Annual Information Form

Fiscal Year Ended March 31, 2025

Date: June 25, 2025

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PRELIMINARY NOTES

This annual information form (**AIF**) 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.

Throughout this AIF, 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 AIF is presented on an International Financial Reporting Standards (**IFRS Accounting Standards**) basis and all amounts are presented in US dollars.

Forward-looking statements

Certain statements in this AIF 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 AIF are expressly qualified by the cautionary statements in this section.

Specific forward-looking statements in this AIF 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 AIF); future growth, revenues, and expenses, including in respect of the commercialization of GRAFAPEX and Medexus's other leading products; the expected benefits of IXINITY's label expansions; 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 AIF 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 AIF 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 AIF 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 AIF 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—Risks relating to the business—Possible failure to realize benefits of the GRAFAPEX Agreement".

Forward-looking statements are provided in this AIF 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 AIF should not place undue reliance on the forward-looking statements and information in this AIF 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—Risks relating to the business—Possible failure to realize benefits of the GRAFAPEX Agreement" and "Risk Factors—Risks relating to the business—Business plan execution" in this 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" in this AIF and "Risk Factors and Risk Management" in Medexus's most recent annual MD&A (Annual MD&A). 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 AIF. 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.

Protected names and marks

This AIF 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 AIF 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 AIF 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 AIF and is not incorporated by reference into this AIF or any of Medexus's public filings.

COMPANY OVERVIEW

Corporate structure

Name, address, and incorporation

Medexus Pharmaceuticals Inc. is a corporation formed under the Canada Business Corporations Act. Medexus's principal and registered office is currently located at 10 King Street East, Suite 600, Toronto, Ontario.

Medexus, then known as Pediapharm Inc., was formed on December 10, 2013 through the amalgamation of Pediapharm Inc. (itself formed on February 24, 2003) and Chelsea Acquisition Corporation. On October 16, 2018, Medexus acquired Medexus Inc. and medac Pharma, Inc. (now known as Medexus Pharma, Inc.). On December 12, 2018, Medexus changed its name to "Medexus Pharmaceuticals Inc." and, on April 1, 2021, Medexus amalgamated with Medexus Inc., its wholly-owned subsidiary.

Intercorporate relationships

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.

Company strategy

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 **Metoject®** 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

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.

GENERAL DEVELOPMENT OF MEDEXUS'S BUSINESS

The following describes the general development of Medexus's business operations since the beginning of the fiscal year ended March 31, 2023. Medexus completed no significant acquisitions during its most recently completed fiscal year for which disclosure was required under Part 8 of National Instrument 51-102 – Continuous Disclosure Obligations.

Recent developments since March 31, 2025

Amendment 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 "Fiscal year ended March 31, 2023—Other developments—BMO Credit Agreement" below.

GRAFAPEX (US)

Medexus has seen an encouraging 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 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.

Fiscal year ended March 31, 2025

Product developments

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**).

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. 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—Risks relating to the business—Possible failure to realize benefits of the GRAFAPEX Agreement" and "Preliminary Notes—Forward-looking statements".

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)

In the first half of calendar year 2025, 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 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 CTTC registry, 2024.) 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.

Gleolan (US)

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. Medexus continues to

commercialize the product in Canada under a separate February 2019 license and supply agreement with photonamic.

Other developments

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 previously 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 net proceeds from the offering, after deducting underwriting commissions and offering expenses, 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.

Changes in leadership

Effective June 28, 2024, Medexus appointed Brendon Buschman as Chief Financial Officer, to succeed Marcel Konrad in that position. Mr Konrad's voluntary departure from the Company also took effect as of June 28. Mr Buschman brought to the CFO role 15 years of experience in accounting, finance, and business operations, including five years with Medexus, most recently working closely with Mr Konrad as Medexus's Vice President, Finance & Corporate Controller. Mr Buschman holds a CPA, CA designation.

Effective June 24, 2024, Medexus appointed Richard Labelle as Chief Operating Officer, a newly created senior management position. In this role, Mr Labelle oversees all day-to-day business operations across Canada and the United States. Mr Labelle most recently served as General Manager, Canadian Operations. His expanded role builds on his long tenure with the Company and his extensive experience in the pharmaceutical sector, including leading Medexus's Canadian operations since May 2022. Mr Labelle's appointment was part of a reorganization of the Medexus management team intended to better position the Company for future opportunities. Also effective June 24, 2024, Mike Adelman departed the Company. Mr Adelman most recently served as General Manager, US Operations.

Fiscal year ended March 31, 2024

Product developments

IXINITY (US) pediatric indication

In March 2024, the FDA approved Medexus's supplemental Biologics License Application, or sBLA, for IXINITY for the treatment of pediatric patients under 12 years of age with hemophilia B. IXINITY is now approved for use in all patients with hemophilia B. The sBLA incorporated the

analysis and clinical study report from Medexus's phase 4 clinical trial of IXINITY's safety and efficacy in previously-treated patients under 12 years of age with hemophilia B.

Metoject Litigation

In March 2024, following a January 2023 trial in Medexus's defense of the Canadian patent for Metoject (**Metoject Litigation**), Canada's Federal Court issued a judgment declining to uphold the Canadian patent for Metoject. Medexus and medac, licensor of Medexus's commercialization rights to Metoject, initiated the Metoject Litigation in August 2020 in response to the "at-risk" launch of a generic version of Metoject. This adverse litigation outcome has had a limited additional impact on the Company and the product beyond the continued direct and indirect effects of sustained generic competition.

Other developments

Bought-deal public offering

In October 2023, Medexus completed a bought-deal public offering (including full exercise of the customary overallotment option provided for under the underwriting agreement) and issued an aggregate of 3,898,384 units at a price of C$2.95 per unit for aggregate gross proceeds to Medexus of C$11.5 million (or C$10.8 million aggregate net proceeds before expenses).

Each unit issued in the offering consisted of one Common Share and one-half of one 2023 Warrant (defined below). For information about the terms of the 2023 Warrants, see "Description of Capital Structure—Description of securities—2023 Warrants".

Amendment to BMO Credit Agreement

In September 2023, Medexus entered into an amendment to the BMO Credit Agreement. The amendment provided for an $18 million increase in BMO's term loan commitment under the BMO Credit Agreement's previously disclosed accordion feature, among other amendments. Medexus applied the full $18 million toward repayment of Medexus's now-repaid 6% unsecured convertible debentures (**Convertible Debentures**) upon their maturity on October 16, 2023. See "Fiscal year ended March 31, 2023—Other developments—BMO Credit Agreement" below.

Convertible Debentures

In connection with the maturity of the Convertible Debentures, in October 2023, Medexus made in cash the final maturity date payment of C$51.1 million (or approximately $37.5 million) to Computershare Trust Company of Canada as trustee for holders of the Convertible Debentures. Following their October 16, 2023 maturity date, the Convertible Debentures are no longer outstanding. See "Description of Capital Structure—Other information relating to Medexus securities".

In May 2023, the Toronto Stock Exchange, or TSX, accepted Medexus's notice of intention to make a normal course issuer bid (**2023 NCIB**) for its Convertible Debentures. Medexus repurchased C$1.7 million principal amount of its Convertible Debentures under the 2023 NCIB.

The 2023 NCIB expired in accordance with its terms upon the maturity of the Convertible Debentures on October 16, 2023.

Changes in leadership

In September 2023, at the Company's annual meeting of shareholders, Nancy Phelan was elected as a director and joined the Board for an initial term extending through the next annual meeting. Ms Phelan is an experienced professional whose skills, experience, and expertise serve to diversify and supplement those of the other members of the Board.

With the successful completion of Medexus's fiscal year 2023, Peter van der Velden chose to depart the Board. The Board unanimously elected Mike Mueller, longtime Medexus director and chair of the Audit Committee, to succeed Mr van der Velden as chair of the Board. Mr Mueller's appointment as chair of the Board and the conclusion of Mr van der Velden's term as chair and director both took effect as of April 11, 2023, and, in June 2023, Menassie Taddese succeeded Mr Mueller as chair of the Audit Committee.

Fiscal year ended March 31, 2023

Product developments

Topical Terbinafine (Canada)

In March 2023, Medexus secured exclusive Canadian rights to commercialize terbinafine hydrochloride nail lacquer supplied by Polichem, an Almirall group company focused on medical dermatological treatments for skin health. The long-term license agreement provides for Medexus to pay Polichem a low double-digit percentage royalty on net sales of the product on a quarterly basis, inclusive of supply price. The long-term license agreement also provides for a low upfront payment, paid in March 2023, and four one-time sales-based milestone payments, which limited Medexus's financial commitments before regulatory approval and aligns the parties' interests around product performance.

Amendment to Relaxa License Agreement

In December 2022, Medexus signed an amendment to its September 2016 exclusive license agreement with 9346-4626 Quebec Inc., operating as Transican, relating to Relaxa, an osmotic laxative used to treat occasional constipation (**Relaxa License Agreement**). Under the Relaxa License Agreement, Medexus has the right to acquire the rights to Relaxa at any time until September 2026 for a purchase price equal to C$5 million plus a 2.0% royalty on annual net sales of Relaxa up to a maximum of C$1.5 million, and Transican has the right to sell (and Medexus will be obligated to purchase) the rights to Relaxa to Medexus between September 2024 and September 2026 for the same price (any such acquisition a **Relaxa Transfer**). Among other things, the December 2022 amendment permits Medexus to satisfy up to 80% of the C$5 million amount payable at the closing of a Relaxa Transfer in Common Shares, subject to TSX approval as required.

GRAFAPEX (US)

In September 2022, medac informed Medexus that the FDA had delivered to medac a second notice of incomplete response regarding medac's July 2022 resubmission of the GRAFAPEX NDA, following the FDA's May 2022 notice of incomplete response and July 2021 complete response letter to medac.

Gleolan (US)

In August 2022, Medexus completed a seamless transition to full commercial responsibility for Gleolan and began shipping Medexus-labeled product to customers across the United States. September was therefore the first full month, and the three-month period ended December 31, 2022 the first full fiscal quarter, in which Medexus recognized 100% of Gleolan net sales in the Company's total revenue.

Other developments

BMO Credit Agreement

In March 2023, Medexus entered into the BMO Credit Agreement. Following a September 2023 amendment discussed above, 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 AIF, Medexus has drawn all amounts under the Term Facility and the Revolving Facility. The Term Facility and the Revolving Facility will mature in March 2026.

Medexus used a substantial portion of the net proceeds of the original Term Facility to satisfy all obligations under the Company's then-existing senior secured credit facilities in March 2023 and applied the full $18 million attributable to the increase in BMO's term loan commitment toward repayment of the Convertible Debentures upon their maturity on October 16, 2023. Medexus uses the net proceeds of the Revolving Facility for general corporate purposes.

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. For more information about the BMO Credit Agreement, see "Liquidity and Capital Resources—Sources of Liquidity—BMO Credit Agreement" in Medexus's most recent MD&A.

Changes in leadership

In February 2023, the Board appointed Harmony P. Garges MD MPH and Menassie Taddese MBA to fill two newly created directorships. Dr Garges and Mr Taddese are experienced professionals whose skills, experience, and expertise serve to diversify and supplement those of the other members of the Board.

In May 2022, Medexus appointed Richard Labelle as General Manager, Canadian Operations. Mr Labelle previously served as Vice President, Allergy/Pediatric/OTC Portfolios, Canadian Operations. His expanded role builds on his long tenure with the Company and his extensive experience in the pharmaceutical sector. Mr Labelle's appointment was part of a restructuring of the management team responsible for Medexus's Canadian operations.

MEDEXUS'S BUSINESS

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.

Business strategy (production and services; components; foreign operations)

Healthcare innovators can generally be categorized into groups according to their core strategy. Companies like Medexus typically focus on commercialization of pharmaceutical products in one or a select few therapeutic areas. These companies generally commercialize products whose rights are acquired through licensing or acquisition transactions and therefore do not make significant investments in research and development. By contrast, large pharmaceutical companies typically develop new products through significant investments in research and development and often commercialize their products globally, and midsized and smaller pharmaceutical development companies typically focus on research and early-stage development of pharmaceutical products and compounds.

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.

