factors, determining the extent to which the Company realizes this potential. See also "Risk Factors and Risk Management—Possible failure to realize benefits of the GRAFAPEX Agreement" and "Preliminary Notes—Forward-looking statements".

Medexus has seen a positive market response to GRAFAPEX since the US commercial launch of the product in February 2025. Four large commercial payers, together covering an estimated 34 million patient lives, and 12 individual healthcare institutions, representing 7% of the 180 transplant centers in the United States, have made positive formulary inclusion determinations, a promising indicator of the product's commercial potential, with progress to date consistent with Company expectations. An additional 15 commercial payers have added GRAFAPEX on their "prior authorization" lists. Wholesaler data shows that 34 of the 180 transplant centers have already ordered GRAFAPEX for procedures in their institutions, which is likewise consistent with Company expectations regarding initial institutional uptake and patient-level demand for the product. Medexus achieved \$0.6 million of product-level revenue from GRAFAPEX in fiscal Q4 2025, relative to the \$2.7 million of GRAFAPEX personnel and infrastructure investments discussed below, and preliminary estimates indicate that it has already generated over \$2.5 million of product-level revenue from GRAFAPEX in fiscal Q1 2026. Medexus continues to expect that GRAFAPEX will be accretive to quarterly operating cash flows by fiscal Q4 2026, although the Company continues to assess the strong market response and performance of key indicators for any updates to this expectation. Medexus also continues to expect that the annual product-level Adjusted Gross Margin of GRAFAPEX will ultimately be approximately 80%, although, as a preliminary estimate, product level Adjusted Gross Margin will be slightly higher in the initial months after commercial launch primarily due to the evolving reimbursement dynamics for the product. (See "Preliminary notes—Non-GAAP measures—Adjusted Gross Profit (Loss) and Adjusted Gross Margin".) Medexus views product performance to date, and the response from the market and the attention to treosulfan from the medical and scientific community, as consistent with the Company's confidence that GRAFAPEX will make a substantial contribution to allo-HSCT in the United States, and also solidify Medexus's leadership position in this therapeutic field.

In November 2024, Medexus and medac entered into a fourth amendment to the GRAFAPEX Agreement. Among other things, the fourth amendment adjusted the unpaid regulatory milestone payments under the GRAFAPEX Agreement as provided in the fourth amendment. The regulatory milestone amount payable to medac under the fourth amendment upon an FDA approval of GRAFAPEX is based on the language of the product label approved by the FDA. Based on the terms of the approval, including the FDA-approved product label, the parties determined that medac earned a regulatory milestone amount of US\$15 million. The regulatory milestone amount

is payable in three installments: one-sixth of the total amount (US\$2.5 million) is payable by June 30, 2025, one-third of the total amount (US\$5 million) is payable by October 1, 2025, and the remaining 50% of the total (US\$7.5 million) is payable by January 1, 2026, subject to Medexus's right to temporarily defer the second and/or third such payments on terms described in the fourth amendment. Following the FDA approval of GRAFAPEX in January 2025, Medexus promptly repaid a US\$2.5 million credit originally received from medac in September 2021.

Trecondyv (Canada)

Unit demand for Trecondyv remained strong during the 12-month period ended March 31, 2025, which is reflected in the unit demand growth of 70% over the trailing 12-month period ended March 31, 2025. (Source: Hospitals Direct Sales Data, MAT March 2025.) Medexus estimates that, in calendar year 2023, Trecondyv was used in approximately 56% of allo-HSCT procedures in Canada involving pediatric patients and 10% involving adult patients. (Source: Company data; customized report from the Cell Therapy Transplant Canada registry, 2024.) This strong performance reflects successful execution of the Company's initiatives since its September 2021 commercial launch, but does not yet include the full effect of the successful November 2024 completion of the negotiation process with the pan-Canadian Pharmaceutical Alliance seeking to make Trecondyv accessible to publicly funded drug programs and patients in Canada and any subsequent decisions by participating government organizations on public reimbursement of Trecondyv for their regions and jurisdictions. For example, Medexus completed listing agreements for public reimbursement of Trecondyv with the provincial governments of Ontario, Quebec, and British Columbia, which Medexus expects to benefit product-level revenue beginning in fiscal Q1 2026. Medexus sees these developments in the Canadian market as important indicators of the product's prospects and potential in both the Canadian and US markets.

IXINITY (US)

Unit demand in the United States increased by 1% over the trailing 12-month period ended March 31, 2025. (Source: customer-reported dispensing data.) Medexus expects that 12-month trailing unit demand will remain relatively stable, with only slight continuing decreases, in the near term. See also "Selected Annual Information—Note regarding period-to-period variations" and "Discussion of Operations—Net revenue". This performance reflects the success of the Company's efforts to maintain existing demand, despite a reduced allocation of sales force resources to IXINITY since January 2024. Medexus's investments in its IXINITY manufacturing process improvement initiative have generally had a positive impact on batch yield and manufacturing costs over fiscal year 2024 and now extending through fiscal year 2025.

Allergy, dermatology, and rheumatology

Rupall (Canada)

Unit demand in Canada remained strong during the 12-month period ended March 31, 2025, which is reflected in the unit demand growth of 14% over the trailing 12-month period ended March 31, 2025. (Source: IQVIA TSA units – MAT March 2025.) This strong performance reflects successful execution of the Company's initiatives to sustain the product's strong performance, together with the product's typical seasonality, particularly in fiscal Q1 2025. Rupall's market exclusivity, granted by Health Canada, expired in January 2025 and, as a result, Rupall will now face generic competition in Canada. Medexus has initiated unit-level pricing strategies that resulted in effective unit-level price reductions in fiscal Q4 2025, which are expected to continue through fiscal year 2026 and thereafter.

Rasuvo (US)

Unit demand for Rasuvo decreased by 5% over the trailing 12-month period ended March 31, 2025. (Source: IQVIA MAT March 2025.) However, sustained competition in the US branded methotrexate autoinjector market, and statutory discounts and rebates for Rasuvo under government-sponsored programs, have and will continue to adversely affect total product-level revenue. During fiscal year 2025, Medexus largely eliminated investments in non-statutory discounts offered to large customers. See also “Selected Annual Information—Note regarding period-to-period variations” and “Discussion of Operations—Net revenue”.

Metoject (Canada)

Unit demand for Metoject increased by 6% over the trailing 12-month period ended March 31, 2025 in spite of the direct and indirect effects of sustained generic competition. (Source: IQVIA – TSA database.) Medexus has implemented unit-level pricing strategies to defend the product’s strong market position, which has adversely impacted product-level revenue, particularly following the launch of a second generic product in March 2024.

Other product highlights

Gleolan (US and Canada)

Unit demand in the United States grew by 9% over the trailing 12 months ended March 31, 2025. In March 2025, Medexus entered into an agreement with NX Development Corp. (NXDC), the US subsidiary of photonamic GmbH & Co. (photonamic), to terminate the March 2022 license, supply, and distribution agreement between the parties (US Gleolan Agreement) and return to NXDC the US commercialization rights and responsibilities for Gleolan (aminolevulinic acid hydrochloride powder), an optical imaging agent indicated in patients with glioma (suspected WHO Grades III or IV on preoperative imaging) as an adjunct for the visualization of malignant tissue during surgery. The employment of all Medexus personnel who previously supported Gleolan in the United States was likewise terminated in March 2025. In terminating the March 2022 license, supply and distribution agreement, Medexus no longer has the obligation to pay time-based and sales-based milestone amounts that would have been payable in fiscal year 2026 and thereafter, which would have negatively affected Gleolan’s product-level contribution to gross margin.

Medexus continues to commercialize the product in Canada under a separate February 2019 license and supply agreement with photonamic. Unit demand in Canada grew 36% over the trailing 12 months ended March 31, 2025, reflecting continued successful execution of the Company’s commercial plan in that market. (Source: Hospitals Direct Sales Data, MAT March 2025).

Topical terbinafine (Canada)

In January 2025, Health Canada delivered to Medexus a notice of deficiency regarding Medexus’s New Drug Submission, or NDS, for terbinafine hydrochloride nail lacquer to treat fungal nail infections that was accepted for review by Health Canada in December 2023 and sought approval for a distinctive once-a week treatment regimen. The notice of deficiency identified concerns and uncertainties associated with the design of the phase 3 trial submitted to support the requested indication and the interpretation of the efficacy results. Medexus remains focused on building its North American allergy and dermatology franchise and, pending a final determination as to

regulatory strategy and response to this notice, if any, has redeployed existing resources to support other portfolio products in this therapeutic area, including Rupall and NYDA, pending any launch of additional commercialization opportunities. Medexus is evaluating the most appropriate path for the topical terbinafine product in light of the January 2025 notice of deficiency. However, in light of the notice of deficiency, the Company has recognized an impairment loss of \$0.4 million in fiscal year 2025 to reduce the carrying value of the asset to zero, based on the Company's assessment that the product is not currently commercially viable.

Other highlights

Amendments to BMO credit agreement

In fiscal Q1 2026, Medexus entered into amendments to its senior secured credit agreement (**BMO Credit Agreement**) with Bank of Montreal (**BMO**) as agent and lender. The June 2025 amendment provided for partial principal repayments and adjustments to the amortization schedule under the Term Facility (defined below), adjustments to the availability and drawdown conditions under the Revolving Facility (defined below), and adjustments to the interest rates and financial covenants under the BMO Credit Agreement, among other amendments. See “Liquidity and Capital Resources—Sources of liquidity—BMO Credit Agreement”.

Overnight marketed public offering

In January 2025, Medexus completed an overnight marketed public offering of 7,500,000 Common Shares at a price of C\$4.00 per Common Share for aggregate gross proceeds to Medexus of C\$30 million (or C\$28.3 million net proceeds before expenses). The Company initially used a majority of the net proceeds from the offering to secure a now-released cash collateral pledge under the BMO Credit Agreement, and, following the FDA approval of GRAFAPEX in January 2025, promptly repaid a US\$2.5 million credit originally received from medac in September 2021. The remaining net proceeds from the offering will be used to pay a portion of the regulatory milestone amounts payable to medac under the GRAFAPEX Agreement and for working capital and general corporate purposes, which may include funding the Company's ongoing business development activities and initiatives.

DISCUSSION OF OPERATIONS

The following section discusses Medexus's results of operations for fiscal year 2025 compared to fiscal year 2024.

