Medexus Announces Strong Fiscal Year 2025 Results, Including Initial Results from Launch of GRAFAPEX™ (treosulfan) for Injection in the United States

---

Fiscal year 2025 revenue of $108.3 million, record net income of $2.2 million, operating income of $8.2 million, and record Adjusted EBITDA* of $20.2 million

US commercial launch of GRAFAPEX™ executed in February 2025, following swiftly on the FDA's approval in January 2025, with initial indicators supporting Medexus's confidence in the product's potential

Management to host conference call at 8:00 AM Eastern time on Thursday, June 26, 2025

Toronto, Ontario and Chicago, Illinois (Newsfile Corp. - June 25, 2025) - Medexus Pharmaceuticals (TSX: MDP) (OTCQX: MEDXF) today announced its operating and financial results and provided a business update for the company's fourth fiscal quarter and fiscal year ended March 31, 2025 (the company's fiscal Q4 2025 and fiscal year 2025). All dollar amounts in this press release are in United States dollars unless specified otherwise.

Key business update

Medexus executed a commercial launch of GRAFAPEX™ (treosulfan) for Injection 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.

Medexus has seen a positive market response to GRAFAPEX to date, with progress consistent with Company expectations:

- 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. 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.
- Medexus achieved $0.6 million of product-level revenue from GRAFAPEX in fiscal Q4 2025, relative to $2.7 million of GRAFAPEX personnel and infrastructure investments in the quarter, and preliminary estimates indicate that it has already generated over $2.5 million of product-level revenue in fiscal Q1 2026. Medexus continues to expect that GRAFAPEX will be accretive to quarterly operating cash flows by fiscal Q4 2026 (calendar Q1 2026), although the Company continues to assess the strong market response and performance of key indicators for any updates to this expectation.

- Medexus 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.

Financial highlights

Key financial highlights for financial year 2025 include the following:

- 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.

- Net revenue of $24.8 million for fiscal Q4 2025, a decrease of $1.2 million, or 4.6%, compared to $26.0 million for fiscal Q4 2024. The $1.2 million year-over-year net revenue decrease was 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.

- Record Adjusted EBITDA* of $20.2 million, an increase of $0.7 million, or 3.6%, compared to $19.5 million for fiscal year 2024. 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.

- Adjusted EBITDA* of $2.3 million for fiscal Q4 2025, a decrease of $2.1 million, or 48.5%, compared to $4.4 million for fiscal Q4 2024. The $2.1 million year-over-year Adjusted EBITDA* decrease was primarily due to the GRAFAPEX personnel and infrastructure investments of $2.7 million in fiscal Q4 2025 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.

- Operating income (loss) of $8.2 million for fiscal year 2025 and $(1.2) million for fiscal Q4 2025, a decrease of $2.6 million and $2.0 million compared to $10.8 million for fiscal year 2024 and $0.8 million for fiscal Q4 2024.

- Record net income (loss) of $2.2 million for fiscal year 2025 and $(0.6) million for fiscal Q4 2025, an increase of $2.4 million compared to net loss of $0.2 million for fiscal year 2024 and a decrease of $1.3 million compared to net income of $0.7 million for fiscal Q4 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.

- Cash provided by operating activities of $24.0 million for fiscal year 2025 and $2.3 million for fiscal Q4 2025, an increase of $5.3 million and $0.7 million compared to $18.7 million for fiscal year 2024 and $1.6 million fiscal Q4 2024.

** Refer to "Non-GAAP measures" at the end of this press release for information about non-GAAP measures and related items, including Adjusted EBITDA and Adjusted Gross Margin.*

"We are pleased to report a strong fiscal Q4 and fiscal year 2025," commented Ken d'Entremont, Chief Executive Officer of Medexus. "The highlight for this past quarter was, of course, the commercial launch of GRAFAPEX™, which we executed earlier than expected in February 2025 and which will drive the next phase of our growth. To this end, over fiscal year 2025, we increased our investments in personnel and infrastructure to support GRAFAPEX™ and began generating product-level revenue from GRAFAPEX™ in fiscal Q4 2025."