Core products and programs

Each of the following products is associated with important contractual relationships with third-party licensors, suppliers, or others, on which in the aggregate Medexus's business depends. See "Material Contracts". For fiscal year 2025, approximately 63% of Medexus's total revenue was generated by the Company's operations in the United States.

Leading products

Hematology-oncology

GRAFAPEX (US) and Trecondyv (Canada)
Treosulfan is an innovative bifunctional alkylating agent developed for use as part of a conditioning treatment for patients undergoing allogeneic hematopoietic stem cell transplantation. Clinical data for treosulfan demonstrates significant improvements in patient outcomes when compared to busulfan, a drug commonly used for this indication.

- Final study results and analysis of the pivotal phase 3 clinical trial of treosulfan conducted by medac demonstrated clinically relevant superiority of treosulfan over a widely applied "reduced-intensity conditioning" busulfan regimen with regard to its primary endpoint, event-free survival, and favorable conclusions on two key secondary endpoints, overall survival and non-relapse mortality. (Source: Beelen et al, "Treosulfan compared with reduced-intensity busulfan improves allogeneic hematopoietic cell transplantation outcomes of older acute myeloid leukemia and myelodysplastic syndrome patients: Final analysis of a prospective randomized trial", American Journal of Hematology (May 2022).)

- A retrospective analysis of patient outcomes conducted by researchers at Toronto's Princess Margaret Hospital found improved one-year overall survival for certain patients treated with treosulfan compared to patients who received conditioning with fludarabine, busulfan, and 200 cGy (or centigray) of total body irradiation, among other positive findings. (Source: Pasic et al, "Treosulfan- Versus Busulfan-based Conditioning in Allogeneic Hematopoietic Cell Transplantation for Myelodysplastic Syndrome: A Single-center Retrospective Propensity Score-matched Cohort Study", Transplantation and Cellular Therapy (April 2024), and Pasic et al, "O18 - Excellent transplant outcomes with fludarabine-treosulfan (FT) reduced-toxicity conditioning (RTC) in combination with dual T-cell depletion (TCD) in myeloablative conditioning (MAC)-ineligible patients with myelodysplastic syndrome (MDS)", Leukemia Research (May 2023).)

A treosulfan-based regimen is the first in a new conditioning treatment class, Reduced Toxicity Conditioning, resulting in a unique combination of improved survival outcomes compared to reduced-intensity regimens and decreased toxicity compared to standard myeloablative regimens.

Medexus holds exclusive commercialization rights to treosulfan in the United States and Canada. In September 2021, Medexus commercially launched treosulfan in Canada under the brand name Trecondyv. In February 2025, Medexus commercially launched treosulfan in the United States, where the product is orphan drug designated, under the brand name GRAFAPEX.

IXINITY (US)
IXINITY is a third-generation recombinant human coagulation factor IX indicated in the United States for the control and prevention of bleeding episodes and for perioperative management in adults and children with hemophilia B. As of November 2022, the FDA estimated that the prevalence of hemophilia B in the US population is about one in 40,000, with hemophilia B representing about 15% of patients with hemophilia.

People with hemophilia B require factor IX injections to temporarily restore normal blood coagulation. The primary aim of care is to prevent and treat bleeding by replacing the deficient clotting factor. Many patients use regular prophylactic treatment to prevent bleeding episodes. Others use treatment to control bleeding episodes after they occur. The clinical spectrum may include spontaneous or trauma-induced bleeding into joints, muscles, and soft tissues, resulting in joint damage, reduction in mobility, and severe arthritis, all of which negatively impact health-related quality of life. Treatment selection and approach is individualized based on factors including the patient's condition and age, factor level, disease severity, bleeding pattern, activity level, and individual pharmacokinetic parameters.

In September 2020, the FDA approved Medexus's application to add the indication for use of IXINITY for routine prophylaxis. This label expansion provides additional flexibility in the prescribed dosing regimen for IXINITY, which Medexus believes appeals to healthcare professionals who prefer this dosing regimen. It also expands the clinical efficacy data set that Medexus can address in its commercialization activities.

In March 2024, the FDA approved Medexus's application regarding use of IXINITY for the treatment of pediatric patients under 12 years of age with hemophilia B. This label expansion means that IXINITY is now approved for use in all patients with hemophilia B.

Medexus believes that these label expansions benefit the Company's efforts to retain its existing base of business and otherwise maintain the product's position in the relevant product market.

Allergy, dermatology, and rheumatology

Rupall (Canada)
Rupall is a tablet or oral solution that is indicated in Canada for the relief of symptoms associated with allergic rhinitis and chronic spontaneous urticaria in patients 2 years of age and older. Allergic rhinitis is an inflammatory disease of the nasal mucous membranes and is one of the most common chronic health conditions, affecting an estimated 20% to 25% of Canadians, according to Asthma Canada (2020) and the US National Institutes of Health (2018). Chronic spontaneous urticaria is a severe skin condition associated with discomfort that can create long-term hardship and distress for patients and pose treatment challenges to healthcare professionals.

In January 2017, Medexus launched Rupall in Canada, and has since built Rupall into a leader in the treatment market for these conditions. Rupall benefited from market exclusivity granted by Health Canada through January 2025. Rupall typically experiences seasonality in its sales.

Rasuvo (US)
Rasuvo is a weekly subcutaneous single-dose injector of methotrexate that is indicated in the United States for the treatment of rheumatoid arthritis, psoriasis, and juvenile idiopathic arthritis. Methotrexate is a foundational first-line treatment for rheumatoid arthritis. Autoinjectors like Rasuvo improve treatment by accurately delivering a single dose of methotrexate (simplifying dose administration), with superior pharmacokinetics to oral tablets of methotrexate (because pharmacokinetics of oral tablets plateaus at 15 mg), with half the volume of injection (reducing pain at the injection site).

Rasuvo has excellent payor, prescriber, and patient acceptance, which has helped position Rasuvo as a leader in the branded methotrexate market. Rasuvo has in past years experienced limited seasonality in its sales.

Metoject (Canada)
Metoject is a pre-filled syringe of methotrexate with a pre-attached subcutaneous needle that is indicated in Canada for the treatment of rheumatoid arthritis, psoriasis, and psoriatic arthritis. Like Rasuvo, Metoject improves and simplifies the delivery of subcutaneous methotrexate.

Medexus has achieved for Metoject broad public and private reimbursement across Canada, including all federal, provincial, and territorial public drug plans except British Columbia. Reimbursement eligibility provides access to Metoject for large groups of patients who previously could not obtain Metoject.

Pipeline opportunities

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, for fiscal year 2025, the Company reduced the carrying value of the related asset to zero, based on the Company's assessment that the product is not currently commercially viable.

Triamcinolone Hexacetonide (US)
Medexus continues to evaluate the most expedient path to an FDA approval of triamcinolone hexacetonide which would allow for a full commercial launch of this product in the United States. If approved by the FDA, Medexus expects that commercialization of the product could have a moderately positive impact on the Company's total revenue.

Future developments

Medexus actively pursues opportunities to complement the Company's existing product portfolio by licensing and acquiring new products. Medexus opportunistically evaluates new product opportunities that the Company becomes aware of and engages in disciplined assessment of product and market characteristics.

Medexus believes that it offers a scalable commercial platform that can provide significant revenue and earnings potential. Medexus continues striving to increase revenue, optimize and leverage the Company's commercialization infrastructure across products, realize efficiencies across the Company's US and Canadian business units, and maintain strict financial discipline. Medexus regularly explores additional complementary product opportunities in both current and planned therapeutic areas in both the United States and Canada, and regularly evaluates various transaction opportunities based on the Company's strategic plan.

Competitive conditions

The pharmaceutical sector is highly competitive and subject to rapid and significant technological change. Medexus's competitors in this sector are numerous and range from large multinational pharmaceutical companies to small single-product companies. These competitors may develop and distribute a broad product portfolio globally or may limit their activities to a particular pharmaceutical product, therapeutic area, or geographic market.

In executing its licensing and acquisition strategy, Medexus expects to primarily compete with other peer pharmaceutical companies that seek to acquire commercial-stage assets as part of

their growth strategy. Many of these competitors have greater financial resources and commercialization infrastructure than Medexus.

Once included in Medexus's product portfolio, Medexus's products are generally subject to competition from existing competitive products or new products launched by other companies. If these new products have therapeutic or cost advantages over Medexus's products, then Medexus's products would likely experience price reductions, decreased sales volumes, or both. This is also the case where other companies introduce new delivery systems or processes that create commercially meaningful cost or other advantages. For example, Medexus continues to monitor developments in gene therapy, such as the FDA's November 2022 approval of an adeno-associated virus vector-based gene therapy for the treatment of adults with hemophilia B (congenital factor IX deficiency), for potential competitive effects on IXINITY.

Medexus primarily focuses on commercial-stage assets. Distributors of generic pharmaceutical products are therefore among Medexus's primary competitors. The risk of generic entry is heightened when a branded product loses its market exclusivity and enters its established brand stage. For example, Metoject, which previously benefited from a Canadian patent (now no longer in effect), continues to experience intense competition in Canada from an "at-risk" generic launch, which resulted in price cuts and volume loss, and which was the subject of the Metoject Litigation. Products in Medexus's current portfolio for which Medexus believes this heightened risk is relevant include Rupall, whose Health Canada market exclusivity period expired in January 2025, and Trecondyv. Based on a review of Health Canada generic submissions, Medexus expects that generic competition will occur in the case of both Rupall (rupatadine fumarate) and Trecondyv (treosulfan), each of which has experienced significant growth since Medexus launched the products in Canada.

Generic entry frequently results in intense price competition for branded products. Generic versions of branded products are generally significantly less expensive than branded versions, in part because manufacturers of generic pharmaceutical products typically invest far less in research and development than the research-based pharmaceutical development companies that develop the products Medexus licenses and acquires. Generic versions may also be required in preference to branded versions under third-party reimbursement programs and can often be substituted for the branded versions by pharmacies, generally because of cost considerations.

Competitive strengths

Medexus believes that its key competitive strengths include the following, which include certain specialized skills and knowledge available to the Company.

Existing commercial infrastructure

Medexus has existing commercial infrastructure in both the United States and Canada with an established product portfolio in both countries. Medexus has demonstrated commercial success with its existing products. In particular, where the Company holds commercialization rights in both the United States and Canada, Medexus can generate broader insights across marketing, promotional, medical affairs, and other commercialization initiatives. For example, Medexus has a history of launching products under Canada's Special Access Program, allowing the Company to gain valuable market knowledge in advance of full commercial launch. Medexus's North American infrastructure affords the Company flexibility to license or acquire products in either or

both markets where Medexus operates. The Company's credible track record and existing commercial infrastructure help attract licensing and acquisition opportunities.

Extensive experience

Medexus's Board, management team, and personnel have significant experience in the pharmaceutical sector. This experience with pharmaceutical-sector operations improves the Company's capabilities in sourcing, development, technology transfer, manufacturing, intellectual property, sales and marketing, strategic planning, and regulatory affairs. Medexus's Board and management team have experience in various aspects of corporate governance and corporate finance, which enhances the Company's management capabilities.

Professional network

Medexus's Board, management team, and personnel have developed deep professional relationships with key stakeholders across the United States and Canada and internationally. Medexus's execution of its business plan benefits from this combination of sector-specific knowledge and relationships. The Company's professional network also helps attract licensing and acquisition opportunities. Board- and management-level experience with product acquisitions and other corporate development transactions enhance Medexus's ability to execute near-term accretive transactions intended to achieve the Company's growth targets.

Predictable cost structure

Medexus intends to continue maintaining a small but experienced employee base in core management functions and appropriately outsourcing lower value-add operational functions to suitable service providers. Medexus currently works with commercial partners to meet its warehousing, distribution logistics, customer service, invoicing, and collections needs, and to supplement the Company's in-house regulatory affairs, regulatory compliance, medical information, and information technology capabilities. Medexus believes that contracting with experienced service providers allows the Company to achieve a desirable level of predictability, scalability, and flexibility, with corresponding benefits for the Company's financial performance and growth, while retaining control over strategic direction and tactical oversight.