Net revenue

(Amounts in millions)

	2025	2024	Change	%
Net revenue	\$108.3	\$113.1	\$(4.8)	(4.2)%

The \$4.8 million year-over-year net revenue decrease was primarily due to reduced net sales of Rasuvo (largely due to reductions in non-statutory discounts offered to customers, together with effective unit-level price reductions) and Metoject (largely due to the effects of sustained generic competition) in fiscal year 2025 and sustained declines in net sales of IXINITY since fiscal Q3 2024, partially offset by year-over-year increases in net sales of Rupall (in Canada) and Gleolan (in both the United States and Canada), together with a slight net year-over-year increase in net sales across the rest of the Company's portfolio of products, including NYDA. See also "Selected Annual Information—Note regarding period-to-period variations". In addition, Medexus achieved \$0.6 million of product-level revenue from GRAFAPEX in fiscal year 2025, relative to the \$5.2 million of GRAFAPEX personnel and infrastructure investments discussed below.

Cost of sales, gross profit and gross margin

(Amounts in millions)

	2025	2024	Change	%
Cost of sales	51.7	53.5	\$(1.8)	(3.4)%
Gross profit	\$56.6	\$59.5	\$(2.9)	(4.9)%
Gross margin	52.2%	52.6%	(0.4) ppt	(0.8)%

The \$2.9 million year-over-year decrease in gross profit and 0.4 ppt year-over-year decrease in gross margin primarily reflect changes in the relative contribution of product-level net sales reflected in the changes in net revenue discussed above. The \$1.8 million year-over-year decrease in cost of sales was similarly due to the changes in net revenue discussed above.

Gross profit and gross margin in fiscal year 2025 were benefited by improvements in IXINITY cost of sales of products over fiscal years 2024 and 2025 due to Medexus's investments in, and phasing of planned investments in, the Company's IXINITY manufacturing process improvement initiative, the treatment of Gleolan cost of sales of products in accordance with IFRS Accounting Standards in light of the terms of the now-terminated US Gleolan Agreement, and the effect of the Company's inventory management strategies for Rupall. Gross profit and gross margin in fiscal year 2025 were adversely affected by unit-level pricing strategies for Rasuvo and Metoject that resulted in effective unit-level price reductions in both products. Gross margin remained largely

stable during fiscal year 2025, consistent with the Company's expectations, and changes in the relative contribution of product-level revenue – in particular an increasing level of net sales of GRAFAPEX, which is expected to have a relatively higher product-level gross margin, and an absence of net sales of Gleolan in the United States, which had a relatively lower product-level gross margin – will result in changes to gross margin that are expected to emerge over fiscal year 2026.

In general, gross profit and gross margin are primarily affected by Medexus's supply and distribution costs. These costs include the supply prices and royalties paid to third parties, warehouse and logistics expenses for product inventory, and allowances for potential product returns and other provisions. Medexus is monitoring and continues to evaluate the impact of recent developments in the evolving US government policy situation on its cost structure, including gross profit and gross margin. See "Risk Factors and Risk Management—Evolving conditions in the United States".

In the case of IXINITY, these costs include manufacturing costs charged by third-party contract manufacturers, which are subject to periodic increases in accordance with the terms of Medexus's contracts; costs associated with manufacturing events such as low-yield or failed batches, as the manufacturing process is highly sensitive to deviations from product specifications; and royalty payment obligations assumed in connection with the February 2020 acquisition of Aptevo BioTherapeutics LLC, which are expected to constitute a low double-digit percentage of IXINITY net sales through the remaining life of the IXINITY patent portfolio.

In respect of Rasuvo, in connection with executing the fourth amendment to the GRAFAPEX Agreement discussed above under "Highlights for Twelve-Month Period Ended March 31, 2025—Operational Highlights—Leading products—Hematology-oncology—GRAFAPEX (US)", Medexus agreed to end a concession previously granted by medac in respect of the supply price for Rasuvo. This effective supply price increase has moderately reduced product-level gross profit and gross margin for Rasuvo starting fiscal Q4 2025.

In respect of Gleolan in the United States, gross profit and gross margin in fiscal year 2024 were adversely affected by a higher effective royalty component of cost of sales of products as a result of the minimum royalty thresholds under the US Gleolan Agreement, which the Company did not meet for fiscal year 2024. Medexus did not meet the minimum royalty threshold for fiscal year 2025. In light of the treatment of related terms of the US Gleolan Agreement in accordance with IFRS Accounting Standards, these expectations had a positive impact on gross profit and gross margin in fiscal year 2025.

Medexus also includes amortization of product licenses as a component of cost of sales. This amortization was \$6.9 million for fiscal year 2025 compared to \$5.6 million for fiscal year 2024, primarily due to one month of amortization recognized in respect of the licenses under the GRAFAPEX Agreement. See also "Preliminary Notes—Non-GAAP measures—Adjusted Gross Profit (Loss) and Adjusted Gross Margin".

In respect of GRAFAPEX, Medexus continues to expect that GRAFAPEX will be accretive to quarterly operating cash flows by fiscal Q4 2026 and that the annual product-level Adjusted Gross Margin of GRAFAPEX will ultimately be approximately 80%. (See "Preliminary notes—Non-GAAP measures—Adjusted Gross Profit (Loss) and Adjusted Gross Margin".) Medexus achieved \$0.6

million of product-level revenue from GRAFAPEX in fiscal year 2025, relative to the \$5.2 million of GRAFAPEX personnel and infrastructure investments discussed below.

Selling, general and administrative expenses

(Amounts in millions)

	2025	2024	Change	%
Selling, general and administrative expenses	\$43.2	\$44.9	\$(1.7)	(3.8)%

The \$1.7 million year-over-year decrease in selling, general and administrative expenses was primarily due to the effects of the Company's ongoing financial discipline efforts, including reductions in and/or deferrals of operating expenses, subject to the GRAFAPEX investments discussed below, which increased meaningfully over the course of fiscal year 2025. These financial discipline efforts and operating expense management initiatives are reflected in a \$2.8 million year-over-year decrease in sales and marketing expenses.

In anticipation of the FDA's approval of GRAFAPEX and the revenue opportunity that product represents, starting in fiscal Q1 2025, Medexus began making investments in personnel and infrastructure in support of GRAFAPEX and to prepare for the commercial launch executed in February 2025. These investments totaled \$2.7 million and \$5.2 million for the three- and 12-month periods ended March 31, 2025, and are expected to stabilize at around \$3 million to \$4 million for fiscal Q1 2026 and around \$4 million per quarter thereafter. The investment of \$2.7 million for fiscal Q4 2025 was lower than the previously expected \$4 million, and the investment for fiscal Q1 2026 is expected to likewise be lower, at approximately \$3.5 million, largely due to the timing of the commercial launch, which resulted in some personnel and hiring-related expenses being delayed. Medexus continues to expect that GRAFAPEX will be accretive to quarterly operating cash flows by fiscal Q4 2026 and that the annual product-level Adjusted Gross Margin of GRAFAPEX will ultimately be approximately 80%. See "Preliminary notes—Non-GAAP measures—Adjusted Gross Profit (Loss) and Adjusted Gross Margin".

Research and development expenses

(Amounts in millions)

	2025	2024	Change	%
Research and development expenses	\$1.2	\$1.6	\$(0.4)	(25.0)%

The \$0.4 million year-over-year decrease in research and development expenses was primarily due to reductions in investments in the Company's now-completed phase 4 clinical trial of IXINITY

and phasing of planned investment in its IXINITY manufacturing process improvement initiative. Medexus continues to invest a moderate amount of additional capital in connection with its IXINITY manufacturing process improvement initiative, which has had a positive impact on batch yield and manufacturing costs.

Transaction-related fees and expenses

(Amounts in millions)

	2025	2024	Change	%
Transaction-related fees and expenses	—	\$0.3	\$(0.3)	(100)%

There were no transaction-related fees and expenses incurred in fiscal 2025. For the twelve months ended March 31, 2024, Medexus recognized \$0.3 million of transaction-related fees and expenses in connection with non-recurring legal settlement costs.

Termination benefits

(Amounts in millions)

	2025	2024	Change	%
Termination benefits	\$0.9	\$0.8	\$0.1	12.5%

The \$0.1 million year-over-year increase in termination benefits was primarily due to termination benefits incurred in fiscal Q4 2025 and payable to employees who previously supported Gleolan in the United States and whose employment with the Company was terminated in March 2025 in connection with the termination of the March 2022 license, supply, and distribution agreement, compared to termination benefits recognized in fiscal Q4 2024 due to a reduction in allocation of sales force resources to IXINITY and to Rasuvo.

Depreciation

(Amounts in millions)

	2025	2024	Change	%
Depreciation	\$0.3	\$0.3	\$0.0	0%

Depreciation expense was steady at \$0.3 million, primarily due to higher depreciation associated with investments in property and equipment over fiscal year 2025, which was offset by the timing of fully depreciated assets.

Impairment of Intangible Assets

(Amounts in millions)

	2025	2024	Change	%
Impairment	\$2.8	\$0.9	\$1.9	211%

The \$1.9 million year-over-year increase in impairment expense was primarily due to recognition of impairment losses in fiscal year 2025 of \$2.5 million related to Gleolan (US) and \$0.4 million related to topical terbinafine to reduce the carrying value of those assets to zero.

Operating income

(Amounts in millions)

	2025	2024	Change	%
Operating Income	\$8.2	\$10.8	\$(2.6)	(24.1%)

As a result of the factors described above, operating income was \$8.2 million for fiscal year 2025, a decrease of \$2.6 million compared to operating income of \$10.8 million for fiscal year 2024. The \$2.6 million year-over-year decrease was primarily due to the decrease in net revenue and the meaningful increase in GRAFAPEX personnel and infrastructure investments over fiscal year 2025, particularly in fiscal Q4 2025. The year-over-year decrease in operating income was partially offset by the effects of the Company's ongoing financial discipline efforts, reflected in the year-over-year decrease in selling, general and administrative expenses, and improvements in IXINITY cost of sales of products due to Medexus's investments in its IXINITY manufacturing process improvement initiative.

Financing costs

(Amounts in millions)

	2025	2024	Change	%
Financing costs	\$8.2	\$13.4	\$(5.2)	(38.8%)

The \$5.2 million year-over-year decrease in financing costs was primarily due to the absence in fiscal year 2025 of interest expense and accretion associated with the Convertible Debentures, which matured in fiscal year 2024.

Other income

(Amounts in millions)

	2025	2024	Change	%
Other income	\$1.4	\$2.7	\$(1.3)	(48.1%)

The \$1.3 million year-over-year decrease in other income was primarily due to a foreign exchange loss recognized on US dollar denominated transactions given the increased volatility in exchange rates year over year.

Income tax expense

(Amounts in millions)

	2025	2024	Change	%
Income tax expense	(\$0.8)	\$0.3	(1.1)	nmf

The \$1.1 million year-over-year decrease in income tax expense was due to a change in the share of taxable income attributable to the Company's US and Canadian operations.

