March 1, 2021

Medexus Achieves Record Revenue of $31.5 Million for the Third Quarter Fiscal 2021

Management to host conference call at 8:00 AM Eastern Time on Tuesday, March 2, 2021

TORONTO, CHICAGO and MONTREAL, March 01, 2021 (GLOBE NEWSWIRE) -- Medexus Pharmaceuticals Inc. (the "**Company**" or **"Medexus**") (TSXV: MDP) (OTCQX: MEDXF) (Frankfurt: P731) today announced its financial and operating results for the three and nine months ended December 31, 2020. All dollar amounts below are in Canadian dollars unless specified otherwise.

Third Quarter Fiscal 2021 Financial Highlights:

- The Company achieved record revenue of $31.5 million for the three-month period ended December 31, 2020, versus $16.2 million for the same period last year. As previously reported, the revenue for the period included approximately $3 million in IXINITY® revenues, which were originally expected to be realized in September 2020, but were instead realized in October 2020 due to a delay in receipt of finished product from the Company's contract manufacturing partner.

- Adjusted EBITDA* increased to $5.1 million compared to $0.7 million for the same period last year. Adjusted EBITDA* was also positively impacted by the delayed October shipment of IXINITY®.

- With the significant share price appreciation in the quarter, the non-cash fair value of the derivative associated with the conversion rights of the existing debentures increased materially to $16.5 million. This increase in fair value of derivatives was the primary driver for the reported net loss of $17.1 million compared to $2.6 million for the same period last year. On a year over year basis, the Adjusted Net Loss* improved by $4.7 million to $0.5 million as compared to $5.2 million.

- Operating income improved by $5.3 million to $2.0 million, compared to an operating loss of $3.3 million for the same period last year.

Ken d'Entremont, Chief Executive Officer of Medexus, noted, "The fiscal third quarter of 2021 was a record quarter with $31.5 million in revenue. We continued to generate solid growth while managing our expenses and the $5.3 million improvement in operating income was a strong reflection of that. Our $82.7 million in revenue for the first nine months of Fiscal 2021 reflects a 70% increase over the previous year and achieved strong Adjusted EBITDA* performance of a more than six-fold increase over the previous year. With a strong base of

revenues from Rasuvo®, IXINITY® Metoject® and Rupall™, we believe that the recent additions to our portfolio will become major drivers of our growth going forward."

"Subsequent to the end of the quarter, we completed a transformative licensing deal for treosulfan in the United States and materially enhanced our ability to fund our growth initiatives, with the completion of an oversubscribed financing of $32.5 million. In the coming quarters we will continue to invest in our business, putting in place the people and infrastructure required to support the launch of treosulfan. This investment will be the key to supporting and enabling the significant revenue growth that we expect from treosulfan. Despite this material addition to our product portfolio, the quality of our in-licensing opportunities continues to broaden and deepen and we are working diligently to prioritize and pursue those that will best enable us to further leverage our North American commercial infrastructure. Finally, we are working to achieve a Nasdaq listing which should provide us much greater exposure to the broader North American investment community as we execute on key initiatives."

Operational Highlights:**

- **Bought Deal Public Offering:** On February 23, 2021, the Company completed a "bought deal" public offering by way of a short form prospectus in Canada, including the full exercise of an over-allotment option, at a price of $7.10 per unit, representing aggregate gross proceeds to the Company of approximately $32.5 million; the offering was conducted by a syndicate of underwriters led by Raymond James Ltd. and Stifel Nicolaus Canada Inc.

- **Treosulfan:** On February 2, 2021, the Company entered into an exclusive license to commercialize treosulfan in the United States. The Prescription Drug User Fee Act date is scheduled for August 2021 with potential to commercialize shortly thereafter. In accordance with the Orphan Drug Act, seven years of exclusivity for this indication is expected upon FDA approval. The current market leading alkylating agent for Allo-HSCT reached peak sales of US$126M in the U.S. As announced by the Company on September 10, 2020, Health Canada granted priority review for treosulfan, which could be approved as early as June 2021. Medexus is currently negotiating the licence in anticipation of a full commercial launch following Health Canada approval.

- **IXINITY®:** The Company has now enrolled more than 73% of patients for its ongoing Phase 4 clinical trial for IXINITY® to evaluate the safety and efficacy of IXINITY® in previously treated patients for a pediatric indication.

- **Gleolan®:** On February 25, 2021, Medexus initiated commercial launch of Gleolan® in Canada, replacing use under the Health Canada Special Access Program.