Pricing

Medexus seeks to avoid relying on price increases to generate overall financial performance. Medexus makes pricing decisions on a product-by-product basis in light of the Company's assessment of the market in which the particular product competes. Medexus expects to make appropriate pricing adjustments over time to maintain product competitiveness and financial viability. Medexus's ability to adjust pricing depends in part on the product's market dynamics and regulatory environment, and effective unit-level prices for a given product can increase or decrease, depending on factors such as competitive dynamics in the relevant market. For example, see "—Market—Industry trends" and "Risk Factors—Risks relating to legal and regulatory matters—Product pricing regulations".

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 "—Regulatory environment—Recent developments in the United States" and “Risk Factors—Risks relating to legal and regulatory matters—Evolving conditions in the United States”.

Market

Overview

The global pharmaceutical industry is a highly diverse and complex industry comprising a variety of sectors, including large branded pharmaceutical companies, small to mid-sized specialty and niche market pharmaceutical manufacturers and marketers, biotechnology firms, research and development organizations, and generic drug manufacturers. These participants compete for market share based on advantages including clinical efficacy and safety, technological innovation or novelty, convenience or ease of administration, and cost effectiveness.

Most pharmaceutical products in the North American marketplace follow very similar paths of development from the drug discovery stage through the established brand stage. The key stages are set out in the paragraphs below.

Medexus focuses on opportunities to complement its existing product portfolio by licensing and acquiring new products. Medexus is therefore not active in the drug discovery or preclinical and clinical development stages of the product lifecycle. But see "—Core products and programs—Leading products—Hematology-oncology—IXINITY (US)" for information about Medexus's successful label expansion initiatives with respect to IXINITY.

Drug discovery

In the drug discovery stage, researchers study the molecular mechanisms of a particular disease and attempt, through a variety of methods, to find or create a molecule that affects the way the disease functions. Typically, when a new molecule is identified that offers the potential to proceed further in development, a patent application is filed claiming the chemical formula that defines the new molecule and/or the process by which the new molecule is formulated and/or used. If issued, the patent permits the patent holder to exclude others from making, using, or selling the discovery claimed in the patent during the patent’s lifespan.

Preclinical and clinical development

Following the drug discovery stage, product candidates typically undergo between one and three years of extensive preclinical laboratory and animal testing to assess safety and demonstrate biological activity against a disease. This is followed by clinical (human) trials, which can take from two to ten years or more, during which safety and efficacy of the new molecule in humans is determined.

Regulatory approval

The drug developer submits all data and information generated during the discovery and development stages to the appropriate regulatory body, such as the FDA in the United States and

Health Canada in Canada. Then the regulatory body, including scientists, and, if applicable, advisory committees review and decide whether the data justifies approval for widespread patient use and marketing.

Product launch and growth

If approved, the new product is introduced into the marketplace. Sales of a branded product, often driven by sizeable promotional investment, often rise sharply after introduction if the product becomes widely prescribed by physicians.

Maturity

After years of growth, sales of a new product typically slow or reach a plateau, a stage of the product's lifecycle referred to as maturity. The duration of the maturity stage often depends on the type of exclusivity the product enjoys (for example, patent exclusivity or regulatory exclusivity) or on other barriers to competition.

Loss of market exclusivity

When market exclusivity is lost and competing generic versions of the product enter the market, the brand generally loses market share very rapidly. Competition comes principally from generic drugs – products that regulatory bodies such as the FDA or Health Canada approve as substitutable products that are bioequivalent to the brand based on abbreviated clinical development. Generic drugs are typically priced at substantial discounts to branded products, and, in many states, provinces, and territories, can be dispensed – and in some cases are required to be dispensed – in place of the brand by a pharmacist without consent from the prescribing physician or patient.

Established brand stage

Once a product loses market exclusivity to a substitutable product and market share erodes, the product enters the final stage of the product lifecycle, the established brand stage. Although market share continues to decline in this late stage, it rarely erodes to zero, due to a number of factors. The most common factors are brand recognition, physicians/patients preferring to prescribe/receive branded products, and top-tier drug plans that may continue to reimburse branded products regardless of the cost difference and availability of generics. As a result, demand for these products, while substantially reduced, often remains predictable year after year. It is often at this stage when brand companies may consider divesting the product.

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 "—Regulatory environment—Recent developments in the United States" and "Risk Factors—Risks relating to legal and regulatory matters—Evolving conditions in the United States".

*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—Risks relating to legal and regulatory matters—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 attributable 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 "—Regulatory environment—Recent developments in the United States" and “Risk Factors—Risks relating to legal and regulatory matters—Evolving conditions in the United States”.

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.

Employees

As of March 31, 2025, Medexus had 91 employees. None of Medexus’s employees are unionized.

As of June 25, 2025, Medexus’s field force in the United States consists of 17 professionals who represent the Company’s products to healthcare professionals, institutions, and payers, such as MCOs, pharmacy benefit managers (PBMs), and government organizations. The US field force includes nine medical science liaisons, who serve as a liaison between Medexus and the scientific, medical, and health-system communities with respect to Medexus therapeutic areas and products. Medexus also maintains a small group of marketing professionals who oversee the Company’s product marketing initiatives in the United States.

As of June 25, 2025, Medexus’s field force in Canada consists of 11 sales professionals who represent the Company’s products to a variety of physicians, hospitals, payers, and buying groups. These Canadian sales and marketing teams are led by one sales and marketing director.

Medexus also pursues a number of market access strategies and has established a strong network of business arrangements in the United States and Canada. In the United States, Medexus has entered into agreements with payers and buying groups with the goal of increasing product knowledge and usage.

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 total revenue, together accounting for approximately 52% (2024 – 62%) of Medexus's total 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 direct customers".

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".

Intangible properties (intellectual property rights)

Overview

In general, the pharmaceutical industry is highly dependent on protection of intellectual property rights for branded pharmaceutical products. Patents are among the most important of these rights. Patent protection can include patents on pharmaceutical products, patents on formulations of pharmaceutical products, and/or patents on the processes for manufacture and use (method of treatment) of pharmaceutical products. In both the United States and Canada, patents have a finite lifespan of 20 years from the date of filing on the discovery claimed in the patent. Patents are more important to a company during the drug discovery phase through launch and growth phases of a product's lifecycle. Patents have little to no importance once patent exclusivity is lost and a product reaches the established brand phase.

Medexus focuses on commercialization of an existing portfolio of pharmaceutical products previously licensed or acquired from third parties. The importance of patent protection in Medexus's evaluation of a product licensing or acquisition opportunity will depend on the market dynamics relevant to that product. Medexus expects to evaluate intellectual property protection

as part of the Company's review process in the context of an overall evaluation of the product opportunity and to carry out due diligence on any intellectual property rights to ensure that new products that Medexus licenses or acquires are protected appropriately as determined by management in light of the overall value of the transaction, relevant market dynamics, regulatory considerations, and other relevant factors.

Other intellectual property rights are also important in protecting a branded product, such as brand names and trademarks that distinguish the product from other branded products and generic versions. Brand names are important in marketing the product to healthcare professionals and patients and in identifying the product in formularies. In the United States, once a trademark is registered, the trademark owner must file for renewal, together with a statement that the trademark is being used, every 10 years to prevent its cancellation or expiration of the registration.

Registered trademarks, copyrights, and domain names

Medexus owns and, more typically, licenses a number of patents and trademarks covering the Company's leading products and their uses, formulations, and product manufacturing processes. Medexus also owns or licenses domain names for websites relating to Medexus and its products.

Patents for individual products extend for varying periods according to the date of patent filing or grant and the legal term of patents in the various countries where patent protection is obtained. For example, Medexus holds patents relating to IXINITY in several key countries around the world. The scope of protection afforded by a patent can vary from country to country and depends on the patent type, the scope of its patent claims, and the availability of legal remedies.

In the United States and Canada, in certain circumstances generally prescribed by law or regulation, a period of regulatory exclusivity is available for products upon approval. The scope and term of such exclusivity will vary but, in general, the period will run concurrently with the term of any existing patent rights associated with the product at the time of approval.

Unregistered trademarks and copyrights

Medexus owns all business and trade names, brand names, trade dress, logos, slogans, and unregistered trademarks, including all associated goodwill, used in carrying on the Company's business that are not licensed from third-party licensors in connection with specific products that Medexus commercializes.

Medexus owns all designs and copyrights used in carrying on the Company's business, including all copyrights associated with advertising or marketing materials, website design and content, and other business-related documents, that are not licensed from third-party licensors in connection with specific products that Medexus commercializes.

Medexus does not intend to register these unregistered trademarks and copyrights, but nevertheless expects to take commercially reasonable measures to protect its intellectual property rights from infringing use.

Trade secrets and confidential information

Medexus owns trade secrets (including know-how) and confidential information which are protected through confidentiality provisions and other similarly restrictive covenants contained in

agreements entered into by Medexus and those parties who have access to the relevant trade secrets and confidential information. The trade secrets and confidential information owned by Medexus include all trade secrets and confidential information used in carrying on the Company's business, including, without limitation, concept know-how, advertising materials and strategies, marketing plans and materials, clients lists, telephone numbers, and operational procedures that are not licensed from third-party licensors in connection with specific products that Medexus commercializes.

Regulatory environment

General

Government authorities in the United States, Canada, and other countries extensively regulate, among other things, the research, development, testing, approval, manufacturing, labeling, post-approval monitoring and reporting, packaging, promotion, storage, advertising, distribution, marketing, and export and import of pharmaceutical products at the federal, state, provincial, and local level. The process of obtaining and maintaining approvals and the subsequent compliance with all applicable federal, state, provincial, local, and foreign laws and regulations requires the expenditure of substantial time and financial resources and are subject to regulatory risks. FDA approvals must be obtained in the United States and Health Canada approvals must be obtained in Canada before marketing or manufacturing new pharmaceutical products for human use. Regulation by other agencies, such as the Drug Enforcement Administration, and state and local authorities in the United States, and by comparable agencies in other countries, is also relevant.

In the United States, the US Federal Food, Drug and Cosmetic Act and related regulations, and other federal and state statutes and regulations, govern, among other things, the testing, manufacture, safety, effectiveness, labeling, storage, record-keeping, approval, sale, distribution, advertising, and promotion of Medexus's products. In Canada, the Canadian Food and Drugs Act and related regulations, and other federal and provincial statutes and regulations, govern, among other things, the testing, manufacture, safety, effectiveness, labeling, packaging, storage, record keeping, approval, import, sale, distribution, advertising, promotion, and post-approval monitoring of Medexus's products.

In addition to product approvals, applicable laws require that most companies involved in pharmaceutical production and sale hold licenses in respect of their activities and establishments. For example, the Canadian Food and Drugs Act and related regulations require that, subject to limited exceptions, all Canadian establishments must hold an establishment license to fabricate, package, label, distribute, import, wholesale, and/or test a pharmaceutical product. To the extent that these activities are conducted outside of Canada, foreign sites must be included on an importer's license. Companies involved in the manufacture of pharmaceutical products must comply with manufacturing regulations, including current good manufacturing practice requirements enforced by the FDA and Health Canada and similar regulations enforced by regulatory agencies outside the United States and Canada. Medexus and its suppliers are and will continue to be subject to these regulatory requirements and subject to regular inspections from regulatory authorities. See "Risk Factors—Risks relating to legal and regulatory matters—Extensive requirements under government laws and regulations".

Medexus is subject to price control restrictions on its pharmaceutical products in some contexts, which limit the amount Medexus can charge for its products. The potential volume of sales of Medexus's products also depends in part on whether those products are and continue to be listed on public and private formularies. See "Risk Factors—Risks relating to legal and regulatory matters—Extensive requirements under government laws and regulations".

In the United States, the US Federal Trade Commission (**FTC**), the FDA, and state and local authorities regulate the advertising of pharmaceuticals. In Canada, Health Canada, the Canadian Competition Bureau, and a number of self-regulatory authorities and other bodies regulate the advertising of pharmaceuticals. In each case, advertising is strictly regulated and can be very limited.

Medexus is also subject to extensive federal and state health care marketing and fraud and abuse regulations in the United States and federal, provincial, and territorial marketing regulation in Canada. For example, the US Anti-Kickback Statute and US False Claims Act impose civil and criminal liability on individuals or organizations who submit (or cause the submission of) false or fraudulent claims for payment to the government. See "Risk Factors—Risks relating to legal and regulatory matters—Extensive requirements under government laws and regulations".