Net income (loss)

(Amounts in millions)

	2025	2024	Change	%
Net income (loss)	2.2	(0.2)	2.4	nmf

As a result of the factors described above, net income was \$2.2 million for fiscal year 2025, a year-over-year increase of \$2.4 million compared to net loss of \$0.2 million for fiscal year 2024. The \$2.4 million year-over-year net income increase was primarily due to the effects of the Company's ongoing financial discipline efforts, partially offset by the changes in net revenue and the GRAFAPEX personnel and infrastructure investments mentioned above and a \$2.5 million impairment of intangible assets in fiscal Q2 2025 primarily relating to a reduction in the carrying value of Gleolan.

SUMMARY OF QUARTERLY RESULTS

The following table sets out summary unaudited quarterly financial information for each of the eight fiscal quarters through and including the fiscal quarter ended March 31, 2025.

(Amounts in \$ '000s, except per share amounts)								
Three-months ended	31-Mar-25	31-Dec-24	30-Sept-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sept-23	30-Jun-23
Net Revenue	24,754	29,992	26,303	27,283	25,962	25,211	30,326	31,555
Gross Profit	12,432	15,191	14,126	14,835	13,305	12,693	16,278	17,238
Gross Margin*	50.2%	50.7%	53.7%	54.4%	51.2%	50.3%	53.7%	54.6%
Adjusted Gross Profit*	14,791	16,887	15,645	16,186	14,694	14,080	17,669	18,626
Adjusted Gross Margin*	59.8%	56.3%	59.5%	59.3%	56.6%	55.8%	58.3%	59.0%
Selling, General and Administrative Expenses	12,174	10,971	9,688	10,349	10,367	10,692	11,911	11,899
Research and Development Expenses	471	379	281	97	53	372	741	441
Transaction-Related Fees and Expenses	—	—	—	—	282	—	—	—
Termination Benefits	541	—	—	356	823	—	—	—
Operating Income (Loss)	(1,169)	3,781	1,637	3,974	832	1,568	3,554	4,840
Net Income (Loss)	(553)	733	110	1,957	762	(534)	(1,093)	651
Net Income (Loss) per Common Share – Basic	(0.02)	0.03	0.00	0.08	0.03	(0.02)	(0.05)	0.03
Net Income (Loss) per Common Share – Diluted	(0.03)	0.03	0.00	0.08	0.03	(0.02)	(0.05)	0.03
Adjusted EBITDA*	2,265	5,819	5,969	6,102	4,399	3,227	5,325	6,581
Cash Provided by Operations	2,276	6,710	6,855	8,193	1,607	5,541	7,351	4,215
Cash & Cash Equivalents, End of Period	23,973	8,441	6,973	8,454	5,255	8,213	19,501	15,782

* See "Preliminary Notes—Non-GAAP measures".

Note regarding period-to-period variations

The Company earns revenue from the sale of the products it is distributing. From period to period, the fluctuation in the Company's net revenue is primarily a function of changes in patient demand, inventory levels held by customers, government chargebacks and rebates, customer discounts and returns, and changes in the Company's product portfolio, including due to the execution or termination of product license agreements.

Medexus's net revenue is also affected by seasonality in net sales of some of Medexus's leading products, such as Rupall, largely depending on the severity and timing of allergy seasons across Canada, and Rasuvo, which typically reflects an annual, temporary increase in demand as some US patients order additional product, likely to prepare for temporary relocation in winter months.

In the 12-month period ended March 31, 2024, unit demand for Rasuvo and Metoject benefited from their comparatively steady supply relative to ongoing shortages of competing product inventory, which Medexus believes to be the indirect result of a global shortage of methotrexate.

The timing and commercial terms of orders, particularly large orders, can cause variability in Medexus's net revenue quarter-to-quarter. Net revenue for the first two quarters of fiscal year 2024 and the last two quarters of fiscal year 2025 demonstrated some such variability, including because Medexus received and filled a number of orders of Rupall in fiscal Q1 2024 that were originally expected to be received in fiscal Q2 2024, and received and filled a number of orders of IXINITY in fiscal Q3 2025 in response to customer buying patterns that resulted in proportionately reduced ordering of IXINITY in fiscal Q4 2025. In addition, pharmacy and wholesale customers of IXINITY exhibit varying buying patterns relative to patient unit demand, which is difficult to forecast with precision and has been influenced by developments in the broader hemophilia B treatment solutions market. This variance can result in those customers building up and subsequently working through inventory on hand, resulting in quarterly sales of IXINITY that do not directly correspond to short-term changes in patient unit demand. Beginning in fiscal Q3 2024, the Company's largest pharmacy customer of IXINITY reduced its purchases of IXINITY relative to past practice, which appear to have largely stabilized as of fiscal Q3 2025, partly due to contractual purchase commitments agreed with this pharmacy customer in part to ensure continuity of supply. Similar dynamics have also affected Rasuvo, with recent reductions in non-statutory discounts offered to customers, together with effective unit-level price reductions, in particular in fiscal Q2 2025, contributing to a meaningful adverse impact on Rasuvo net sales in each of the first two quarters of fiscal year 2025.

Gross margin is affected by the same drivers that affect net revenue. This includes, in particular, the government rebates, chargebacks, and non-statutory discounts that impact the net unit-level prices of each product and the execution or termination of product license agreements, which affect the amortization of intangible assets that is included in cost of sales. Changes in gross margin over the last eight quarters reflects these factors and largely follows the changes in revenue over the same period. The reduction in gross margin for fiscal Q4 2025 was primarily due to the inclusion of amortization of intangible assets related to GRAFAPEX. Adjusted Gross Margin for fiscal Q4 2025 therefore similarly follows the changes for fiscal year 2025.

In January 2024, Medexus formulated and implemented a cost reduction initiative, which primarily affected selling, general and administrative expenses beginning fiscal Q4 2024 and termination benefits in fiscal Q4 2024. Medexus also paid termination benefits in fiscal Q2 2025 to a former

member of senior management who departed the Company in June 2024 and incurred termination benefits in fiscal Q4 2025 payable to employees who previously supported Gleolan in the United States and whose employment with the Company was terminated in March 2025 in connection with the termination of the March 2022 license, supply, and distribution agreement.

Medexus's selling, general and administrative expenses have varied in large part due to the net effect of the Company's investments in personnel and infrastructure to support commercialization initiatives for new products and product candidates, in particular GRAFAPEX and Gleolan in the United States, and cost reduction initiatives, including those implemented in October 2022 and January 2024. GRAFAPEX personnel and infrastructure investments increased meaningfully over fiscal year 2025, particularly in fiscal Q4 2025. Medexus expects that these investments will stabilize at around \$3 million to \$4 million for fiscal Q1 2026 and around \$4 million per quarter thereafter. Medexus continues to expect that GRAFAPEX will be accretive to quarterly operating cash flows by fiscal Q4 2026. As a result of the March 2025 termination of the March 2022 license, supply, and distribution agreement, selling, general and administrative expenses after fiscal year 2025 will not include operating expenses attributable to Gleolan in the United States.

Medexus's research and development expenses have varied in large part due to the timing of expenditures relating to the Company's now-completed phase 4 clinical trial of IXINITY and its ongoing IXINITY manufacturing process improvement initiative.

Transaction-related fees and expenses and termination benefits are non-recurring by nature and are not expected to exhibit meaningful trends across the eight quarters.

Changes in Adjusted EBITDA, operating income (loss), and net income (loss) reflect the items noted above.

Net income (loss) is also impacted by interest expense on long-term debt, changes in business combination related payables, foreign exchange gains or losses, and income tax expenses. For periods ended on or before December 31, 2023 included unrealized loss (gain) on the change in fair value of the embedded derivatives in the now-repaid Convertible Debentures, which matured on October 16, 2023. This non-cash value was estimated at each reporting date and was sensitive to, among other things, fluctuations in Medexus's share price.

COMPANY STRATEGY AND OUTLOOK

Business strategy

Medexus focuses on commercialization of an existing portfolio of pharmaceutical products previously licensed or acquired from third parties. These existing products have primarily driven Medexus's performance to date. Medexus also focuses on opportunities to complement its existing product portfolio by licensing and acquiring new products at various stages of the commercial lifecycle. Medexus therefore does not make significant investments in research and development. Medexus generally purchases finished products manufactured by third-party licensors located outside North America and distributes them in the United States or Canada. Medexus uses third-party contract manufacturers, primarily one located in the United States, to manufacture IXINITY.

Corporate organizational structure

Medexus Pharmaceuticals Inc., a Canada corporation, operates Medexus's business activities in Canada directly. It also owns 100% of the issued and outstanding shares of MI Acquisitions, Inc., a Delaware corporation.

MI Acquisitions, Inc. is an intermediate holding company that does not engage in any operating activities. MI Acquisitions, Inc. owns 100% of the issued and outstanding shares of Medexus Pharma, Inc., a Delaware corporation.

Medexus Pharma, Inc. operates Medexus's business activities in the United States. It is also the sole member (owning 100% of the membership interests) of Aptevo BioTherapeutics LLC, a Delaware limited liability company.

Aptevo BioTherapeutics LLC owns Medexus's rights to IXINITY. It otherwise does not engage in operating activities.

Industry trends

Select key trends in the pharmaceutical industry affecting Medexus's business are set out in the paragraphs below. Medexus believes that a number of industry trends create a favorable environment for the licensing or acquisition and distribution of commercial-stage assets.

Demographics

Growth of the population in general and aging of the population in particular will continue to drive demand for pharmaceutical products and therapies. Favorable perception of branded products will result in sustained opportunities for select established branded assets and promotional stage products, including those within Medexus's product portfolio.

Commercial pricing pressures

Pricing and access pressures in the commercial sector continue to be significant. Overall, there is increasing pressure on US providers to deliver healthcare at a lower cost and to ensure that those expenditures deliver demonstrated value in terms of health outcomes. Many employers

have adopted high deductible health plans, which can increase out-of-pocket costs for medicines. This trend is likely to continue. Private third-party payers, such as health plans, increasingly challenge pharmaceutical product pricing, which could result in lower prices, lower reimbursement rates, and a reduction in demand for Medexus's products. Pricing pressures also occur as a result of highly competitive insurance markets. Healthcare provider purchasers, directly or through group purchasing organizations, are seeking enhanced discounts or implementing more rigorous bidding or purchasing review processes.

The current political environment in the United States has created some uncertainty with respect to, among other things, the extent of general changes in political, legal, regulatory, social, and economic conditions in the United States, and their potential impact and constraints on Medexus's pricing strategies and ability to adjust pricing. See "Medexus's Business—Regulatory environment, including environmental protection requirements—Recent developments in the United States" in the AIF and "Risk Factors and Risk Management—Evolving conditions in the United States" in this MD&A.