Mr d'Entremont continued: "Given our experience in Canada with Trecondyv® (treosulfan for injection), we are very optimistic about the potential of GRAFAPEX™ in the US market. As we have previously mentioned, not only will GRAFAPEX™ make a substantial contribution to allogeneic hematopoietic stem cell transplantation, or allo-HSCT, in the United States, but it also solidifies Medexus's leadership position in this therapeutic field. We anticipate that GRAFAPEX™ will have a meaningful impact on Medexus's net revenue and believe that annual product-level revenue from GRAFAPEX™ has the potential to exceed US$100 million within five years after commercial launch, providing a significant uptick to our growth profile."

Brendon Buschman, Chief Financial Officer of Medexus, added: "In addition to the successful launch of GRAFAPEX™, we achieved $2.2 million of positive net income for fiscal year 2025, and a healthy $20.2 million of Adjusted EBITDA* from $108.3 million of net revenue, for an Adjusted EBITDA Margin* of over 18%, inclusive of $0.6 million of product-level revenue, and $5.2 million personnel and infrastructure investments, specific to GRAFAPEX™. These strong results provided $24.0 million in cash flow from operating activities, which we have used in part to continue to repay principal and interest under our BMO term loan, substantially reducing total debt under our BMO credit facilities – which now sits at a combined $37.6 million as of March 31, 2025. We have made further scheduled and unscheduled principal payments totaling $14.9 million on these credit facilities in fiscal Q1 2026, which further deleverages the company, lowers our quarterly principal payments from $3.3 million per quarter to $1.1 million, and meaningfully reduces our interest expense.

Mr Buschman continued: "Looking forward to fiscal year 2026, we are in a great position to support our growth strategy while funding with cash on hand the $15 million remaining regulatory milestone that is payable under our GRAFAPEX™ agreement, particularly given the favorable payment terms we negotiated in the fourth amendment we announced in December 2024."

"We have made great progress with GRAFAPEX™ since the commercial launch in February," concluded Ken d'Entremont, Medexus's Chief Executive Officer. "The rate of formulary inclusion will be a key driver of GRAFAPEX™ performance over the coming quarters. Product has been sold to 34 unique institutions, and we expect that we will achieve broad formulary coverage for GRAFAPEX™ as we continue our commercialization efforts. This positive initial response

supports our expectation that GRAFAPEX™ will be accretive to quarterly operating cash flows by fiscal Q4 2026."

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 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).

  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. 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.

- 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 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.

- BMO Credit Agreement: Subsequent to period end, 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, adjustments to the availability and drawdown conditions under the revolving facility, and adjustments to the interest rates and financial covenants under the BMO Credit Agreement, among other amendments.

- 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 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.

Additional information

Medexus's financial statements and management's discussion and analysis for fiscal year 2025 are available on Medexus's corporate website at www.medexus.com and in the company's corporate filings on SEDAR+ at www.sedarplus.ca.

Conference call details

Medexus will host a conference call at 8:00 am Eastern Time on Thursday, June 26, 2025 to discuss Medexus's results for fiscal year 2025.

To participate in the call, please dial the following numbers:

888-506-0062 (toll-free) for Canadian and U.S. callers
+1 973-528-0011 for international callers

Access code: 266173

A live webcast of the call will be available on the Investors section of Medexus's corporate website or at the following link:

https://www.webcaster4.com/Webcast/Page/2010/52642

A replay of the call will be available approximately one hour following the end of the call through Thursday, July 3, 2025. To access the replay, please dial the following numbers –

877-481-4010 for Canadian and U.S. callers
+1 919-882-2331 for international callers

Conference ID: 52642

A replay of the webcast will be available on the Investors section of Medexus's corporate website until Friday, June 26, 2026.