Complying with all applicable federal, state, provincial, local, and foreign laws and regulations requires the expenditure of substantial time and financial resources, and Medexus's compliance efforts are in any event subject to regulatory risks. If Medexus or its operations are found to be in violation of any of these laws, regulations, rules, or policies or any other law or regulation, or if interpretations of any of the foregoing change, then Medexus could become subject to loss of product approvals or necessary licenses to conduct its business, recalls, stop sales, public warnings, adverse publicity, civil and criminal penalties, damages, fines, exclusion from government programs such as Medicare and Medicaid, and the curtailment or restructuring of its operations. See "Risk Factors—Risks relating to legal and regulatory matters—Extensive requirements under government laws and regulations".

Recent developments in the United States

There is currently some uncertainty with respect to, among other things, the regulation of pharmaceutical products in the United States and related legal and regulatory processes. For example, 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".

It remains to be seen how and when if at all the current US administration will assess whether "significant progress" has been achieved, particularly given the complexity of the US healthcare system. It also remains to be seen how and when if at all the current US administration would implement the initiatives set out in the May 2025 EO, including because many of the initiatives proposed in the May 2025 EO would likely be subject to legal challenges by stakeholders who are adversely affected. For example, it is unclear what authority HHS would have to implement blanket MFN pricing rules, as the reimbursement mechanisms for federal healthcare programs are set via statute and reimbursement for non-governmental payors are governed by private contractual arrangements, and such rulemaking could also implicate the US Supreme Court's "major questions" doctrine, which precludes agencies from issuing rules with major political or economic implications without explicit authorization from the US Congress.

Further, it is unclear how antitrust enforcement by the US Department of Justice and the FTC, as called for in the May 2025 EO, would lead to MFN pricing. And the FDA's authority to revoke drug approvals, similarly referenced in the May 2025 EO and possibly contemplated as an enforcement mechanism, is limited to a narrow set of circumstances, and the FDA does not have clear statutory authority to do so based on drug prices. However, the current US administration could seek to use its regulatory authority to issue other new regulations related to the sale of prescription drugs to the federal healthcare programs, including both pharmaceutical manufacturers and/or intermediaries in the pharmaceutical supply chain. For example, HHS has broad authority to design, implement, and test new health care payment models that could potentially lower health care spending while maintaining quality or increase quality without increasing spending – which was the basis for a previous HHS initiative to introduce MFN pricing for Medicare Part B in 2020, although it is not clear whether any new MFN pricing model would be the same as or similar to the 2020 model. In addition, legislative action could change the statutes governing these matters, providing clearer statutory authority to the current US administration to pursue these policy goals.

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. See "Risk Factors—Risks relating to legal and regulatory matters—Evolving conditions in the United States".

Foreign operations

A significant portion of Medexus's assets, employees, revenue, and customers are located in the United States. For example, Medexus primarily uses a third-party contract manufacturer located in the United States to manufacture IXINITY. Medexus expects to continue developing its US-based business operations.

A significant number of Medexus's third-party licensors and suppliers are located in Western Europe, including Germany, Spain, and Italy. For example, with respect to Medexus's current leading and certain other key products, the licensors and suppliers of Metoject, Trecondyv, and Gleolan are located in Germany and the licensor and supplier of Rupall is located in Spain. Medexus expects to continue collaborating with these and additional similarly situated third parties.

Social or environmental policies

In June 2021, Medexus adopted an environmental social governance (**ESG**) policy and a diversity policy. As part of its risk management and corporate governance program, Medexus and the Board seek to appropriately monitor all matters relevant to the Company and its business, including under Medexus's ESG and diversity policies. The ESG policy establishes six "pillars" intended to guide Medexus in meeting its objective of good corporate citizenship. The diversity policy provides a framework and process for incorporating various diversity considerations into decisions with respect to the Board and senior management. Medexus has not currently developed detailed targets and metrics.

RISK FACTORS

An investment in Medexus involves significant risks that must be considered speculative because of the nature of Medexus's business. Medexus's operations involve a variety of risks including many that are customary to the pharmaceutical industry and many of which are beyond Medexus's control. Readers should carefully consider the risk factors set out below (including those risks set out under each of the headings "Risks relating to the business", "Risks relating to legal and regulatory matters", "Risks relating to financial matters", and "Risks relating to ownership of Common Shares"), the other information described elsewhere in this AIF, and those risks set out in Medexus's most recently filed MD&A before making a decision to buy Medexus's securities. Medexus's business, operations, prospects, financial condition, and financial performance could be materially adversely impacted by the occurrence of any of the following or other risks. In that event, the trading price of Medexus's securities could decline and investors could lose some or all of their investment in those securities. There can be no assurance that risk management steps taken by Medexus can or will avoid future loss attributable to the occurrence of any of the below or other risks.

The risks described in this section 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, could also adversely affect Medexus.

Risks relating to the business

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.

Business plan execution

Medexus's business plan is based on the licensing or acquisition of product rights for the North American pharmaceutical market, obtaining marketing authorization from regulatory authorities, and leveraging its commercial operations to increase the sales of its products. Medexus largely depends on third parties to develop and supply the products Medexus commercializes. For any such third-party collaboration to be successful, Medexus must identify, validate, and secure partners whose capabilities complement those of the Company. Balancing current growth, investment for future growth, and the delivery of shareholder return is a significant challenge for all pharmaceutical companies, including Medexus. The costs of product development continue to be high, as are regulatory requirements in many therapeutic areas, which affects the number of product candidates Medexus is able to fund (whether directly or indirectly as part of a licensing arrangement) as well as the sustainability of Medexus's current portfolio and future pipeline.

Competitors with substantially greater financial resources also compete for the rights to those products Medexus seeks to license and acquire. This competition means that Medexus may not be able to acquire rights on terms it deems financially acceptable or at all. Inability to obtain further product rights would impede Medexus's long-term growth and value creation objectives. In addition, licensing or acquiring product rights represents an investment, and it is not certain that Medexus will be able to fully recoup its investment made on any such product or product candidate.

In the course of any proposed licensing or acquisition transaction, Medexus will undertake a commercial, legal, and financial due diligence investigation with the goal of identifying and evaluating material risks associated with the product and transaction. Despite these efforts, Medexus may not be successful in identifying and evaluating all such risks and may not realize the anticipated advantages of any given investment whether because of those risks or others. Any such failure could adversely affect Medexus's business, operations, prospects, financial condition, and financial performance.

Licensing and acquisition transactions for new products are complex, time-consuming, and expensive. Pursuing these opportunities could require Medexus to obtain additional debt or equity financing, which could result in increased leverage and/or a downgrade of Medexus's credit ratings (if any), in the case of debt financings, and/or equity dilution, in the case of equity financings. The value of any additional debt or equity securities, whether listed or unlisted, will fluctuate and could decline. In addition, Medexus could fail to complete a given transaction despite considerable investment of time and resources. If a transaction, such as one proposed licensing transaction that Medexus is currently negotiating, is not completed, Medexus nevertheless will generally bear the costs undertaken in connection with the relevant transaction, and, if financial

markets have included the assumption that one or more such transactions would or could be undertaken, whether within a particular period or at all, the Company could suffer negative market perception and the market price of the Common Shares could decline.

Integrating any newly licensed or acquired product or business is similarly complex, time-consuming, and expensive. If Medexus is unable to successfully integrate a product or business, including failure to successfully formulate, execute, or otherwise realize the commercialization plans or strategies for a given product, the Company may not be able to achieve the anticipated benefits, cost savings, or growth opportunities originally contemplated by the transaction.

Any given acquisition or licensing transaction could fail to advance Medexus's strategy as originally contemplated or anticipated. New products and businesses can expose Medexus to increased risks, liabilities, and competition. This can include realization of the execution risks discussed in the previous paragraph. In addition, Medexus's product candidates can fail at any stage of the development and regulatory process and may not receive regulatory approval even after significant investment of time and resources in drug development, whether by Medexus or by the Company's third-party partners. For example, in January 2025, Health Canada delivered to Medexus a notice of deficiency regarding the terbinafine NDS, despite Medexus's third-party business partner's investment in the phase 3 trial submitted to support the requested indication. Further, delays in any of the foregoing can affect the anticipated benefits, cost savings, or growth opportunities originally contemplated by the transaction. For example, the regulatory review process with the FDA in respect of GRAFAPEX continued for a longer period than originally anticipated, despite investment of significant time and resources by Medexus, medac, and their third-party business partners.

Even if Medexus identifies products with great commercial potential, the scientific approach underpinning a given product candidate may not succeed despite the significant investment required for drug development, or the resulting product may not be as competitive as expected because of the highly dynamic market environment for branded pharmaceutical products and the hurdles to a given product in terms of access and reimbursement, among other factors, or Medexus could otherwise be unable to successfully formulate, execute, or otherwise realize the commercialization plans or strategies for a given product.

Any of these occurrences could impact Medexus's ability to realize any benefit from a given transaction, product candidate, or product, which would adversely impact the Company's business, operations, prospects, financial condition, and financial performance.

Dependence on revenue from sales of leading products

Medexus currently derives a significant portion of its revenue from sales of its current leading products. See "Medexus's Business—Core products and programs—Leading products". Sales of Medexus's leading products are expected to continue to account for a significant portion of the Company's revenue in the near term. Accordingly, if demand for or revenue from any of these products declines significantly, Medexus's business, operations, prospects, financial condition, and financial performance would be adversely affected.

An adverse impact on Medexus's revenues could occur if, for example, any of these leading products were to experience loss of patent protection (if applicable) or other forms of market exclusivity, changes in prescription rates (including due to changes in eligible patient numbers

and patient populations), material product liability litigation, unexpected side effects or safety concerns, regulatory proceedings, negative publicity affecting doctor or patient confidence, pressure from existing competitive products, changes in labeling (or other similar or related changes affecting Medexus's ability to represent the relevant product), pricing and access pressures, or supply shortages, or if a new, more effective product were to be introduced.

In addition, Medexus generally focuses on innovative rare-disease treatment solutions. There is a growing availability and use of innovative specialty pharmaceutical medicines that treat rare or life-threatening conditions, including those that certain of Medexus's leading specialty products are intended to treat. These conditions typically have smaller patient populations, select hospital and institutional focus, and relatively higher cost as compared to other types of pharmaceutical products. The smaller and focused patient populations for Medexus's specialty products means that limited changes in a product's patient base can significantly affect product sales. It also means that it can be harder for Medexus to accurately predict product sales, and to accurately predict mandatory rebates and average manufacturer price calculations under government pricing rules prescribed by US law. The share of utilization of leading products in outpatient settings, including under government programs such as the "340B Drug Pricing Program", can introduce pricing risk for Medexus's products. The "340B" program puts meaningful pricing pressure on Rasuvo, and Medexus expects that GRAFAPEX will be subject to some such pricing risk given the expected share of outpatient and "340B" utilization. These factors also mean that changes in the selling environment affecting Medexus's access to customers, hospitals and other institutions, and healthcare professionals, or general changes affecting patient access to hospitals and other institutions and healthcare professionals, or budget constraints, can also significantly affect product sales.

Reliance on third parties

Medexus depends on third-party collaborators, service providers, and others in the research, development, manufacturing, and commercialization of Medexus's products and product candidates and also enters into licensing arrangements and other business development transactions with third parties. To achieve expected longer-term benefits, Medexus typically makes substantial upfront or other periodic milestone payments as part of these transactions, which can negatively impact Medexus's reported earnings or cash flows. Medexus relies heavily on these parties for multiple aspects of drug development, manufacturing, and commercialization activities, but Medexus does not directly control many aspects of those activities. For example, medac was the party responsible for preapproval regulatory matters under the GRAFAPEX Agreement, meaning that Medexus collaborated with medac and could only participate in preapproval regulatory matters to the extent permitted by that agreement. Medexus also outsources a number of ancillary services relating to its ordinary-course business operations. For example, Innomar Strategies, an affiliate of Cencora, provides adverse event reporting and other pharmacovigilance related services to Medexus in Canada, and, in April 2024, notified Medexus that a limited amount of personal information associated with certain of Medexus's products in Canada and maintained by Innomar Strategies had been subject to a publicly-disclosed information security incident at Cencora.