- **Triamcinolone Hexacetonide (TH):** On December 18, 2020, Medexus entered into an exclusive agreement to register and commercialize TH in the United States. The Company is in discussions with FDA regarding the drug shortage and anticipates receipt of a special import authorization for TH prior to seeking approved marketing authorization.

- **Nasdaq Application:** On January 21, 2021, the Company announced that it had

submitted its application to list its common shares on the Nasdaq. The listing of its common shares on the Nasdaq remains subject to the approval of the Nasdaq and the satisfaction of all applicable listing and regulatory requirements.

Operating and Financial Results Summary for the Three-Months Ended December 31, 2020

The Company achieved record revenue of $31.5 million for the three-month period ended December 31, 2020, versus $16.2 million for the three-month period ended December 31, 2019. The increase was mainly due to the acquisition of IXINITY® as well as unit demand growth of the Company's key products in the market over the period.

Adjusted EBITDA* increased to $5.1 million compared to $0.7 million for the same period last year.

Net loss was $17.1 million compared to $2.6 million for the same period last year. Adjusted Net Loss* was $0.5 million compared to $5.2 million for the same period last year.

Achieved operating income of $2.0 million, compared to an operating loss of $3.3 million for the same period last year.

Operating and Financial Results Summary for the Nine-Months Ended December 31, 2020

Total revenue reached $82.7 million for the nine-month period ended December 31, 2020, compared to revenue of $48.7 million for the nine-month period ended December 31, 2019, as a result of the acquisition of IXINITY® as well as unit demand growth of the Company's key products in the market over the period.

Adjusted EBITDA* for the nine-month period ended December 31, 2020 increased to $13.1 million compared to $1.8 million for the nine-month period ended December 31, 2019.

Net loss for the nine-month period ended December 31, 2020 was $23.9 million, compared to net loss of $4.1 million for same period last year. Adjusted Net Loss* was $3.3 million compared to $11.7 million for the same period last year.

Selling and administrative expenses as a percentage of revenue decreased to 41.8%, from 62.4% for the same period last year, as the Company continues to leverage its platform and significantly increase its revenue with only modest increases to operating expenses.

Achieved operating income of $4.2 million, compared to an operating loss of $5.8 million for the same period last year.

Available liquidity of $15.2 million at December 31, 2020, compared to $7.4 million at March 31, 2020.

The Company's financial statements and management discussion and analysis ("MD&A") for the period ended December 31, 2020 are available on our corporate website at www.medexus.com and in our corporate filings on SEDAR at www.sedar.com.

** Refer to "Non-IFRS Financial Measures" at the end of this press release.*
*** Refer to "Cautionary Note Regarding Comparative Financial Information" at the end of this press release.*

Conference Call Details

Medexus will host a conference call at 8:00 AM Eastern Time on Tuesday, March 2, 2021 to discuss the Company's financial results for the fiscal 2021 third quarter ended December 31, 2020, as well as the Company's corporate progress and other developments.

The conference call will be available via telephone by dialing toll free 888-506-0062 for Canadian and U.S. callers or +1 973-528-0011 for international callers and using entry code 414918. A webcast of the call may be accessed at https://www.webcaster4.com/Webcast/Page/2010/40181 or on the Company's Investor Events section of the website: https://www.medexus.com/en_US/investors/news-events.

A webcast replay will be available on the Company's Investor Events section of the website (https://www.medexus.com/en_US/investors/news-events) through Wednesday, June 2, 2021. A telephone replay of the call will be available approximately one hour following the call, through Tuesday, March 9, 2021 and can be accessed by dialing 877-481-4010 for Canadian and U.S. callers or +1 919-882-2331 for international callers and entering conference ID: 40181.

About Medexus Pharmaceuticals Inc.