Managed care organizations (MCOs)

The evolution of managed care in the United States has been a major factor in the competitiveness of the healthcare marketplace. A significant percentage of the US population now have some form of health insurance coverage, and the marketing of prescription drugs to both consumers and the entities that manage coverage in the United States continues to grow in importance. In particular, the influence of MCOs has increased in recent years due to the growing number of patients receiving coverage through MCOs. At the same time, consolidation in the MCO industry has resulted in fewer, even larger MCOs, which enhances those MCOs' ability to negotiate pricing and increases their importance to Medexus's business. Since MCOs seek to contain and reduce healthcare expenditures, their growing influence has increased pressure on drug prices as well as revenues.

Government programs

In the United States, the share of Medicare and Medicaid funding of pharmaceutical products in outpatient settings has increased significantly since 2000. Often, established branded pharmaceutical products, such as Rasuvo, that are subject to Medicare or Medicaid, or that fall under the US Federal Supply Schedule, may still be competitive in price to alternatives due to mandatory rebates and average manufacturer price calculation rules prescribed by US law. The Federal Supply Schedule is a list of contractors that have been awarded a contract by the US General Services Administration, an independent agency of the US government, and those contractors can be used by all US federal agencies.

The share of utilization of leading products in outpatient settings, in particular under government programs such as the "340B Drug Pricing Program" in the United States, can introduce pricing risk for Medexus's products. Under the "340B" program, participating manufacturers agree to charge covered federally funded clinics and hospitals no more than an established discounted price for its covered outpatient drugs. Trends in hospital and other institutional management of "340B" program mechanisms affect Medexus's exposure to pricing risk under this and other government programs. US states are also seeking to regulate and prohibit restrictions on the "340B" program. In particular, the "340B" program puts meaningful pricing pressure on Rasuvo.

Medexus recently commenced an enhanced audit initiative of Rasuvo through a third-party service provider, focusing on payments through Medicaid, and is evaluating an expansion of the initiative to include the Company's Medicare and commercial businesses, in light of the trend in the "340B" program in particular. Medexus expects that GRAFAPEX will be subject to some such pricing risk given the expected share of outpatient and "340B" utilization.

The current political environment in the United States has created some uncertainty with respect to, among other things, the extent of general changes in political, legal, regulatory, social, and economic conditions in the United States. For example, on April 15, 2025, the current US presidential administration issued an executive order (**April 2025 EO**) that, among other directives, directs the US Department of Health and Human Services, or HHS, to provide recommendations within 180 days to accelerate the approval of generics, biosimilars, combination products, and second-in-class medications, as well as to address Medicaid drug rebates and Medicaid drug payment methodologies, and, within one year, to develop and implement a plan to test a payment model to enable Medicare to obtain pharmaceuticals at lower cost. Other HHS policy changes and demonstration projects to test new care, delivery and payment models can also significantly affect how pharmaceutical products, including Medexus products, are covered and reimbursed. In addition, in May 2025, the US House of Representatives passed the "One Big Beautiful Bill Act", which contained provisions that would affect funding of and utilization under Medicaid and potentially other publicly funded or subsidized health programs. See also "Risk Factors and Risk Management—Evolving conditions in the United States".

Government legislation and policy

Medexus has continued to evaluate the impact of the Inflation Reduction Act of 2022 (IRA) since the law became effective in August 2022. Based on the Company's ongoing assessments, together with recent related regulatory developments and pharmaceutical industry practice, Medexus now expects that the near- to mid-term adverse impact of the law on Medexus's net revenue and gross profit and gross margin will be moderate. Medexus expects that this impact will be primarily due to increases in the Company's contractual payment obligations in respect of Rasuvo and IXINITY usage under Medicare (which benefits from mandatory discounts and rebates), the impact of ongoing Medicare redesign initiatives authorized under the law, and the indirect impact of the law on distribution costs. Medexus continues to evaluate the impact of these developments on its revenue and cost structure.

Although, to date, no Medexus products have been identified as subject to the Medicare Drug Price Negotiation Program, which requires select companies to negotiate Medicare prices for certain identified pharmaceutical products, it is possible that one or more Medexus products could be selected in future, which could, among other things, lead to lower revenues in advance of expiration of the product's intellectual property protections. US states are also enacting laws that reference the IRA. For example, following the passage of the IRA, bills have been proposed in multiple states – one of which has now been adopted in Colorado – that would apply the drug price caps set by HHS for Medicare to drug prices in an individual state. Such references to IRA price caps have also been included in "Prescription Drug Affordability Board", or PDAB, legislation.

The current political environment in the United States has created some uncertainty with respect to, among other things, the extent of general changes in political, legal, regulatory, social, and economic conditions in the United States. See "Medexus's Business—Regulatory environment,

including environmental protection requirements—Recent developments in the United States" in the AIF and "Risk Factors and Risk Management—Evolving conditions in the United States" in this MD&A.

Product opportunities

Medexus expects that drug development companies without commercial infrastructure in the United States and Canada will continue seeking commercialization partners to represent their products in those markets.

Medexus also believes that large pharmaceutical companies will continue to focus on their core therapeutic areas, meaning that these companies will divest non-core or non-strategic products, many of which could fall into the product lifecycle stages on which Medexus focuses its business development activities.

Customers

Medexus has a limited number of direct customers, and the majority of Medexus's sales are to large national distributors, wholesalers, pharmacy chains and specialty pharmacies, healthcare institutions, and other large customers. For fiscal year 2025, two customers (2024 – three) (all of which were large national wholesalers) each individually accounted for more than 10% of Medexus's net revenue, together accounting for approximately 52% (2024 – 62%) of Medexus's net revenue, and three customers (2024 – four) (all of which similarly were large national wholesalers) each individually accounted for more than 10% of Medexus's trade accounts receivable, together accounting for approximately 76% (2024 – 82%) of Medexus's trade accounts receivable. See "Risk Factors—Risks relating to the business—Dependence on a small number of customers" in the AIF.

Manufacturing, supply, and distribution

Medexus focuses on managing the production and distribution of pharmaceutical products that the Company commercializes. Medexus generally purchases finished products manufactured by third-party licensors and distributes them in the United States or Canada. Medexus uses third-party contract manufacturers for IXINITY. Medexus relies on third-party logistics providers to administer distribution logistics processes in both the United States and Canada. This includes warehousing, order processing, shipping, and invoicing and collections.

Medexus and its third-party partners are, and will continue to be, subject to extensive government regulation in connection with the manufacture, supply, and distribution of pharmaceutical products. Products that Medexus commercializes must be manufactured in facilities and using processes, methods, and equipment that comply with the requirements of the FDA (for products commercialized in the United States) or Health Canada (for products commercialized in Canada). See "Risk Factors—Risks relating to the business—Reliance on third parties for the manufacture and supply of products" in the AIF.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Medexus continually and proactively monitors its liquidity position. Medexus seeks to manage the Company's liquidity and capital resources to meet the demands of its operations in light of changes in business conditions and otherwise as appropriate in light of the underlying risk of the Company's assets. Failure to generate sufficient cash flows from operations or from additional financing activities would have an adverse effect on Medexus's ability to fulfill its financial obligations and achieve its business objectives. See "Risk Factors and Risk Management—Need for additional financing" and "Risk Factors and Risk Management—Risks associated with debt financing".

Meaningful near-term liquidity considerations for the Company include maintaining sufficient financial resources to –

- make interest and principal payments in respect of the Company's debt financing arrangements, in particular the BMO Credit Agreement;
- make regulatory and other milestone payments to the Company's third-party licensors if and when they become due, in particular any milestone payments that have and may yet become due under the GRAFAPEX Agreement, including as discussed elsewhere in this MD&A;
- carry on the continued development and commercialization of existing products;
- secure new business opportunities and product registrations, including funding any associated clinical or product development programs;
- prevent or mitigate delays or challenges in supply of the Company's products; and
- comply with regulatory requirements, including those relating to manufacturing and distribution of the Company's products.

Medexus executed a commercial launch of GRAFAPEX in the first half of calendar year 2025, with product commercially available in February 2025. Given the revenue opportunity that product represents, Medexus expects to invest approximately \$3 million to \$4 million per fiscal quarter during fiscal year 2026 and continues to expect that GRAFAPEX will be accretive to quarterly operating cash flows by fiscal Q4 2026. See "Highlights for Twelve-Month Period Ended March 31, 2025—Operational Highlights—Leading products—Hematology-oncology—GRAFAPEX (US)".

Medexus actively evaluates options with respect to its capital structure, including its debt financing arrangements, and, particularly in light of the March 2026 maturity of the Term Facility and Revolving Facility discussed below, regularly engages in discussions with capital providers regarding its future capital resources and requirements. Medexus has been successful in securing third-party financing in the past, although there can be no assurance that the Company will be able to secure similar third-party financing in the future, or that these sources of capital will be available to Medexus on terms acceptable to the Company or at all.

Contractual obligations and commitments

Medexus's contractual obligations and commitments consist of accounts payables and accrued liabilities, milestone payments under the GRAFAPEX Agreement, long-term debt, and balance payable for business combinations. Medexus's contractual obligations and commitments as of March 31, 2025 are shown in the following table:

Amounts in \$ '000s

	1 year or less	Between 1 & 5 years	Over 5 years
Accounts payable and accrued liabilities	41,024	–	–
Milestones payable	15,000	–	–
Long-term debt	36,980	198	–
Balance of payable for business combinations	2,813	10,263	11,924
Total	95,817	10,461	11,924

In November 2024, Medexus and medac entered into a fourth amendment to the GRAFAPEX Agreement. Among other things, the fourth amendment adjusted the unpaid regulatory milestone payments under the GRAFAPEX Agreement as provided in the fourth amendment. The regulatory milestone amount payable to medac under the fourth amendment upon an FDA approval of GRAFAPEX is based on the language of the product label approved by the FDA. Based on the terms of the approval, including the FDA-approved product label, the parties determined that medac earned a regulatory milestone amount of US\$15 million. The regulatory milestone amount is payable in three installments: one-sixth of the total amount (US\$2.5 million) is payable by June 30, 2025, one-third of the total amount (US\$5 million) is payable by October 1, 2025, and the remaining 50% of the total (US\$7.5 million) is payable by January 1, 2026, subject to Medexus's right to temporarily defer the second and/or third such payments on terms described in the fourth amendment. Given the FDA approval of GRAFAPEX, Medexus repaid a US\$2.5 million credit received from medac in September 2021.

See also note 22 (including the table in that note regarding the Company's financial liabilities) and note 18 (including the table in that note regarding the Company's anticipated future cash flow requirements in respect of commitments and contingencies) to Medexus's audited consolidated financial statements for the fiscal year ended March 31, 2025, which are available on Medexus's issuer profile on SEDAR+ at www.sedarplus.ca, for additional information about liquidity and other risks that Medexus faces.

Sources of liquidity

Overview

As of March 31, 2025, Medexus had \$24.0 million of available liquidity consisting of cash and cash equivalents (March 31, 2024 – \$5.3 million).