Failure by one or more of the third-party collaborators, service providers, or others to complete activities on schedule or in accordance with Medexus's expectations or to meet their contractual or other obligations to Medexus; failure of one or more of these parties to comply with applicable

laws or regulations; or any disruption in the relationships between Medexus and any of these parties could, in each case, delay or prevent the development, approval, manufacturing, or commercialization of Medexus's products and product candidates, expose Medexus to suboptimal quality of service delivery or deliverables, result in repercussions such as missed deadlines or other timeliness issues, erroneous data, and supply disruptions, and could also result in noncompliance with legal or regulatory requirements or industry standards or subject Medexus to reputational harm, all with potential negative implications for Medexus's product pipeline and business.

See "—Reliance on Third Parties for the Manufacture and Supply of Products" and "—Reliance on Third Party Service Providers".

Product reimbursement from third party payers

Medexus depends on securing and maintaining reimbursement status for many of its products to maximize the commercial potential of, and to successfully market, those products. This reimbursement status is granted by third parties such as governments, health insurers, health maintenance organizations, and MCOs, whose policies and practices are diverse, complicated, constantly changing, and entirely outside Medexus's control. A substantial proportion of Medexus's business nevertheless relies on reimbursement from these government healthcare programs and commercial insurance plans.

The reimbursement status of Medexus's products depends on the Company's continued ability to engage in business relationships with these third-party organizations and successfully navigate these policies and practices. However, Medexus may not be able to secure or maintain reimbursement status for some or all of its products, particularly if the policies and/or practices of these third-party organizations change, which changes could be drastic.

This reimbursement and the associated healthcare reimbursement systems (both public and private payers) are under constant review. While Medexus has completed listing agreements for public reimbursement of Trecondyv with the provincial governments of Ontario, Quebec, and British Columbia, there is no guarantee that Medexus will be able to do so for other jurisdictions in Canada, or that any such listing agreement remains in effect on commercially acceptable terms or at all. Third-party payers increasingly challenge the pricing of pharmaceutical products. In addition, the trend toward managed health care in the United States, the growth of organizations such as health maintenance organizations and MCOs, and legislative proposals to reform health care and government insurance programs in the markets in which Medexus sells its products could significantly influence the demand and sales of pharmaceutical products in those markets. These trends, and Medexus's response, could result in adverse price changes and/or a reduction in demand for one or more of Medexus's products. These cost containment measures and health care reforms could affect Medexus's ability to sell its products, which could have a material adverse effect on the Company's business, operations, prospects, financial condition, and financial performance.

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

Managed care trends

Private payers, such as health plans, and other managed care entities, such as PBMs, continue to take action to manage the utilization and costs of pharmaceutical products. The negotiating power of MCOs and other private third-party payers has increased due to consolidation, and they, along with governments, increasingly employ formularies to control costs and encourage utilization of certain pharmaceutical products, including through the use of formulary inclusion or favorable formulary placement. The breadth of the products covered by formularies used by MCOs can vary considerably from one MCO to another, and many formularies include alternative and competitive products for treatment of particular medical problems. See "—Removal from or failure to be included in public and private formularies".

These initiatives have increased consumer interest and input in medication choices, as they pay for a larger portion of their prescription costs, and could cause them to favor lower-cost generic or other alternatives. Medexus may fail to obtain or maintain timely or adequate pricing or formulary placement of Medexus's products, or to obtain such formulary placement at favorable pricing. The growing availability and use of innovative specialty pharmaceutical medicines that treat rare or life-threatening conditions, which typically have smaller patient populations, combined with their relative higher cost as compared to other types of pharmaceutical products, also has generated increased payer interest in developing cost-containment strategies targeted to this sector. In addition, MCOs also emphasize primary and preventive care, out-patient treatment, and procedures performed at doctors' offices and clinics as ways to manage costs. Hospitalization and surgery, typically the most expensive forms of treatment, are carefully managed, and pharmaceutical products and other interventions that can reduce the need for hospitalization, professional therapy, or surgery could become favored first-line treatments for certain diseases.

Third-party payers also use additional measures such as new-to-market blocks, exclusion lists, indication-based pricing, and value-based pricing/contracting to improve their cost containment efforts. These payers are also increasingly imposing utilization management tools, such as clinical protocols, requiring prior authorization for a given branded product (in particular where a generic product is available), or requiring the patient to first fail on one or more generic or other products before permitting access to a branded medicine. As the US private third-party payer market consolidates further and as more pharmaceutical products become available in generic form, Medexus expects to face greater pricing pressure from private third-party payers as they continue to drive more of their patients to use lower-cost generic or other alternatives.

Also, business arrangements in this area are subject to a high degree of government scrutiny, and available safe harbors under applicable federal and state fraud and abuse laws are subject to change through legislative and regulatory action, as well as evolving judicial and regulatory interpretations. Medexus's approach to these arrangements is informed by Medexus's interpretations of available government and industry guidance, which could be incorrect or inaccurate, whether in whole or in part. Any such changes or evolutions, or errors or inaccuracies, could have an adverse impact on Medexus's business, whether direct or indirect.

Recent US legislative initiatives and policy statements have focused on PBMs and other MCOs. For example, the April 2025 EO refers to the role of "middlemen" in the "pharmaceutical value chain", which could refer to such organizations. To the extent these organizations face additional legislative or regulatory pressures, Medexus could likewise face indirect pressure from these

organizations as they take additional steps seeking to preserve their businesses. See “Medexus’s Business—Market—Industry Trends—Government legislation and policy”.

Removal from or failure to be included in public and private formularies

MCOs, PBMs, group purchasing organizations, and other third-party public and private payers try to negotiate the pricing of medical services and pharmaceutical products to control their costs. MCOs and PBMs typically develop public and commercial formularies to reduce their cost for medications such as those Medexus commercializes. Formularies can be based on the prices and therapeutic benefits of the available products, as determined by the formulary committee or other decision making body, all of which are outside Medexus’s control. Formularies therefore often favor generic products, which often have lower costs, or branded products that provide significant price concessions, particularly where there is more than one product available in a given category. The breadth of the products covered by formularies varies considerably from one organization to another, and many formularies include alternative and competitive products for treatment of particular medical conditions. Failure to be included in such formularies or to achieve favorable formulary status would negatively impact demand for Medexus’s products. If Medexus’s products are not included within an adequate number of formularies or Medexus cannot secure adequate reimbursement arrangements for its products, or if the policies and practices of these third-party organizations continue to increasingly favor generic products or alternative branded products that provide greater price concessions, then Medexus’s market share and revenues could be harmed, as could Medexus’s business, financial condition, and operating results.

Payers, have sought, and continue to seek, price discounts or rebates in connection with the placement of Medexus products on their formularies or those they manage, and to also impose restrictions on access to, or usage of, our products (such as "step therapy"), require that patients receive the payer’s prior authorization before covering the product, and/or chosen to exclude certain indications for which our products are approved. In an effort to reduce barriers to access, Medexus has reduced the net price of Rasuvo by providing greater discounts and rebates to payers. However, affordability of patient out-of-pocket co-pay cost could limit patient use. Further, despite these net price reductions, some payers have restricted, and could continue to restrict, patient access and may seek further discounts or rebates or take other actions, such as changing formulary coverage for Rasuvo, that could reduce its sales. These factors have limited, and could continue to limit, patient affordability and use, negatively affecting Rasuvo sales.

Reliance on third parties for the manufacture and supply of products

Medexus depends on its third-party licensors and manufacturers to supply the Company’s products. Medexus has contractual relationships with these third-party licensors and manufacturers and seeks to provide contractual remedies in the event supply failures occur. However, there can be no assurance that these third-party licensors and manufacturers will be willing or able to maintain an adequate supply of products to fulfill Medexus’s orders on a timely basis, or that Medexus will be successful in enforcing its contractual remedies in any such instance. Failure to obtain adequate product supplies or to do so at acceptable quality levels or prices could have an adverse effect on Medexus’s business, operations, prospects, financial condition, and financial performance.

Many factors can cause interruptions in the supply of Medexus's products. These factors include –

- potential inability to timely identify, validate, and secure replacement manufacturing, supply-chain, or other essential capabilities if and when needed;
- shortages in raw material, packaging, and other components required by third-party suppliers and manufacturers, which would impact the cost and availability of those materials and components;
- changes in legal, regulatory, or quality-assurance compliance requirements for products, suppliers, or manufacturers;
- changes in sources for manufacturing or packaging, whether required for legal, regulatory, or quality-assurance reasons or for commercial reasons;
- defects and damage to products, raw materials, or other components during shipping or transportation, including temperature or other excursions from specifications;
- errors in the manufacturing process that impact the availability of the product;
- product recalls for legal, regulatory, or quality-assurance reasons that impact the integrity of the product; and/or
- the status and nature of any then-ongoing commercial contract disputes with the relevant third-party licensor or manufacturer.

An interruption caused by any of these factors or other factors would have an adverse effect on Medexus's business, operations, prospects, financial condition, and financial performance. In particular, any adverse developments affecting commercial manufacturing of Medexus's products could result in inventory shortages and/or delays in delivering product to customers; lot failures or product withdrawals or recalls; enforcement actions, import alerts, or import detentions; adverse consequences under one or more of the Company's commercial or other contracts (see "—Risks relating to legal and regulatory matters—Commercial contract disputes"); or other interruptions in the supply of the Company's products or product candidates.

Medexus could also become unable to timely increase production capacity commensurate with demand for the Company's products, experience challenges related to component materials to maintain supply and/or appropriate quality standards throughout the Company's supply network and/or comply with applicable regulations, or experience supply chain disruptions at the Company's facilities or at those of a third-party supplier or other vendor. In particular, Medexus engages contract manufacturers – most notably the third-party contract manufacturer that Medexus uses to manufacture IXINITY – and, from time to time, those contract manufacturers face difficulties or are unable to manufacture Medexus's products at the necessary quantity or quality levels, including to the extent Medexus employs "just-in-time" manufacturing practices. The occurrence of any of the foregoing or other similar risks could have a material effect on Medexus's business, financial condition, and operating results.

Medexus could also undertake product development and technical transfers seeking to improve the potential of its product rights by exploring opportunities to develop new packaging, dosages, and formulations and could, to the extent permitted under the Company's relevant contractual arrangements, consider alternative suppliers seeking to improve the Company's product offerings,

increase reliability of supply to the market, or reduce the Company's costs. For example, Medexus is currently evaluating product development opportunities, which are currently at an early stage, with respect to its methotrexate business in the United States. Any such initiative can be affected by unforeseen events that could cause Medexus's product development or technical transfers to be delayed, suspended, or terminated, or that could delay or prevent Medexus's ability to receive regulatory approval for or commercialize any output from its product development or technology transfer projects.

Medexus is also required to take inventory write-offs and incur other charges and expenses relating to products or product candidates that fail to meet specifications, and could be required to undertake costly remediation efforts and/or seek more costly manufacturing alternatives. Accordingly, failures or difficulties faced at any level of Medexus's supply chain could materially adversely affect the Company's business and could delay or impede the development and commercialization of any of the Company's products or product candidates and could have a material adverse effect on the Company's business, operations, and financial performance. See "—Expiration of Inventory".

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.

Dependence on a small number of direct 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. See "Medexus's Business—Customers".

Under Medexus's primary distribution model, the Company's third-party distributors generally take physical delivery of the product and sell the product directly to pharmacies, patients, hospitals, or other customers. Medexus expects to continue using this distribution model, with its associated

direct customer concentration dynamics, for the foreseeable future. Medexus also expects that consolidation and integration of distributors, wholesalers, pharmacy chains, and other similar intermediary organizations will increase competitive and pricing pressures on pharmaceutical companies like Medexus.

These distributors are responsible for a significant portion of Medexus's net trade accounts receivable balances. The loss of any such distributor as a customer, or a significant reduction in sales to any of them (including cancellation of orders), or any failure to pay for the products Medexus has shipped to any of them (whether as part of a contract dispute or otherwise) could materially adversely impact Medexus's business, operations, prospects, financial condition, and financial performance. This adverse impact could occur if, for example, one of Medexus's distributors were to encounter financial or other difficulties, which might decrease the amount of business that distributor conducts with Medexus and/or Medexus might be unable to timely collect some or all of the amounts that the distributor owes to Medexus.