About Medexus

Medexus is a leading specialty pharmaceutical company with a strong North American commercial platform and a growing portfolio of innovative and rare disease treatment solutions. Medexus's current focus is on the therapeutic areas of hematology-oncology and allergy, dermatology, and rheumatology. For more information about Medexus and its product portfolio, please see the company's corporate website at www.medexus.com and its filings on SEDAR+ at www.sedarplus.ca.

Contacts

Ken d'Entremont | CEO, Medexus Pharmaceuticals
Tel: 905-676-0003 | Email: ken.dentremont@medexus.com

Brendon Buschman | CFO, Medexus Pharmaceuticals
Tel: 416-577-6216 | Email: brendon.buschman@medexus.com

Victoria Rutherford | Adelaide Capital
Tel: 480-625-5772 | Email: victoria@adcap.ca

Preliminary estimates

The expected results discussed in this news release 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" below.

Forward-looking statements

Certain statements in this news release 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". The words "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, are often intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words, phrases, or expressions. Specific forward-looking statements in this news release 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; future growth, revenues, and expenses, including in respect of the commercialization of GRAFAPEX 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 and anticipated effects of Medexus's unit-level pricing strategies. The forward-looking statements and information included in this news release 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 a number of such factors and assumptions as most recently described in Medexus's most recent management's discussion and analysis, and including 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. Since forward-looking statements relate to future events and conditions, by their very nature they require making assumptions and involve inherent risks and uncertainties. Medexus cautions that, although the assumptions are believed to be reasonable in the circumstances, these risks and uncertainties mean that actual results could differ, and could differ materially, from the expectations contemplated by the forward-looking statements. Material risk factors include, but are not limited to, those set out in Medexus's materials filed with the Canadian securities regulatory authorities from time to time, including Medexus's most recent annual information form and management's discussion and analysis. Accordingly, undue reliance should not be placed on these forward-looking statements, which are made only as of the date of this news release. Other than as specifically required by law, Medexus undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

Protected names and marks

This news release 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 news release 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.

Non-GAAP measures

Company management uses, and this news release refers to, financial measures that are not recognized under IFRS and do not have a standard meaning prescribed by generally accepted accounting principles (GAAP) in accordance with IFRS or other financial or accounting authorities (non-GAAP measures). These non-GAAP measures may include "non-GAAP financial measures" and "non-GAAP ratios" (each defined in National Instrument 52-112, Non-GAAP and Other Financial Measures Disclosure). 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.

In particular, management uses Adjusted EBITDA (and Adjusted EBITDA Margin) and Adjusted Gross Margin (including Adjusted Gross Profit (Loss)) as measures of Medexus's performance. EBITDA (earnings before interest, taxes, depreciation, and amortization), Adjusted EBITDA (and Adjusted EBITDA Margin) and Adjusted Gross Profit (Loss) (gross profit (loss) before amortization of intangible assets) are non-GAAP financial measures, gross margin (gross profit (loss) divided by total revenue, expressed as a percentage) is a supplementary financial measure and Adjusted Gross Margin (Adjusted Gross Profit divided by total revenue, expressed as a percentage) is a non-GAAP ratio.

An explanation and discussion of each of these non-GAAP measures, including their limitations, is set out under the heading "Preliminary Notes—Non-GAAP measures" in Medexus's most recent management's discussion and analysis, and is hereby incorporated by reference. A

reconciliation of Adjusted EBITDA to the most directly comparable IFRS measure can be found under the heading "Reconciliation of Adjusted EBITDA to Net Income (Loss)" below. A reconciliation of Adjusted Gross Margin to the most directly comparable IFRS measure can be found under the heading "Reconciliation of Adjusted Gross Margin" below.

The following tables are derived from and should be read together with Medexus's consolidated financial statements for the 12-month period ended March 31, 2025. The supplementary disclosure is intended to more fully explain disclosures related to Adjusted EBITDA and Adjusted Gross Margin and provides additional information related to Medexus's operating performance. 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.

Reconciliation of Adjusted EBITDA to Net Income (Loss)

(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%**

Reconciliation of Adjusted Gross Margin

(Amounts in $ '000s)	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%**