Medexus is a leader in innovative rare disease treatment solutions with a strong North American commercial platform. From a foundation of proven best in class products we are building a highly differentiated company with a portfolio of innovative and high value orphan and rare disease products that will underpin our growth for the next decade. The Company's vision is to provide the best healthcare products to healthcare professionals and patients, through our core values of Quality, Innovation, Customer Service and Teamwork. Medexus Pharmaceuticals is focused on the therapeutic areas of auto-immune disease, hematology, and allergy. The Company's leading products are: Rasuvo™ and Metoject®, a unique formulation of methotrexate (auto-pen and pre-filled syringe) designed to treat rheumatoid arthritis and other auto-immune diseases; IXINITY®, an intravenous recombinant factor IX therapeutic for use in patients 12 years of age or older with Hemophilia B – a hereditary bleeding disorder characterized by a deficiency of clotting factor IX in the blood, which is necessary to control bleeding; and Rupall®, an innovative prescription allergy medication with a unique mode of action.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Comparative Financial Information

On February 28, 2020, the Company announced that it had, indirectly through its wholly-owned subsidiary, Medexus Pharma Inc. completed a major acquisition (the "2020 Acquisition") in acquiring all of the outstanding limited liability company interests of Aptevo BioTherapeutics LLC, a Delaware limited liability company, from Aptevo Therapeutics, Inc. pursuant to a purchase agreement dated February 28, 2020.

Accordingly, readers are cautioned that while certain financial information included herein for, and comparisons to, prior periods have been presented in this press release, changes from a pre-2020 Acquisition period to a post-2020 Acquisition period may, in the opinion of management, be of limited value in understanding changes to the financial condition, financial performance, or business of the Company from period to period given the transformative nature of the 2020 Acquisition. Readers are advised that the comparative information included in this press release for the three- and nine-month periods ended December 31, 2019, includes only pre-2020 Acquisition results for the Company (i.e., the comparative information for such periods consists of (i) results prior to February 28, 2020, which reflect only the pre-2020 Acquisition results for the Company, and (ii) results subsequent to February 28, 2020, which reflect the consolidated results of the Company post-2020 Acquisition).

Forward-Looking Statements

Certain statements made in this press release contain forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). The words "anticipates", "believes", "expects", "will", "plans" and similar expressions are often intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Specific forward-looking statements contained in this news release include, but are not limited to, statements with respect to the Company's future expectations regarding growth and increased investment in the Company's portfolio; expectations regarding the Company's ability to fund planned initiatives; expectations regarding the approval, commercialization and launch of treosulfan in the United States and the benefits from the treosulfan licensing deal; expectations regarding a commercial launch of the

treosulfan in Canada; expected results and likelihood of approval of the Company's Nasdaq listing application; and the anticipated receipt of a special import authorization for TH prior to seeking approved marketing authorization. These statements are based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions based on historical trends, current conditions and expected future developments. Since forward-looking statements relate to future events and conditions, by their very nature they require making assumptions and involve inherent risks and uncertainties. The Company cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those set out in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including the Company's most recent annual information form and management's discussion and analysis; future capital requirements and dilution; intellectual property protection and infringement risks; competition (including potential for generic competition); reliance on key management personnel; the Company's ability to implement its business plan; the Company's ability to leverage its United States and Canadian infrastructure to promote additional growth, including with respect to the infrastructure of Medexus Inc. and Medac Pharma, Inc. and the potential benefits the Company expects to derive therefrom; regulatory approval by the Canadian health authorities; product reimbursement by third party payers; patent litigation or patent expiry; litigation risk; stock price volatility; government regulation; and potential third party claims. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of the date hereof. Other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

Non-IFRS Financial Measures

This press release uses the terms "Adjusted Net Income (Loss)" and "Adjusted EBITDA" which are non-IFRS financial measures, which do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. In particular, management uses Adjusted Net Income (Loss) and Adjusted EBITDA as measures of the Company's performance. The Company defines Adjusted Net Income (Loss) as net income (loss) before unrealized loss (gain) on fair value of derivatives. The Company defines Adjusted EBITDA as earnings before financing and special transaction costs (including, for greater certainty, fees related to the 2020 Acquisition and related financing), interest expenses, income taxes, interest income, depreciation of property and equipment, amortization of intangible assets, non-cash share-based compensation, income from sale of assets, gain or loss on the convertible debenture embedded derivative, foreign exchange gains or losses, termination benefits, and impairment of intangible assets. The Company considers Adjusted Net Income (Loss) and Adjusted EBITDA as key metrics in assessing business performance and considers Adjusted EBITDA to be an important measure of operating performance and cash flow, providing useful information to investors and analysts. These non-IFRS measures are not intended to represent cash provided by operating activities, net earnings or other measures of financial

performance calculated in accordance with IFRS. Additional information relating to the use of these non-IFRS measures, including the reconciliation of each of Adjusted Net Income (Loss) and Adjusted EBITDA to Net Income (Loss), can be found in our MD&A, which is available through the SEDAR website (www.sedar.com).

Source: Medexus Pharmaceuticals Inc