Medexus's ability to generate and increase sales of its products depends, in part, on the extent to which these distributors are able to distribute the Company's products adequately and effectively, and on favorable pricing terms. Medexus believes that, if necessary, it will be able to find additional or replacement distributors. However, Medexus may not be able to identify, validate, and secure new distributors in a timely manner or at all, and the pricing terms that any such new distributor offers to Medexus would likely not be as favorable as those the Company currently has in place. During any period of disruption, Medexus's revenue could decline, either temporarily or permanently, and Medexus would likely incur additional costs. Any of these occurrences could have a material adverse impact on Medexus's business, operations, prospects, financial condition, and financial performance.

In addition, Medexus focuses on innovative rare-disease treatment solutions. There is typically a select number of hospitals and other institutions, and within those institutions a select number of healthcare practitioners, that focus on treatment of rare or life-threatening conditions, including those that certain of Medexus's leading specialty products are intended to treat. This targeted institutional base for Medexus's specialty products means that limited changes in a product's institutional usage or availability can significantly affect product sales and product-level revenue.

General competition

The pharmaceutical industry is intensely competitive in all aspects and stages, and Medexus competes with many companies that have substantially greater financial and technical resources and selling and marketing capabilities. Competitive product launches could erode future sales of Medexus's products, including existing products and those the Company licenses or acquires in future, or result in unanticipated product obsolescence. These competitive product launches occur periodically, and potentially competitive products – including, where applicable, biosimilars – are in various stages of development. Medexus cannot predict with accuracy the timing or impact of the introduction of competitive products that treat diseases and conditions like those treated by Medexus's current and future products and product candidates.

Medexus also faces significant competition from drug development companies that focus their efforts on developing, acquiring, and marketing products that are similar in nature to Medexus's products, but that in some instances offer improvements over its products and novel approaches to improve existing products. Medexus's competitors could succeed in developing technologies

and products that are more effective, have better side effect profiles, or are less expensive to use than any that Medexus licenses or acquires. These developments could render Medexus's products obsolete or uncompetitive, which would have a material adverse effect on the Company's business, operations, prospects, financial condition, and financial performance.

See "Medexus's Business—Competitive conditions".

Competition from manufacturers of generic products

Generic competitors are likely to attempt to market, sell, or use generic versions of at least some of the products that Medexus licenses or acquires. Generic versions of pharmaceutical products are generally less expensive than branded versions, and, where available, may be required in preference to the branded version under third party reimbursement programs or substituted by pharmacies.

This competition often arises from generic versions of branded products that lose their market exclusivity. In particular, if Medexus experiences a substantial increase in sales of products that have lost or will lose their market exclusivity or are determined to be not sufficiently protected by associated intellectual property rights, then competitors will be more likely to develop generic formulations that compete directly with those successful products. For example, based on a review of Health Canada generic submissions, Medexus expects that generic competition will occur in the case of both Rupall (rupatadine fumarate) and Trecondyv (treosulfan), each of which has experienced significant growth since Medexus launched the products in Canada.

Medexus's patented products can also face generic competition before patent exclusivity expires, including upon the "at-risk" launch (despite pending patent infringement litigation against the generic product) by a manufacturer of a generic version of a Medexus patented product. For example, Metoject, which previously benefited from a Canadian patent (now no longer in effect), continues to experience intense competition in Canada from an "at-risk" generic launch, which resulted in price cuts and volume loss, and which was the subject of the Metoject Litigation. See "—Risks relating to legal and regulatory matters—Inability to protect, maintain, and enforce intellectual property" and "—Risks relating to legal and regulatory matters—Negative impact from litigation".

Increased generic competition would have a material adverse effect on Medexus's business, operations, prospects, financial condition, and financial performance. Where such generic competition emerges, Medexus will take all appropriate legal steps to enforce its rights and/or commercial steps to protect its market share, but there can be no guarantee that Medexus's market share for its products that are impacted by generic competition will not be negatively affected.

See "Medexus's Business—Competitive conditions".

Marketing and distribution risk

Medexus's business plan is based on the licensing or acquisition of product rights for the North American pharmaceutical market, obtaining marketing authorization from regulatory authorities, and leveraging its commercial operations to increase the sales of its products. Medexus also collaborates with third parties to enhance its ability to commercialize the Company's products.

To the extent that Medexus's collaborations are structured in such a way as to share responsibility for commercial distribution, Medexus's share of product revenue is likely to be lower than if Medexus marketed or sold its products directly. In addition, in any such case, revenue received will depend in whole or in part on the efforts and decisions of Medexus's third-party partners, which could be unsuccessful and generally will not be within Medexus's direct control. In any event, commercial agreements are subject to termination by Medexus and/or its business partners in accordance with their terms, and, depending on the circumstances, any such termination could make it more difficult for the Company to attract new partners or adversely affect how the Company is perceived in the business and financial communities it operates in.

If Medexus is not successful in commercializing its existing products and future product candidates, either on its own or through collaborations with one or more parties, and for the above or any other reason, then future product revenue will suffer and the Company would likely incur significant losses.

Reliance on third party service providers

Medexus relies on third party service providers for a number of essential services. Medexus currently works with commercial partners to meet its warehousing, distribution logistics, customer service, invoicing, and collections needs, and to supplement the Company's in-house regulatory affairs, medical information, and information technology capabilities, among others. If these third parties cease to provide Medexus with these services, or do not provide these services in a timely, adequate, or professional manner, Medexus would be less able to effectively manage its operations or integrate new products into its business, which would likely result in decreases in sales.

Medexus could encounter interruptions, difficulties, or delays throughout its supply chain, including its logistics and distribution networks. For example, Medexus could become unable to maintain access to logistics or supply channels commensurate with demand for the Company's products or could experience supply chain disruptions at the Company's facilities, at those of a third-party supplier or other vendor, or in respect of a shipping, transportation, or other logistics service provider. Any such delay or interruption could result in a delay delivering product to Medexus's customers, and therefore result in a delay in receiving payment or other adverse impact on Medexus's business relationships. The occurrence of any of the foregoing or other similar risks could have a material effect on Medexus's business, financial condition, and operating results.

Reliance on key personnel

Medexus depends on a small group of qualified management personnel. These individuals have an in-depth understanding of the Company's business objectives and the markets within which the Company operates. The loss of the services of one or more of Medexus's directors or officers could adversely impact the Company, its operations, and its ability to execute its strategy successfully, which could materially and adversely affect the Company's business.

In addition, Medexus's anticipated growth will likely require additional expertise and the addition of new qualified personnel. There is intense competition for qualified personnel in the pharmaceutical sector. Medexus could be unable to attract and retain the qualified personnel necessary to develop and grow the Company's business. Inability to recruit additional key

management personnel in a timely manner would impair Medexus's business development programs and its ability to manage day-to-day operations, attract and retain other employees, and deliver the strong financial and operational performance Medexus seeks for the Company's investors and other stakeholders.

Inability to achieve drug development goals within expected time frames

From time to time, Medexus sets targets and makes public statements regarding its expected timing for achieving drug development and commercialization goals. These include targets for the commencement and completion of preclinical and clinical trials, studies and tests, anticipated regulatory filing and approval dates, and commercial launch timelines. Medexus sets these targets based on information and assumptions that could prove to be inaccurate. The actual timing of these forward-looking events can vary dramatically from Medexus's estimates and may not be achieved at all. These delays and failures can be caused by factors such as delays or failures in clinical trials or preclinical work, scheduling changes at contract research organizations, the need to develop additional data required by regulators as a condition of approval, the uncertainties inherent in the regulatory approval process, delays in achieving manufacturing or marketing arrangements necessary to commercialize product candidates, and limitations on the funds available to Medexus. For example, the regulatory review process with the FDA in respect of GRAFAPEX continued for a longer period than originally anticipated, despite investment of significant time and resources by Medexus, medac, and their third-party business partners, and in January 2025, Health Canada delivered to Medexus a notice of deficiency regarding the terbinafine NDS, despite Medexus's third-party business partner's investment in the phase 3 trial submitted to support the requested indication.

If Medexus, or the relevant business partner, does not meet these targets, including those which are publicly announced, the ultimate commercialization of Medexus's products would be delayed and, as a result, the product's and the Company's prospects could be negatively impacted. In addition, if financial markets have included the assumption that one or more such transactions or other events would or could be undertaken, the Company could suffer negative market perception and the market price of the Common Shares could decline.

Cybersecurity, protection of data, and artificial intelligence

Medexus relies on information technology systems to manage and operate its business. Medexus maintains significant amounts of data electronically in locations throughout Canada and the United States. This data relates to all aspects of Medexus's business and also contains certain patient or customer data. Medexus maintains systems and processes designed to protect this data and the Company's overall information security profile, including information technology and information security policies, an incident response plan, and periodic briefings of the Board on these matters and related Company initiatives.

However, notwithstanding such protective measures, there is a risk of intrusion or tampering that could compromise the integrity and privacy of this data. In the last three fiscal years, Medexus has experienced only a limited number of such intrusion incidents, including two incidents (including the April 2024 information security incident at Cencora referenced in "—Reliance on third parties") that Medexus determined would warrant notification to affected individuals and certain government authorities, but none of which Medexus considered to be material, whether

individually or in the aggregate, or reflect systemic or widespread issues. In addition, Medexus provides confidential and proprietary information to its third-party business partners in certain cases where doing so is necessary to conduct business. While Medexus obtains assurances from those parties that they have systems and processes in place to protect such data, and, where applicable, that they will take steps to assure the protections of such data by third parties, Medexus's partners could also nevertheless be subject to data intrusion or otherwise compromise the protection of such data.

Medexus's reliance on its information technology systems has increased since the beginning of the Covid-19 pandemic, placing strain on existing resources and increasing the risk of business interruptions as a result of senior management and other employees more frequently working remotely. While Medexus takes information security measures it deems commercially reasonable and appropriate to the Company's business and stage of development, no information security measures can eliminate the risk of information security breaches such as cyberattacks or unauthorized access. Medexus and its third-party partners could be unaware that a breach has occurred and/or be unable to detect an ongoing breach. Medexus has exposure to similar security risks faced by other companies that have data stored in their information technology systems and/or that employ a primarily remote or distributed workforce.

If Medexus's or any third-party service provider's systems fail to operate effectively or are damaged, destroyed, or shut down, or there are problems with transitioning to upgraded or replacement systems, or there are security breaches in these systems, Medexus could experience delays or decreases in product sales and reduced efficiency of its operations. This could occur as a result of natural disasters, software or equipment failures, telecommunications failures, loss or theft of equipment, acts of terrorism, circumvention of security systems, or other cyberattacks.

Any compromise of the confidential data of Medexus or its business partners, customers, or others, or failure to prevent or mitigate the loss of any such confidential data, could disrupt Medexus's operations, damage its reputation, violate applicable laws and regulations, and subject the Company to additional costs and liabilities and have a material and adverse impact on its business, operations, prospects, financial condition, and financial performance.

Medexus has begun to integrate artificial intelligence (AI), machine learning, and other emerging technologies into its operations, which presents both opportunities and challenges. While these technologies have the potential to enhance efficiency and decision-making, their implementation carries inherent risks. Failure to adopt or invest adequately in these technologies could place Medexus at a competitive disadvantage. On the other hand, the use of AI and other emerging technologies is subject to risks related to data privacy and security, as with any technology, as well as new risks specific to AI, which are not yet fully understood or appreciated.

As part of the Company's risk management program, Medexus carries insurance coverage in respect of information security incidents in amounts that Medexus has determined are commercially reasonable and appropriate to the Company and its business and industry. However, Medexus's insurance coverage, including the terms of the relevant insurance policy, could ultimately be inadequate to protect Medexus from relevant claims, and Medexus could in future be unable to obtain insurance coverage on commercially reasonable terms or at all.

Occurrence of catastrophic events

Medexus's business would be negatively impacted to varying degrees by a number of catastrophic events beyond the Company's control. While Medexus engages in emergency preparedness, including business continuity planning, to mitigate risks, such events can evolve very rapidly and their various impacts can be difficult to predict. As such, there can be no assurance that in the event of such a catastrophe that Medexus's operations and ability to carry on business will not be disrupted. In addition, depending on the terms of relevant agreements, the occurrence of such an event might not release Medexus from its obligations to third parties.