Overnight marketed public offering

In January 2025, Medexus completed an overnight marketed public offering of Common Shares and received C\$30 million aggregate gross proceeds (or C\$28.3 million net proceeds before expenses), or approximately US\$20.9 million (US\$19.7 million), based on the Bank of Canada exchange rate on January 27, 2025 (C\$/US\$ exchange rate of 1.4381). The Company previously used a majority of the net proceeds to secure a now-released cash collateral pledge under the BMO Credit Agreement, and, following the FDA approval of GRAFAPEX in January 2025, promptly repaid a US\$2.5 million credit originally received from medac in September 2021. The remaining net proceeds from the offering will be used to pay a portion of the regulatory milestone amounts payable to medac under the GRAFAPEX Agreement and for working capital and general corporate purposes, which may include funding the Company's ongoing business development activities and initiatives.

BMO credit agreement

In March 2023, Medexus entered into a new senior secured credit agreement (**BMO Credit Agreement**) agented by Bank of Montreal (**BMO**). Following a September 2023 amendment, the BMO Credit Agreement provides for a \$53 million term loan facility (**Term Facility**) and a \$3.5 million revolving loan facility (**Revolving Facility**). As of the date of this MD&A, Medexus had drawn all amounts under the Term Facility and had drawn and, in June 2025, repaid all amounts under the Revolving Facility. Under the terms of a June 2025 amendment, amounts under the Revolving Facility are expected to again become available to Medexus in February 2026. The Term Facility and the Revolving Facility will mature in March 2026.

Borrowings under the Term Facility bear interest at a rate of adjusted term SOFR plus a tiered margin determined quarterly based on Medexus's consolidated leverage ratio. Borrowings under the Revolving Facility similarly bear interest at a base rate plus a tiered margin. The base rate under the Revolving Facility is adjusted term SOFR or BMO's base rates for similar commercial loans, depending on the type of borrowing. The margin is determined in the same manner as the margin applicable to borrowings under the Term Facility. Medexus also pays customary tiered standby fee on available but undrawn amounts under the Revolving Facility. At March 31, 2025, the weighted average interest rate on borrowings under the Term Facility and the Revolving Facility was 7.18%.

Under the June 2025 amendment, the Term Facility is subject to an amortization schedule requiring that the remaining principal amount be repaid in installments of \$1.1 million on the last business day of the calendar quarters ending September 30, 2025 and December 31, 2025, with any remaining balance due at maturity of the BMO Credit Agreement.

Amounts outstanding under the Revolving Facility appear in the current portion of long-term debt in Medexus's consolidated statement of financial position because Medexus may repay (and,

subject to the following sentence, reborrow) those amounts at any time. Under the terms of the June 2025 amendment, Medexus repaid all amounts outstanding under the Revolving Facility, and those amounts will again become available to Medexus in February 2026, provided Medexus achieves a predetermined profitability metric as currently expected.

The BMO Credit Agreement includes customary terms, including leverage and fixed charge coverage ratios, and provides for a first-priority security interest in all Medexus's assets. The BMO Credit Agreement includes customary terms relating to early repayment, including upon receipt of net cash proceeds of new debt other than permitted debt or sale of property outside the usual course of business, receipt of insurance proceeds not otherwise reinvested, and the occurrence of an event of default under the BMO Credit Agreement.

Cash flows

(Amounts in \$ '000s)

Fiscal year ended March 31,	2025	2024
Cash provided by operating activities	24,034	18,714
Cash used by investing activities	(6,001)	(3,478)
Cash provided (used) by financing activities	796	(23,048)
Increase (decrease) in cash position during the period	18,829	(7,812)
Impact of foreign exchange	(111)	(2)
Cash and cash equivalents, beginning of period	5,255	13,069
Cash and cash equivalents, end of period	23,973	5,255

Operating activities

Cash provided by operating activities was \$24.0 million for fiscal year 2025 compared to cash provided by operating activities of \$18.7 million for fiscal year 2024. The \$5.3 million year-over-year increase in cash provided by operating activities was primarily due to a year-over-year increase in net income, adjusted for non-cash items (such as amortization of product licenses, impairment of intangible assets, and share-based compensation expense), and a year-over-year decrease in income taxes paid.

Medexus's working capital balance has continued to change in connection with the Company's growth. Significant factors in contributing to the \$5.8 million net change in working capital for fiscal

year 2025 were a decrease in accounts receivable (largely due to an ongoing initiative to improve customers' net payment terms) partially offset by continued increases in inventory (primarily IXINITY finished goods)]. Medexus continues to monitor changing business conditions and related cash flow and working capital needs, in particular with respect to the commercial launch of GRAFAPEX in fiscal Q4 2025.

Investing activities

Cash used by investing activities was \$6.0 million for fiscal year 2025 compared to \$3.5 million for fiscal year 2024. The \$2.5 million year-over-year decrease (increase in cash used) was primarily due to the repayment of a US\$2.5 million credit, originally received from medac in September 2021, following the FDA approval of GRAFAPEX in January 2025.

Cash used by investing activities for fiscal year 2025 does not include the \$15 million regulatory milestone payment under the GRAFAPEX Agreement that was incurred upon FDA approval of GRAFAPEX in January 2025. The regulatory milestone amount is payable in three installments: one-sixth of the total amount (US\$2.5 million) is payable by June 30, 2025, one-third of the total amount (US\$5 million) is payable by October 1, 2025, and the remaining 50% of the total (US\$7.5 million) is payable by January 1, 2026, subject to Medexus's right to temporarily defer the second and/or third such payments on terms described in the fourth amendment to the GRAFAPEX Agreement.

Financing activities

Cash provided by financing activities was \$1.0 million for fiscal year 2025 compared to cash used by financing activities of \$23.0 million for fiscal year 2024. The \$24.0 million year-over-year increase (decrease in cash used) was primarily due to a public offering of Common Shares in January 2025 (during fiscal year 2025) and repayment in cash of the Convertible Debentures in October 2023 (during fiscal year 2024). Cash flows from financing activities were also affected by increases in the principal repayment amounts due in respect of the Term Facility in fiscal year 2025. Following a June 2025 amendment to the BMO Credit Agreement, principal repayment amounts in respect of the Term Facility will amount to \$1.1 million for each of fiscal Q2 and fiscal Q3 2026.

Cash flows from financing activities for fiscal year 2025, including fiscal Q4 2025, do not include aggregate principal repayment amounts of approximately \$14.9 million that Medexus made subsequent to period end, in June 2025, under the terms of the June 2025 amendment.

FUTURE CAPITAL REQUIREMENTS

Medexus believes that its existing cash and cash equivalents together with expected cash flow from operations will be sufficient to meet the Company's projected operating and capital expenditure requirements for at least the next 12 months, and that Medexus possesses the financial flexibility to execute the Company's strategic objectives. However, Medexus's ability to generate cash is subject to the operating performance of the Company's business (in particular its leading products), general economic conditions, industry trends, and other factors (including those set out under "Risk Factors and Risk Management"). To the extent that existing cash and cash equivalents and operating cash flow are insufficient to fund the Company's future activities

and requirements, Medexus would need to raise additional funds through equity or debt financing. If Medexus raises funds through the issuance of additional debt, Medexus could become subject to additional contractual restrictions on its business and operations. There can be no assurance that Medexus would be able to raise additional funds on favorable terms or at all. Medexus could need to raise additional funds to pursue its growth strategy or continue its existing business and operations, yet could be unable to raise capital when needed or on acceptable terms, which could lead Medexus to be unable to expand its business and operations.

OFF-BALANCE SHEET ARRANGEMENTS

Medexus had no off-balance sheet arrangements as of March 31, 2025.

TRANSACTIONS WITH RELATED PARTIES

Below is a summary of transactions during fiscal year 2025 in which Medexus participated and in which any related party as determined under IFRS Accounting Standards had a direct or indirect material interest. Medexus views the following transactions with related parties as having occurred in the normal course of the Company's operations.

Medexus pays warehouse and other fees to a company in which a named executive officer holds a 50% equity interest for customary storage, distribution, and other related services in respect of certain of Medexus's products in Canada. These fees totaled \$60,000 and \$253,000 for the three- and 12-month periods ended March 31, 2025 compared to \$64,000 and \$256,000 for the corresponding prior fiscal year periods.

FOURTH QUARTER RESULTS

(Amounts in \$ '000s)

Quarter ended March 31,	2025	2024
Net revenue	24,754	25,962
Gross profit	12,432	13,305
Selling, general and administrative expenses	12,174	10,367
Research and development expenses	471	53
Net income (loss)	(553)	762
Adjusted EBITDA*	2,265	4,399
Basic net income (loss) per share	(0.02)	0.03
Diluted net income (loss) per share	(0.02)	0.03

* See "Preliminary Notes—Non-GAAP measures".

Note regarding period-to-period variations

The Company earns revenue from the sale of the products it is distributing. From period to period, the fluctuation in the Company's net revenue is primarily a function of changes in patient demand, inventory levels held by customers, government chargebacks and rebates, customer discounts and returns, and changes in the Company's product portfolio, including due to the execution or termination of product license agreements. The timing and commercial terms of orders, particularly large orders, can also cause variability in Medexus's net revenue quarter-to-quarter.

Medexus executed a commercial launch of GRAFAPEX in the first half of calendar year 2025, with product commercially available in February 2025.

Net revenue was \$24.8 million for fiscal Q4 2025, a year-over-year decrease of \$1.2 million, or 4.6%, compared to \$26.0 million for fiscal Q4 2024. This year-over-year decrease is primarily due to the timing of customer buying patterns of IXINITY, which had a \$2.0 million beneficial impact in fiscal Q3 2025 and a proportionately negative impact in fiscal Q4 2025. The year-over-year decrease was partially offset by \$0.6 million of product-level revenue from GRAFAPEX in fiscal Q4 2025.

Gross profit and gross profit margin were \$0.9 million and 100 bps lower year-over-year primarily due to the inclusion of amortization of intangible assets related to GRAFAPEX in fiscal Q4 2025.

Selling, general and administrative expenses were \$1.8 million higher year-over-year primarily due to the increase in investments in connection with the commercial launch of GRAFAPEX in fiscal Q4 2025, partially offset by the effects of the Company's ongoing financial discipline efforts.

Research and development expenses were \$0.4 million higher year-over-year primarily due to the Company's planned investment in the IXINITY manufacturing process improvement initiative, which has had a positive impact on batch yield and manufacturing costs.

Changes in Adjusted EBITDA and net income (loss) reflect the items noted above.

Net loss was \$0.6 million for fiscal Q4 2025, a year-over-year decrease of \$1.3 million compared to net income of \$0.8 million for fiscal Q4 2024. This year-over-year decrease is primarily due to the changes in net revenue and the \$2.7 million of GRAFAPEX personnel and infrastructure investments in fiscal Q4 2025 discussed above, partially offset by the effects of the Company's ongoing financial discipline efforts.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS, AND ASSUMPTIONS

The preparation of Medexus's consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting principles and policies and the reported amounts of assets, liabilities, revenues, and expenses during the relevant periods covered by those financial statements. These estimates and assumptions are based on historical experience, expectations of the future, and other relevant factors. Medexus reviews its estimates and assumptions regularly. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Actual results may differ from these estimates. A description of Medexus's significant accounting estimates, judgements, and assumptions, as well as expected changes in accounting policies, is included in note 1 to Medexus's audited consolidated financial statements for the fiscal year ended March 31, 2025.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying values of cash, amounts receivable, advances to related parties, loans receivable, accounts payable and accrued liabilities, and advances from related parties approximate their carrying values due to the immediate or short-term nature of these instruments.

IFRS 13, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

Level 2 – inputs other than quoted prices included in 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).

Medexus's financial instruments consist of cash, other current assets, accounts payable, derivative liability, and promissory notes. The fair values of other current assets, accounts payable, related parties payable, Convertible Debentures (prior to their repayment in October 2023), and promissory notes approximate their carrying values either due to their current nature or current market rates for similar instruments. Cash is measured at fair value on a recurring basis using level 1 inputs. Derivative liability is measured at fair value on a recurring basis using level 3 inputs.

See also note 22 to Medexus's audited consolidated financial statements for the fiscal year ended March 31, 2025, which are available on Medexus's issuer profile on SEDAR+ at www.sedarplus.ca, for additional information.

Foreign Currency Fluctuations

Medexus's functional currency is the Canadian dollar, but Medexus's presentation currency is the US dollar and the Company is also party to transactions denominated in US dollars and in the European euro. Movements in exchange rates between the Canadian dollar and these currencies have an impact on Medexus's financial results.

The Company is exposed to foreign currency risk through the following financial assets and liabilities, expressed in US\$:

	2025	2024
Cash and cash equivalents		
US dollar	84	545
Accounts payable and accrued liabilities		
US dollar	(154)	-
Euro	(1,410)	(1,749)
Balance of payable for business combinations		
US dollar	(17,390)	(18,641)

The table below shows the immediate increase (decrease) on net income of a 10% strengthening in the closing exchange rate of significant currencies to which the Company has exposure as at March 31, 2025. The sensitivity associated with a 10% weakening of a particular currency would be equal and opposite. This assumes that each currency moves in isolation.

	2025	2024
10% strengthening of the CA\$:US\$ exchange rate	1,746	1,810
10% strengthening of the CA\$:EUR exchange rate	141	175

DISCLOSURE OF OUTSTANDING SHARE DATA

Summary

Medexus's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of June 25, 2025, Medexus had 32,258,353 Common Shares and no preferred shares issued and outstanding.

In addition, as of June 25, 2025, the following number of Common Shares were issuable in accordance with the terms of convertible securities (including equity incentive compensation awards) issued by Medexus –

- 1,893,442 Common Shares issuable upon exercise of the 2023 Warrants, none of which were in the money;
- 233,903 Common Shares issuable upon exercise of warrants issued to the sole underwriter of an October 2023 bought-deal public offering, 233,903 of which were in the money;
- 1,060,194 Common Shares issuable upon settlement of RSUs and PSUs (each defined below), assuming vesting at 100%; and
- 637,914 Common Shares issuable upon exercise of Options (defined below), 250,564 of which were in the money.

Description of securities

The following sections set out a description of the material characteristics of each class of security that is issued and outstanding as of the date of this MD&A.

Common Shares

Each Common Share entitles the holder to one vote per share. The holders of Common Shares are entitled to receive notice of meetings of shareholders of Medexus and to vote at the meeting. Holders of Common Shares are entitled to receive, as and when declared by the Board, dividends in such amounts as may be determined by the Board. Holders of Common Shares have the right to receive any remaining residual asset value of Medexus in the event of a liquidation, dissolution, or winding-up of Medexus, whether voluntary or involuntary.

2023 Warrants

In October 2023, Medexus issued common share purchase warrants to purchase up to 1,949,192 Common Shares (**2023 Warrants**) through the issuance of an aggregate of 3,898,384 units in a bought-deal public offering. Each unit issued in the offering included one-half of one 2023 Warrant. Each 2023 Warrant entitles the holder to purchase one Common Share at an exercise price of C\$3.65 at any time through April 6, 2026. The 2023 Warrants are issued under a common share purchase warrant indenture with Odyssey Trust Company as warrant agent.

In connection with the offering, Medexus also issued to the sole underwriter, as partial consideration for its services in connection with the offering, warrants to purchase up to 233,903 Common Shares at an exercise price of C\$2.95 at any time through April 6, 2026.

Securities issued under the Equity Plans

Medexus issues equity incentive compensation awards to eligible participants under the Company's equity incentive compensation plans (**Equity Plans**): the Medexus Long Term Incentive Plan, which was adopted at the Company's annual meeting of shareholders in September 2022, and, previously, the Company's legacy equity incentive plans, which continue to govern only equity incentive compensation awards issued to participants before September 2022.

Share units

Medexus issues share units to participants under the Equity Plans in the form of restricted share units (**RSUs**) or performance share units (**PSUs**).

- RSUs generally vest in one or more installments based on a participant's continued service and tenure over a period of time. For example, RSUs issued annually to directors since Fall 2020 vest on the date of the following annual general meeting of shareholders, and RSUs issued to employees, including members of senior management, since Fall 2023 generally, but not always, vest in equal annual installments over three-year periods from the relevant vesting start-date.
- PSUs vest in the event Medexus achieves one or more of a number of predetermined objectives during performance periods that generally, but not always, extend over multiple fiscal years. For example, PSUs issued to members of senior management through Fall 2021 vested upon Medexus's achievement and public disclosure of Company-level financial objectives.

Each vested share unit represents an obligation of Medexus to deliver the value of one Common Share in accordance with the Equity Plans and the terms of the holder's award agreement.

Options

Medexus issues options to purchase Common Shares (**Options**) to participants under the Equity Plans. Options generally vest in one or more installments based on a participant's continued service and tenure over a period of time. For example, Options issued to date to newly hired employees since Fall 2020 vest in equal amounts on or about the grant date and the first, second, third, and fourth anniversaries of the grant date, and Options issued to directors since Fall 2020 vest on the date of the following annual general meeting of shareholders.

Each vested Option represents an obligation of Medexus to deliver the value of one Common Share upon the holder's delivery of an exercise notice and value equal to the exercise price in accordance with the Equity Plans and the terms of the holder's award agreement.

Preferred shares

Preferred shares may be issued in one or more series with such rights, privileges, restrictions, and conditions, and such priorities or preferences in respect of the Common Shares or otherwise, as may be determined by the Board from time to time, including in respect of the payment of distributions and the repayment of residual asset value of Medexus.

RISK FACTORS AND RISK MANAGEMENT

Medexus is subject to a number of risks and uncertainties. A risk is the possibility that an event might happen in the future that could have a negative effect on the Company's financial condition, financial performance, or business. The Board has overall responsibility for overseeing Medexus's evaluation and mitigation of these risks and periodically reviews Medexus's risk management practices.

This section describes certain of the risks and uncertainties relating to financial matters that Medexus faces. A comprehensive discussion of the principal risks and uncertainties that Medexus faces is set out under the heading "Risk Factors" in Medexus's most recent AIF, which is available on Medexus's issuer profile on SEDAR+ at www.sedarplus.ca. See also note 22 to Medexus's audited consolidated financial statements for the fiscal year ended March 31, 2025, which are also available on Medexus's issuer profile on SEDAR+ at www.sedarplus.ca, for additional information about Medexus's liquidity risk, credit risk, currency risk, interest rate risk, and capital risk management. However, those risks and uncertainties referenced in the preceding sentences are not the only risks facing Medexus, its business, and the pharmaceutical industry as a whole. Additional risks not currently known to Medexus, or that the Company currently deems immaterial, may also adversely affect Medexus's operations.

Possible failure to realize benefits of the GRAFAPEX Agreement

Under the GRAFAPEX Agreement, Medexus holds the exclusive right to commercialize GRAFAPEX™ (treosulfan) for Injection in the United States. Medexus continues to believe that the GRAFAPEX Agreement will provide benefits to the Company. However, the Company's financial and operational assumptions with respect to the GRAFAPEX Agreement could be inaccurate, and achieving the benefits of the GRAFAPEX Agreement will depend in large part on Medexus's ability to successfully commercialize GRAFAPEX in the United States in line with current expectations. In addition, a variety of other factors could also adversely affect the likelihood of the anticipated benefits of the GRAFAPEX Agreement materializing or occurring within the time periods anticipated by Medexus. Integrating GRAFAPEX into the Company's operations will continue to be complex, time-consuming, and capital-intensive. Medexus's ability to successfully commercialize and generate revenues from GRAFAPEX depends on a number of factors, including Medexus's ability to, among other things, develop and execute sales and marketing strategies; achieve, maintain, and grow market acceptance of, and demand for, the product; obtain and maintain adequate coverage, reimbursement, and net pricing from managed care, government, and other third-party payers; maintain, manage, or scale the necessary sales, marketing, manufacturing, market access, and other capabilities and infrastructure; obtain adequate supply; maintain and extend intellectual property protection; and comply with applicable legal and regulatory requirements.

GRAFAPEX may not be, or remain, as competitive as expected because of the dynamic market environment for branded pharmaceutical products and the hurdles to any given product in terms of commercial, market access and reimbursement (including formulary inclusion and formulary placement), and medical affairs strategies, among other relevant factors. If the Company is unable to successfully integrate GRAFAPEX, including the failure to successfully formulate, execute, or otherwise realize the Company's plans or strategies for the product, in the face of these dynamics and hurdles or otherwise, then the Company may not be able to achieve the anticipated benefits,

cost savings, or growth opportunities originally contemplated by the transaction. In particular, and without limiting the generality of the foregoing, the Company's expectations regarding the commercialization of GRAFAPEX is based on, among other things, the details of the Company's planned commercial, market access, and medical strategies, the success of which will depend in part on the US regulatory landscape and related dynamics, including potential future changes to each, and can introduce and affect exposure to commercial, legal, and regulatory risk.

For example, companies are not permitted to promote pharmaceutical products for unapproved, or "off-label", uses, meaning any uses that are not described in the product's label, package insert, or prescribing information and that differ from those approved by the FDA. Available approaches under applicable federal and state laws to the advanced scientific and technical discussions the Company believes will be expected in respect of GRAFAPEX, such as those for "scientific exchange", responses to unsolicited questions, and discussions of "healthcare economic information", are complex, uncertain, and subject to change through legislative and regulatory action, as well as evolving judicial and regulatory interpretations. The Company's approach to these matters is informed by its interpretations of available resources, including guidance from governmental and regulatory agencies and the pharmaceutical industry, any of which interpretations could be incorrect or inaccurate, whether in whole or in part. Any such occurrence, and/or failure to comply with any of the laws, regulations, or other constraints that apply to the Company's commercialization of GRAFAPEX, or new laws, regulations, or constraints, could lead to the imposition of civil, administrative, and/or criminal penalties, injunctions, other remedies, and/or limitations on commercialization practices for the Company's products that could negatively impact the Company's ability to realize the anticipated benefit from the GRAFAPEX Agreement and GRAFAPEX, and which would adversely impact the Company's business, operations, prospects, financial condition, and financial performance.