- General. A catastrophic event, including an outbreak of, or worsening of an existing outbreak of, infectious disease, a pandemic, or a similar health threat, such as the Covid-19 pandemic, or fear of any of the foregoing, could adversely impact Medexus's business. For example, such an event could cause supply chain or other operational delays and disruptions (including the manufacturing, supplying, licensing, and/or distributing of its products by third parties on which Medexus relies) and could impair the Company's sales personnel from engaging effectively with the Company's customers and other business partners. Third parties on which Medexus relies, including its manufacturers, suppliers, licensors, and/or distributors, have operations around the world and are exposed to a number of global and regional risks outside Medexus's control. In addition, such an event could disrupt healthcare delivery and could affect regulatory review processes of the FDA and/or Health Canada. Any of these occurrences could have a negative impact on Medexus's ability to conduct its business and could increase the Company's costs.

- Financial. Liquidity and volatility, credit availability, and market and financial conditions generally could change at any time as a result of a catastrophic event. See also "—Risks relating to financial matters—Need for additional financing" and "—Risks relating to financial matters—Risks associated with debt financing".

- Environmental. Climate change presents risks to Medexus's operations, including the potential for additional regulatory requirements and associated costs, the potential for more frequent and severe weather events, and water and energy availability challenges that could impact Medexus's facilities and logistics systems and those of its third-party suppliers and manufacturers. Medexus cannot provide assurance that physical risks to the Company's facilities or logistics systems attributable to climate change will not occur in the future. Medexus intends to periodically review the Company's vulnerability to potential weather-related risks and other natural disasters and update its assessments accordingly. Based on the Company's initial reviews to date, Medexus does not believe that these potential risks are material to the Company's operations at this time.

- Other. Power loss, telecommunications failures, equipment failures, intentional acts of theft, vandalism, terrorism, and other similar events can limit Medexus's ability to operate its business, and could have a negative impact on the Company's third-party business partners, suppliers, manufacturers, and vendors.

Any of these events or other similar events, in isolation or in combination, could have a material negative impact on Medexus's business, financial condition, and operating results.

Reliance on data obtained from third party sources

Medexus relies on certain operational data obtained from third parties that are industry accepted data sources. This data may not accurately reflect or capture actual conditions in the markets the Company operates in. If this data turns out to be inaccurate or unreliable, then Medexus's ability to operate its business, including management of inventory and interpretation of industry trends, would be impaired, which could have an adverse effect on Medexus's business, operations, and financial performance.

Clinical trials

Medexus focuses on opportunities to complement its existing product portfolio by licensing and acquiring new products. Medexus is therefore not directly involved in the drug discovery or preclinical and clinical development stages of the product lifecycle. However, for any product candidate that has not yet been approved by the FDA, Health Canada, or other relevant regulatory agencies, Medexus and its third-party licensors and other drug development partners must demonstrate that any such product candidate is safe and effective before the relevant regulatory authority grants approval for commercial sale of the product. Regulatory agencies typically evaluate safety and efficacy through preclinical studies and clinical trials, which may be conducted by Medexus or, more frequently, its third-party licensors and other drug development partners.

Preclinical tests and phase 1 and phase 2 clinical trials are primarily designed to test safety, study pharmacokinetics and pharmacodynamics, test efficacy, and understand the side effects of products at various doses and schedules. Success in preclinical or animal studies and early clinical trials does not ensure that later large-scale efficacy trials will be successful and such success is not necessarily predictive of final results. Favorable results in early trials may not be repeated in later trials and positive interim results do not ensure success in final results. Even after the completion of phase 3 clinical trials, which are designed to test efficacy and monitor adverse reactions, or phase 4 or other post-approval trials, which are designed to evaluate, among other things, new indications or additional patient populations, the FDA and Health Canada or other regulatory authorities could disagree with the clinical trial design and interpretation of data and could require additional clinical trials to demonstrate the efficacy of product candidates. For example, the regulatory review process with the FDA in respect of GRAFAPEX continued for a longer period than originally anticipated, in part due to the FDA's requests for further supporting information from medac, and, in January 2025, Health Canada delivered to Medexus a notice of deficiency regarding the terbinafine NDS identifying 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.

Failure by Medexus or its third-party licensors or other drug development partners to successfully complete clinical trials of product candidates and to obtain successful results on a timely basis could materially adversely impact Medexus's business, prospects, and financial performance and could cause the market value of its Common Shares to decline.

Geopolitical risks

In February 2022, Russia invaded Ukraine, and, in October 2023, Hamas-led Palestinian militant groups instigated an armed conflict with Israel that has since expanded within the region, including direct conflict between Israel and Iran. Both these armed conflicts remain ongoing. Medexus does

not have any business operations in Russia, Ukraine, or Israel, and the ongoing conflicts have not resulted in disruption of Medexus's supply of raw materials or other components. However, to the extent the ongoing conflicts continue, new conflicts arise, and otherwise as a consequence of general geopolitical and economic conditions, Medexus expects that effects on global supply chains, commodity prices, the overall economic environment, and financial markets could indirectly affect Medexus. For example, some of Medexus's third-party licensors and suppliers located in Western Europe have experienced cost increases and could potentially experience disruption, which could be attributable in whole or in part to recent general geopolitical and economic conditions. See "—Reliance on Third Parties" and "—Reliance on Third Parties for the Manufacture and Supply of Products". See also "—Risks relating to legal and regulatory matters—Evolving conditions in the United States".

Risks relating to legal and regulatory matters

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 "Medexus's Business—Market—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.

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 "—Negative impact from litigation".

See also "Medexus's Business—Market—Industry Trends—Government programs", "Medexus's Business—Market—Industry Trends—Government legislation and policy", and "Medexus's Business—Regulatory environment—Recent developments in the United States".

Inability to obtain or maintain regulatory approvals

The development, manufacture, and commercialization of pharmaceutical products in Canada, the United States, and other countries are all highly regulated, which significantly increases the difficulty and costs involved in obtaining and maintaining regulatory approval for marketing new and existing products.

The regulatory approval process can be long and involve significant delays despite Medexus's best efforts, and can be unsuccessful despite investment of significant time and resources by Medexus and its third-party business partners. Product candidates can and do fail at any stage of these regulatory approval processes, including as the result of unfavorable preclinical and clinical trial results, or unfavorable new preclinical or clinical data and further analyses of existing preclinical or clinical data, including results that do not support further clinical development of the product candidate or indication.

Relevant risks and uncertainties relating to Medexus's regulatory affairs include, among other things –

- the uncertainties inherent in research and development, including the ability of Medexus or, more frequently, its third-party licensors, 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 clinical data and further analyses of existing clinical data;
- the risk that clinical trial data 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 of and results from clinical studies;
- whether and when applications are filed in a given market for a given product candidate;
- whether and when any such applications are approved by regulatory authorities, which will depend on many factors, including the relevant authority's determination as to whether the product candidate's benefits outweigh its known risks and determination of the product candidate's efficacy, and, if approved, whether the product will be commercially successful;
- decisions by regulatory authorities or other third parties impacting labeling, manufacturing processes, safety, and/or other matters that could affect the availability or commercial potential of the product; and
- competitive developments in the product markets relevant to a given product candidate.

Even if Medexus's current or future product candidates were to successfully obtain approval from regulatory authorities, such approval might not be obtained in a timely manner, and any such approval might significantly limit the approved indications for use, including more limited patient populations, require that precautions, contraindications, or warnings be included on the product labeling, or require expensive and time-consuming post-approval clinical studies, risk management plans or Risk Evaluation and Mitigation Strategy (as may be required by the FDA under the Food and Drug Administration Amendments Act and/or Health Canada under the Food and Drugs Act and related Food and Drug Regulations), or surveillance as conditions of approval. In addition, the product labels approved by relevant regulatory authorities limit the claims that Medexus is permitted to make, which can make discussions of the products more challenging, with potential adverse impacts on the peak revenues and lifetime product potentials for a given product. Any such occurrence – whether individually or, more likely, in combination with other such occurrences or other factors – could materially and adversely affect Medexus's business, prospects, and financial performance.

Following any approval for commercial sale of Medexus's product candidates, certain changes to the product, such as changes in manufacturing processes and additional labeling claims, as well as new safety information, will be subject to additional notification to, or review and approval by, regulatory authorities. Further, regulations of Health Canada and the FDA are rigorous, time consuming, and costly to comply with, and Medexus cannot predict the extent to which the Company will be affected by changes in regulatory developments and its ability to meet the requirements of those regulations. Medexus's current or future products could be withdrawn from the market and the required approvals suspended because of noncompliance with regulatory requirements. If there is delay or failure to obtain or maintain regulatory approvals for any of Medexus's product candidates in the United States, Canada, or other markets, or if any approval contains significant unexpected limitations, then Medexus's ability to market to the product's full target market will be reduced and the Company's ability to realize the full market potential of its products and product candidates will be impeded. This could materially and adversely affect Medexus's business, prospects, and financial performance.

Regulatory approval process

The FDA has substantial discretion in respect of the review and approval process for pharmaceutical products in the US market, as illustrated by the now-completed regulatory review process for GRAFAPEX. Health Canada has similar discretion in the review and approval of pharmaceutical products in the Canadian market, as illustrated by the regulatory review process for terbinafine hydrochloride.

Despite ongoing time and effort exerted by Medexus and its third-party licensors and other drug development partners in respect of product candidates, delay or failure can occur at any stage. The FDA or Health Canada can choose to delay, limit, or deny approval for many reasons, including –

- the product candidate may not be deemed safe or effective;
- the data from preclinical studies and clinical trials may not be found to be sufficient;
- relevant approval policies may change or new regulations may be adopted; or
- third-party products may enter the market and change approval requirements.

In addition, approvals can be withdrawn if compliance with regulatory standards is not maintained. See "—Inability to obtain or maintain regulatory approvals", "—Limitations imposed by government laws and regulations", and "Medexus's Business—Regulatory environment" (including "—Recent developments in the United States").

A party's inability to obtain FDA or Health Canada approval for a product candidate, the restriction, suspension, or revocation of regulatory approvals for a product, and/or any other failure to comply with regulatory requirements could enable Medexus's third-party licensors to terminate relevant agreements and Medexus's rights under those agreements. The occurrence of any of these events therefore could, depending on the particular product or product candidate at issue and the terms of the relevant agreement, have a material adverse effect on Medexus's business, operations, prospects, financial condition, and financial performance.

Product pricing regulations

Product pricing by pharmaceutical companies is currently under increased scrutiny in the United States and Canada and is expected to continue to be the subject of intense political and public debate. In particular, US and Canadian governmental regulations that mandate price controls or limitations on patient access to Medexus's products or establish prices paid by government entities or programs for Medexus's products impact Medexus's business, and the Company's future results could be adversely affected by changes in these regulations or policies. Adoption of new more-restrictive price controls or failure to obtain or maintain timely or adequate pricing status could also adversely impact Medexus's revenue. Medexus expects these pricing pressures to continue for the foreseeable future.

In the United States, pharmaceutical product pricing is subject to government and public scrutiny and calls for reform, and many of Medexus's products are subject to increasing pricing pressures as a result. There have been a number of US congressional inquiries and hearings with respect to pharmaceutical product pricing practices, including in connection with the investigation of specific price increases by several pharmaceutical companies, and the 2021 Build Back Better Act, which was passed by the US House of Representatives, included provisions relating to regulation of drug prices. Medexus continues to evaluate the potential impact of the IRA, which became effective in August 2022. (See "Medexus's Business—Market—Industry Trends—Government legislation and policy".) Medexus expects to see continued focus by the US federal government on regulating pricing which could result in legislative and regulatory changes designed to control costs. For example, on April 15, 2025, the current US administration issued the April 2025 EO, which addressed Medicaid drug rebates, Medicaid drug payment methodologies, and Medicare payment models, and, on May 12, 2025, the current US administration issued the May 2025 EO, which sets out the administration's policy goal of adopting "most-favored-nation" pricing, or "MFN" pricing, for prescription drugs in the United States. See "Medexus's Business—Market—Industry trends—Government programs" and "Medexus's Business—Regulatory environment—Recent developments in the United States". 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.