Further, Medexus will need to make milestone and royalty payments to medac from time to time under the GRAFAPEX Agreement. As these payments are made over time, the Company will evaluate its financing needs and options. Depending on the ultimate amount and timing of any such payments, Medexus could need to seek additional third-party debt or equity financing. Medexus has been successful in securing third-party financing in the past; however, the Company's ability to obtain additional financing in the future will depend upon a number of factors, including then-prevailing market conditions and the then-current operating performance and prospects of the Company. There can be no assurance that any such financing will be available to the Company on favorable terms or at all. Under the terms of the GRAFAPEX Agreement, medac may terminate the GRAFAPEX Agreement if, among other things, Medexus fails to pay certain payments when due or cannot demonstrate its ability to pay the remaining payments as and when required by the GRAFAPEX Agreement.

If the GRAFAPEX Agreement were to be terminated, then Medexus would no longer have exclusive rights to commercialize GRAFAPEX in the United States, which could have a material adverse effect on the Company's business and prospects. The consideration paid and payable by Medexus under the GRAFAPEX Agreement, including the milestone payments, is non-refundable except in very limited circumstances.

Further information regarding the GRAFAPEX Agreement is set out in this AIF and in the Annual MD&A. A copy of the GRAFAPEX Agreement, including all amendments, is included in the Company's filings on SEDAR+. For more information about GRAFAPEX, including indications and important safety information (including boxed warning), see the full prescribing information for

GRAFAPEX™ (treosulfan) for Injection, which is available on the product's website at www.grafapex.com and on the Drugs@FDA drug database at www.fda.gov. The summaries in this AIF and the Annual MD&A and elsewhere are qualified by reference to the terms of each such document as applicable.

Need for additional financing

Medexus will, from time to time, require additional capital to, among other things, secure new business opportunities and product registrations, as well as clinical or product development programs that Medexus could decide to pursue, and otherwise to fund the Company's ongoing business and operations. For example, in January 2025, Medexus completed an overnight marketed public offering of Common Shares for C\$30 million aggregate gross proceeds (or C\$28.3 million aggregate net proceeds before expenses). In addition, increases in costs and expenses, changes in product and geographic mix, and the impact of corporate strategic initiatives (including licensing and acquisition transactions, divestitures, restructurings, internal reorganizations, or product-related events that could result from evolving business strategies or otherwise), as well as potential disruption of Medexus's ongoing business, could, in each case, adversely affect future results depending on Medexus's ability to realize the projected benefits of these cost management, product management, and other corporate strategic initiatives. Medexus had negative cash flow in certain quarters during the fiscal years 2023 and 2024 and during fiscal year 2024. Although cash flow during fiscal year 2025 was positive, and operating cash flow during fiscal year 2024 and fiscal year 2025 were each also positive, total cash flow during fiscal Q2 2025 was negative, and Medexus cannot guarantee that it will attain or maintain positive cash flow in future periods. To the extent that Medexus generates negative cash flow in any future periods, Medexus would likely require additional capital to fund its activities. See also "Liquidity and Capital Resources—Cash flows".

However, there can be no assurance that Medexus will be able to raise the additional funding that it will need to carry out its business objectives in a timely and satisfactory manner or at all. Medexus's success in these efforts will depend on prevailing capital market conditions, Medexus's business performance, and its ability to attract and retain investor interest in the Company and its business plan. There can be no assurance that Medexus will be successful in securing the capital it requires as and when needed or at all. In addition, if Medexus raises additional equity capital by issuing Common Shares, or securities that are convertible into Common Shares, then existing holders of Common Shares could suffer dilution.

In addition, increases in interest rates, both domestically and internationally, negatively affect Medexus's cost of financing its operations and investments, whether by debt or equity. Adverse credit market conditions could limit Medexus's ability to raise future debt financing that the Company needs to fund its operations, including to refinance its debt arrangements at that time. Medexus's ability to maintain its current debt arrangements and its ability to issue or borrow long-term debt or raise other forms of debt or equity financing will be critical to Medexus's long-term prospects. Medexus's ability to conduct operations could be materially and adversely impacted if these or other adverse conditions affect the Company's sources of capital.

Risks associated with debt financing

Medexus has incurred significant debt liabilities. Medexus entered into the BMO Credit Agreement in March 2023. Borrowings under the BMO Credit Agreement are subject to mandatory repayment provisions requiring that the principal amount of the Term Facility be repaid in amounts determined in accordance with the schedules set out in the BMO Credit Agreement. See “Liquidity and Capital Resources—Sources of liquidity—BMO Credit Agreement” and “Liquidity and Capital Resources—Cash flows—Financing activities” in the Annual MD&A or, as applicable, Medexus's most recent MD&A. Borrowings under the BMO Credit Agreement are secured by a first-priority security interest in all Medexus's assets. If Medexus defaults in payment under the BMO Credit Agreement, if payment is otherwise accelerated, or if the lenders under the BMO Credit Agreement otherwise exercise their available remedies, then Medexus would suffer a material adverse effect on its business, operations, prospects, financial condition, and financial performance. Medexus's failure to maintain one or more of the Company's material agreements in accordance with its terms – for example, any successful termination of the GRAFAPEX Agreement based on Medexus's failure to perform its obligations under or otherwise comply with the terms of the relevant agreement – could constitute an event of default under the BMO Credit Agreement, which would permit the lenders under the BMO Credit Agreement to accelerate payment and otherwise exercise their available remedies.

Medexus's ability to satisfy its debt liabilities, including under the BMO Credit Agreement, and otherwise to make payments when due, largely depends on the Company's ability to achieve significant revenues from commercializing its products. This is in part because there can be no assurance that Medexus will be able to secure additional financing to satisfy its liabilities under its debt arrangements, including the BMO Credit Agreement. Furthermore, if Medexus is unable to generate sufficient cash flow or if Medexus fails to comply with its financial covenants, Medexus could be compelled to adopt alternative liquidity management strategies, including actions such as reducing or delaying expenditures, restructuring debt, obtaining additional debt or equity capital, or selling assets, any of which could harm the Company's long-term prospects. There can be no assurance that Medexus will be able to repay the outstanding amount of any indebtedness at maturity. Medexus's inability to repay outstanding debt when due would have a material adverse effect on the Company's business, operations, prospects, financial condition, and financial performance.

Medexus's indebtedness, combined with other financial obligations and contractual commitments of the Company, could have other consequences such as increased vulnerability to adverse changes in general economic, industry, and competitive conditions and/or increased sensitivity to interest rate increases; could limit Medexus's flexibility in planning for, or reacting to, changes in the business and industry; and, as a result or otherwise, could put Medexus at a disadvantage compared to competitors who have less debt.

Minimum payment obligations

Medexus is and could in future become subject to contractual arrangements that require Medexus to pay minimum annual amounts to the relevant counterparty regardless of actual performance. These arrangements can relate to purchase of raw materials (which could be more than are necessary to sustain annual production requirements), finished goods (which could be more than are necessary to meet actual demand for the relevant product), or payments under licensing

arrangements (which could be more than sales of the relevant product would otherwise merit). For example, under the now-terminated US Gleolan Agreement, Medexus was obligated to make a minimum payment in respect of fiscal year 2023 and elected to make a similar payment in respect of fiscal year 2024, in each case that exceeded the royalty amount otherwise payable under that agreement. Although not so in the case of these minimum payments under the US Gleolan Agreement, such payments, without a corresponding revenue inflow, could have an adverse effect on Medexus's business, financial condition, and financial performance.

Foreign exchange and market rate fluctuations

Currency exchange rate fluctuations can affect Medexus's results of operations to the extent that the Company's revenues and expenses are in different currencies. Medexus's US revenues, representing a significant portion of the total revenue earned by Medexus, are denominated in US dollars, and Medexus's presentation currency is US dollars. Medexus's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities when revenue or expenses are denominated in Canadian dollars, Euros, or other foreign currencies. For example, all revenues of Medexus's Canadian operations are denominated in Canadian dollars, and many of Medexus's payments to third-party licensors and suppliers are denominated in Euros. As a result, Medexus's competitiveness could be impacted by unfavorable fluctuations in currency exchange rates, and comparability of period-to-period results could be impacted by any such fluctuations.

Future acquisitions or strategic alliances

Medexus has engaged and may in the future engage in acquisitions and strategic alliances, including by licensing or acquiring complementary products, intellectual property rights, technologies, or businesses. Any acquisition or strategic partnership entails numerous risks, including but not limited to the following: potentially increased operating expenses and cash requirements; potential assumption of indebtedness or contingent liabilities; the potential issuance of equity securities, which could result in dilution to shareholders' equity; difficulties in assimilating operations, intellectual property, products, and drug candidates of an acquired company, and with integrating new personnel; diversion of management's attention from existing product programs and initiatives, even if Medexus is unable to complete the proposed transaction; impact on Medexus's ability to retain key employees and maintain key business relationships; uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or drug candidates and ability to obtain regulatory approvals; and potential inability to generate revenue from acquired intellectual property, technology, and/or products sufficient to meet the Company's objectives or even to offset the associated transaction and maintenance costs.

In addition, if and when Medexus undertakes such a transaction, it may assume or incur debt obligations, incur large one-time expenses, or acquire intangible assets that could result in significant future amortization expenses, any of which adversely impact Medexus's results of operations.

Commercial contract disputes

From time to time in the ordinary course of its business, Medexus faces claims relating to the Company's contractual arrangements with third-party licensors or manufacturers or other collaborators, suppliers, service providers, or vendors, and otherwise engages in various forms of commercial dispute resolution processes. For example, in July 2024, Medexus received notice from the licensor of Medexus's commercialization rights to Gleolan seeking to conclude the business relationship of the parties in the United States under the now-terminated US Gleolan Agreement, and, in connection with the Company's ongoing evaluation of Gleolan in the context of the Company's evolving US product portfolio, in particular relative to products and product candidates that present growth opportunities for the Company, Medexus responded by proposing to the licensor that the parties begin discussing a mutually acceptable and orderly resolution regarding responsibility for Gleolan in the United States. In March 2025, Medexus entered into an agreement to terminate the US Gleolan Agreement and return US commercialization rights and responsibilities for Gleolan to NXDC.

Medexus seeks to implement appropriate contractual protections as part of the Company's overall management of the relevant business relationship. For example, Medexus is confident that it performed all obligations under the now-terminated US Gleolan Agreement. However, Medexus's contractual arrangements with any one or more of these third parties may not adequately protect Medexus from these claims and may not provide Medexus with adequate remedies in the case of claims against the relevant third party. For example, Medexus's ability to seek remedies against third parties who exert undue influence in contractual negotiations is limited, particularly when the third party in question is an exclusive supplier of a Medexus product. In addition, any such matter could escalate to formal dispute resolution proceedings. The pursuit and/or outcome of any such matter could, depending on the nature of the claim or dispute, have a material adverse effect on Medexus's business, operations, prospects, financial condition, and financial performance. See also "Risk Factors—Risks relating to legal and regulatory matters—Negative impact from litigation" in the AIF.

This risk is heightened in the case of Medexus's contractual arrangements in respect of its leading products and its pipeline opportunities. Medexus currently derives a significant portion of its revenue from sales of its current leading products, and sales of Medexus's current leading products, together with current pipeline opportunities, are expected to continue to account for a significant portion of the Company's revenue in the near term. See "Risk Factors—Risks related to the business—Dependence on revenue from sales of leading products" in the AIF. As such, an adverse outcome in any such matter that relates to one or more of Medexus's leading products – such as early termination of the US GRAFAPEX Agreement and/or unplanned loss of Medexus's commercialization rights to GRAFAPEX – or that relates to one or more of Medexus's pipeline opportunities, could have a material adverse effect on the Company, potentially including as a consequence of the terms of the BMO Credit Agreement. See also "—Risks associated with debt financing".

Evolving conditions in the United States

The current political environment in the United States has created some uncertainty with respect to, among other things, the regulation of pharmaceutical products, the regulation of international trade involving the United States, and related legal and regulatory processes. There is also

uncertainty regarding the extent of general changes in political, legal, regulatory, social, and economic conditions in the markets in which the Company's patients and/or third-party licensors, suppliers, and other business partners are located. At this time, it cannot be known what new legislation, regulation, and/or policies will be adopted, if any, nor the effect that any such law, regulation, or policy could have on the US economy, other economies, and/or the Company's current or prospective business and products or product candidates. Policy changes following and in light of the election outcome could affect the occurrence, timing, and outcome, and/or the nature, scope, and effectiveness of FDA and other government functions or processes affecting or otherwise relevant to the pharmaceutical industry generally and the Company specifically, including in respect of government programs such as Medicare and Medicaid and/or implementation of the IRA, and could further be affected by potential changes in government budget dynamics.

On February 11, 2025, the current US administration issued an executive order, "Implementing the President's 'Department of Government Efficiency' Workforce Optimization Initiative" (**February 2025 EO**), and, on April 15, 2025, issued the April 2025 EO, discussed above under "Company Strategy and Outlook—Industry trends—Government programs". Following the February 2025 EO, on March 27, 2025, HHS announced a reorganization and reduction in workforce across HHS of approximately 20,000 employees, with the FDA's workforce to decrease by 3,500 full-time employees. A smaller FDA workforce could result in fewer available staff to review NDAs, potentially leading to longer approval timelines. Reduced agency resources could also limit opportunities for product sponsors to engage with the FDA in addressing development challenges, further complicating regulatory pathways. If the February 2025 EO significant impacts FDA operations, it could delay the approval and commercialization of Medexus's new drug products, adversely affecting Medexus's business and financial position.

On May 12, 2025, the current US administration issued an executive order, "Delivering Most-Favored-Nation Prescription Drug Pricing to American Patients" (**May 2025 EO**), that sets out the administration's policy goal of adopting "most-favored-nation" pricing, or "MFN" pricing, for prescription drugs in the United States. The May 2025 EO alone does not have the power to force pharmaceutical companies to reduce prices. It instructs HHS to develop voluntary MFN price targets and communicate them to pharmaceutical manufacturers. The May 2025 EO does not specify how MFN price targets would be determined, although they could be calculated based on reimbursement provided by government-run health systems in other developed countries. The May 2025 EO identifies a series of initiatives that HHS and other agencies can consider taking in the event they believe that pharmaceutical companies have not voluntarily made "significant progress" toward these MFN price targets. The May 2025 EO does not specify which drugs could be subject to MFN pricing, which countries will be considered, how MFN targets will be set or enforced, or what qualifies as "significant progress". In any event, and although it is unclear what the details of any such future regulatory actions would be or how they would affect Medexus's business and operations, pending resolution of the matters described above and otherwise, it is likely that there would be some period of disruption, during which Medexus's revenue could decline, either temporarily or permanently, and Medexus would likely incur additional costs.

In addition, changes in legislation, regulation, and policies governing international trade involving the markets in which the Company's patients and/or licensors, suppliers, and other business partners are located could have a material adverse effect on the Company's revenues and expenses and, consequently, its business, operations, prospects, financial condition, and financial

performance. This would include current or future tariffs or other restrictions on some or all imports into the United States, including products originating in markets in which the Company's licensors, suppliers, and other business partners are located. While many of the current US administration's current tariffs or tariff-related proposals have exempted pharmaceutical products, these exemptions could be terminated at any time or not apply to future tariffs, and, further, pharmaceutical products are not exempt from certain tariffs recently imposed by countries outside the United States. The current US administration has indicated the potential for tariffs and other trade restrictions on pharmaceutical products that could impact the cost at which Medexus purchases its products and their components. These tariffs could adversely affect the pricing structures, profit margins, and overall supply chain efficiency of Medexus and its third-party business partners. New tariffs, including potential tariffs on pharmaceutical products imported into the United States, and/or greater restrictions on trade generally could be imposed, suspended, or rescinded at any time. Such tariffs or restrictions could have an adverse impact on the Canadian and/or US economies generally and/or specific industries or sectors, including the pharmaceutical industry, and such impact could be material. Accordingly, and although not currently expected in the case of those tariffs currently believed to be in effect (to the extent they are and remain effective), there is in any such event a risk that any such tariffs or restrictions could negatively impact the financial position, financial performance, business, outlook and/or valuation of the Company – particularly to the extent the tariffs or restrictions are implemented, and maintained, in respect of imports of the Company's leading products or key components of those products. The actual impact of any such tariffs or restrictions on Medexus's business will be subject to a number of factors including, but not limited to, the specific details of the relevant tariffs, the effective date and duration of such tariffs, countries included in the scope of tariffs, changes to amounts of tariffs, and potential retaliatory tariffs or other retaliatory actions imposed by other countries. Medexus continues to monitor the evolving international trade situation and will in any event seek to mitigate the potential impact of any tariffs or restrictions on the Company's business and operations, although it is possible that these changes in the international trade environment could result in a material adverse impact on the Company's business and results of operations.

Although unlikely, Medexus could become subject to adverse statements, attention, or action by the current US administration as a result of the public statements or actions of the Company in the ordinary course of its business or otherwise. To the extent the Company becomes subject to any of the foregoing, the Company could suffer negative market perception and the market price of the Common Shares could decline. See also "Risk Factors—Risks relating to legal and regulatory matters—Negative impact from litigation" in the AIF.

Medexus cannot predict the ultimate effect of the February 2025 EO, the April 2025 EO, the May 2025 EO, the "One Big Beautiful Bill Act", or other current or future executive orders and other related legislative or regulatory initiatives on the Company's business, but acknowledges that these developments could adversely affect the pricing structures, profit margins, and overall supply chain efficiency of Medexus and its third-party business partners. The May 2025 EO, and potentially other executive orders and other related legislative or regulatory initiatives, could also face lawsuits challenging the enforceability of certain of its terms, the outcome of which would be inherently uncertain. As the implementation of the executive orders and other government actions evolves, Medexus intends to continue seeking to assess and minimize any adverse impact on the Company's business and operations.

See also "Risk Factors—Risks relating to legal and regulatory matters—Evolving conditions in the United States " and "Medexus's Business—Regulatory environment—Recent developments in the United States" in the AIF.

CONTROLS AND PROCEDURES

Disclosure controls and procedures

Medexus's management are together responsible for establishing and maintaining disclosure controls and procedures as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109). Medexus's management have together designed such a system of disclosure controls and procedures to provide reasonable assurance that material information with respect to Medexus is made known to them and information required to be disclosed by Medexus in its annual filings, interim filings, or other reports filed, furnished, or submitted by the Company under securities laws is recorded, processed, summarized, and reported within the time periods required by the relevant securities laws.

Internal controls over financial reporting

Medexus's management are together responsible for establishing and maintaining internal controls over financial reporting as defined in NI 52-109 (ICFR). Medexus's management have together designed such a system of ICFR to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with IFRS Accounting Standards. The control framework that Medexus's management used to design the Company's ICFR is set out in Internal Control–Integrated Framework (2013) as issued by the Committee of Sponsoring Organizations of the Treadway Commission. There have been no changes in Medexus's ICFR during the three-month period ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, Medexus's ICFR.

Medexus's management are together responsible for establishing and maintaining disclosure controls and procedures as defined in NI 52-109. Medexus's management have together designed such a system of disclosure controls and procedures to provide reasonable assurance that material information with respect to Medexus is made known to them and information required to be disclosed by Medexus in its annual filings, interim filings, or other reports filed, furnished, or submitted by the Company under securities laws is recorded, processed, summarized, and reported within the time periods required by the relevant securities laws.

Limitations of controls and procedures

Any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within Medexus have been prevented or detected.

These inherent limitations include the reality that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of individuals, by collusion of two or more people, or by unauthorized override of the control. The design of any control system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ADDITIONAL INFORMATION

SEDAR+

Additional information about Medexus can be found on SEDAR+ at www.sedarplus.ca.

See Medexus's audited consolidated financial statements for the fiscal year ended March 31, 2025, together with the related independent auditor's report, for additional financial information about Medexus.

See Medexus's most recent annual information form for additional information about Medexus's business and operations.

Each of the above documents has been filed on SEDAR+.

Other information

Medexus seeks to achieve broad non-exclusionary distribution of information to the public and comply with its fair disclosure obligations. In addition to its filings on the Company's SEDAR+ profile at www.sedarplus.ca, Medexus announces material information to the public through a variety of means, including press releases, public conference calls, and webcasts. Medexus also maintains a corporate website at www.medexus.com (a uniform resource locator, or website address, provided as an inactive textual reference only) and social media accounts on LinkedIn and X (formerly Twitter). Medexus uses these various means as channels of distribution of information about the Company. Information Medexus provides through these channels could be deemed material. Investors should monitor Medexus's corporate website, including press releases posted to the website, and social media accounts in addition to Medexus's public filings, conference calls, and webcasts. However, information contained on or accessible through Medexus's corporate website or social media accounts is not a part of this MD&A and is not incorporated by reference into this MD&A or any of Medexus's public filings.