In addition, some US states have implemented, and others are considering, patient access constraints or cost cutting under the Medicaid program, and some are considering measures that would apply to broader segments of their populations that are not Medicaid-eligible. Further, 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 "Medexus's Business—Market—Industry trends—Government programs". State legislatures also have continued to focus on addressing drug costs, generally by increasing price transparency or limiting drug price increases.

Several US states have passed laws designed to, among other things, bring more transparency to drug pricing, and other US states could pursue similar initiatives in the future. Measures to regulate prices or payment for pharmaceutical products, including legislation on drug importation, could adversely affect Medexus's business, prospects, and financial performance. See "Medexus's Business—Market—Industry trends—Government legislation and policy".

Furthermore, the 340B Drug Pricing Program requires participating manufacturers to agree to charge no more than an established discounted 340B "ceiling price" for the manufacturer's covered outpatient drugs to specified "covered entities", including clinics and hospitals. The requirements under the 340B Drug Pricing Program could reduce the revenue Medexus generates for any products that are commercialized now or in the future and could adversely affect the Company's business and operating results.

In Canada, patented pharmaceutical products are subject to the post-approval product pricing regulation of the Patented Medicine Prices Review Board. Under PMPRB regulations, patentees must file information about prices and sales at introduction and then twice a year until patent expiration. For new patented products, the price in Canada is generally limited to either (1) the cost of the same or similar products or products in the same therapeutic class sold in Canada or (2) the median of prices for the same or similar products or products in the same therapeutic class sold in other specified industrial countries. For existing patented products, prices cannot increase by more than the Consumer Price Index. If PMPRB guidelines provide a ceiling price for a patented product that is lower than Medexus's expectations, or if the PMPRB deems a patented product to be excessively priced, this can lead to the reduction of the product's price and the potential imposition of a fine.

Medexus continues to evaluate the impact of new and existing PMPRB regulations, including recent guidance adopted in September 2023 and, potentially, other amendments and policy changes, on the Company's product pricing in Canada. However, Medexus has limited ability to predict and/or capacity to adapt to changing PMPRB directives or requirements. Of Medexus's leading products, only Metoject is currently subject to regulation by the PMPRB, although other patented products subject to PMPRB regulation are and could in future become part of the Company's product portfolio from time to time. Medexus believes that the Company's pricing of Metoject complies with PMPRB requirements and guidelines. Accordingly, Medexus expects that its ability to increase Metoject pricing will be limited.

Medexus cannot predict the extent to which its business will be affected by these or other potential future legislative or regulatory developments in the United States, Canada, or both countries. However, increased scrutiny on drug pricing, negative publicity related to the pricing of pharmaceutical products generally, or changes in pricing regulations could, in each case, restrict the amount that Medexus is able to charge for its products, which could have a material adverse effect on the Company's business, prospects, and financial performance.

Extensive requirements under government laws and regulations

In both domestic and foreign markets, the formulation, manufacturing, packaging, labelling, testing, handling, distribution, importation, exportation, licensing, sale, and storage of Medexus's products are affected by extensive laws, governmental regulations, administrative determinations, court decisions, and similar constraints which are beyond the Company's control. These laws, regulations, and other constraints exist at all levels of government. There can be no assurance

that Medexus will be able to comply with all of these laws, regulations, and other constraints at all times. Failure to comply with any of these laws, regulations, or other constraints, or new laws, regulations, or constraints, could lead to the imposition of significant penalties or claims and could negatively impact Medexus's business. In addition, adoption of new laws, regulations, or other constraints, or changes in the interpretations of those requirements, can result in significant compliance costs or lead Medexus to discontinue product sales and could have an adverse effect on the commercialization of the Company's products, which would result in decreases in revenue and/or increases in expenses. See also "—Risks relating to the business—Possible failure to realize benefits of the GRAFAPEX Agreement".

In addition, the marketing, promotional and pricing, discount, rebate, or co-pay practices of pharmaceutical companies, and the manner in which companies and their sales forces interact with purchasers, prescribers, and patients, are subject to extensive regulation. For example, companies are not permitted to promote pharmaceutical products for "off-label" uses – meaning any uses that are not described in the product's label, package insert, or product monograph and that differ from those approved by the FDA, Health Canada, or other relevant regulatory agencies. Enforcement of these regulations can result in the imposition of civil, administrative, and/or criminal penalties, injunctions, other remedies, and/or limitations on marketing practices for Medexus's products. Many companies have been the subject of claims related to these practices asserted by federal authorities, which have resulted in fines and other consequences. If Medexus were to be found to have improperly promoted its products, including by promoting off-label uses, the Company would be subject to significant legal or regulatory consequences which would likely have a significant adverse financial impact. In addition, Company management's attention would be diverted from business operations and Medexus's reputation would be damaged.

In addition, a reduction of government spending on entitlement programs, including Medicare and Medicaid in the United States, would affect payment for Medexus's products or services provided using Medexus's products. Although the net impact would be difficult to predict, any significant spending reductions or cost controls affecting these publicly funded or subsidized health programs that are implemented could also have an adverse impact on Medexus's business, prospects, and financial performance.

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 "—Negative impact from litigation".

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 "—Risks related to the business—Dependence on revenue from sales of leading products". 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 relating to financial matters—Risks associated with debt financing".

Expiration of core patent protection and other market exclusivity

Medexus has and expects in the future to acquire rights to additional products that still enjoy patent protection or other forms of market exclusivity, all of which eventually expire. For example, Rupall's Health Canada market exclusivity expired in January 2025, and IXINITY's core US patent family will expire in November 2028 and Rasuvo's US patent licensed by Medexus will expire in June 2029. Following expiration of these protections, to continue to obtain commercial benefits from the relevant products, Medexus will rely on product manufacturing trade secrets, know-how, and related non-patent intellectual property, together with product-specific defensive strategies commonly deployed in such circumstances. For example, Medexus promptly adjusted the commercialization strategy for Metoject while also pursuing the Metoject Litigation, which allowed that product to weather the sustained generic competition from August 2020. The effect of the expiration of these protections for any product depends, among other things, upon the nature of the market and the position of the relevant product in the market from time to time, the growth of the market, the complexities and economics of manufacturing a competitive product, and regulatory approval requirements under generic or biosimilar drug laws. Market entry of a generic pharmaceutical or biosimilar biologic product that competes with a Medexus branded product would erode the branded product's market share, which could, depending on the product, have a material adverse effect on Medexus's business, prospects, and financial performance. See "—Risks relating to the business—General competition" and "—Risks relating to the business—Competition from manufacturers of generic products".

Taxes and changes to tax laws

The Company is subject to income and other taxes. Changes in tax laws, or interpretations or applications of those laws, which could have a retroactive effect in the jurisdictions in which the Company operates, including the United States, could increase costs, decrease profit margins, reduce the competitiveness of the Company's products, or inhibit its ability to sell products or purchase raw materials or components, which could adversely affect the Company's business, results of operations and financial condition.

Product safety and product liability claims

Unexpected safety or efficacy concerns could arise with respect to Medexus's products, whether or not medically or scientifically justified. Depending on severity, any such occurrence could lead to product recalls, withdrawals, post-approval requirements, required labeling revisions or changes, withdrawals of regulatory approval for the affected products, issuance of safety alerts or other safety notices, or declining sales, as well as product liability, consumer fraud, or other claims against Medexus. If product safety issues present a public health risk, products in the field would likely be subject to seizure or injunctive action preventing their distribution or sale. Any such occurrence could have a material adverse effect on Medexus's business, operations, prospects, financial condition, and financial performance.

The administration of drugs to humans, whether in clinical trials or after regulatory approval is obtained, can result in product liability claims. Product liability claims can be expensive and difficult to defend and would potentially result in large judgments or settlements against Medexus. In addition, Medexus's contractual arrangements with third-party licensors and other collaborators may not adequately protect Medexus from product liability claims. See "—Negative impact from litigation".

Medexus maintains product liability insurance in connection with the marketing of its products in amounts the Company has determined are commercially reasonable and appropriate. However, Medexus's insurance coverage could ultimately be inadequate to protect Medexus from relevant claims. Medexus could be unable to maintain adequate insurance coverage against potential liabilities arising from product sales or otherwise arising in the course of the Company's business.

If Medexus is unable to obtain or maintain sufficient levels of insurance at acceptable cost or otherwise protect against potential product liability claims, the Company will be exposed to losses from product liability claims. A successful product liability claim in excess of Medexus's insurance coverage would harm the Company's financial condition and operating results and could also prevent or interfere with its product commercialization efforts.

A successful claim could also prevent Medexus from obtaining product liability insurance coverage in future on commercially reasonable terms or at all. Even if a claim is not successful, defending such a claim would be time-consuming and expensive and would divert significant management time and other Company resources that would otherwise be used in operating and developing Medexus's business.

Inability to protect, maintain, and enforce intellectual property

Medexus's success will depend in part on its ability or on the ability of Medexus's third-party licensors to maintain, defend, and enforce intellectual property rights and licensing arrangements for Medexus's products. No assurance can be given that Medexus's licenses or rights will not be challenged, invalidated, infringed, or circumvented, or that the rights Medexus holds will provide competitive advantages to the Company. For example, the Metoject Litigation was a response to the "at-risk" launch of a generic version of Metoject in August 2020, and, following a January 2023 trial, Canada's Federal Court issued a March 2024 judgment declining to uphold the Canadian patent for Metoject. Litigation is inherently unpredictable, and so the outcome of the Metoject Litigation was, and other such litigations would be, necessarily uncertain. Any loss of, or challenge to, Medexus's intellectual property protections is likely to adversely affect Medexus's business, operations, prospects, financial condition, and financial performance – although, in the case of the Metoject Litigation, Medexus expects the adverse outcome to continue to have a limited impact on the Company and the product.

Medexus's commercial success will also depend in part on the Company and its third-party licensors not infringing the patents or other proprietary rights of others. There can be no assurance that Medexus or its third-party licensors will be able to obtain a license to any third-party technology or rights that would be or become required to conduct Medexus's business as currently conducted or that such technology can be licensed at a reasonable cost. There is also no certainty that Medexus will not be challenged by its third-party licensors and others for noncompliance with Medexus's existing or future licensing or other contractual arrangements. Consequently, it is possible that these licensing and other contractual arrangements could be withdrawn with no compensation to or remedies for Medexus.

Medexus relies on trade secrets, know-how, and other proprietary information and requires the Company's employees, suppliers, and other third-party service providers to sign confidentiality agreements. However, these confidentiality agreements can be breached, and Medexus may not have adequate remedies for any such breach. Other parties could independently develop substantially equivalent proprietary information without infringing any proprietary technology of Medexus. Third parties could also independently gain access to Medexus's proprietary information and adopt it for competitive purposes. Any such occurrence could have a material adverse impact on Medexus's business, operations, prospects, financial condition, and financial performance.

Negative impact from litigation

From time to time in the ordinary course of its business, Medexus engages in various forms of dispute resolution proceedings, including commercial, employment, class action, and other litigations and claims. In addition, from time to time in the ordinary course of its business, Medexus becomes the subject of governmental or other regulatory inquiries, investigations, or proceedings, some of which can take the form of dispute resolution proceedings.

Medexus faces claims relating to the Company's intellectual property and proprietary rights, whether owned by Medexus or licensed from third-party licensors. Claims against Medexus's intellectual property rights could include challenges to the coverage and/or validity of patents on various products or processes. Medexus's ability to enforce and defend its intellectual property rights depends on the strength of the relevant intellectual property, the laws that govern those

intellectual property rights, and, in most cases, on Medexus's contractual and commercial relationships with the relevant third-party licensor. The Metoject Litigation involved an example of such a claim relating to Medexus's, and medac's, intellectual property rights. There can be no assurance as to the outcome of these matters, and, as in the Metoject Litigation, a loss in any of these cases could result in a loss of intellectual property protection for the product at issue, which could lead to a significant loss of sales of that product (or, in the case of an "at-risk" launch, preclude recovery of past losses) and could materially affect Medexus's future results of operations – although, in the case of the Metoject Litigation, Medexus expects the adverse outcome to continue to have a limited impact on the Company and the product.

Medexus also faces claims relating to the Company's contractual arrangements with third-party licensors or manufacturers or other collaborators, suppliers, service providers, or vendors. Medexus's ability to enforce and defend its contractual interests depends on the terms of the relevant agreement, the laws that govern those agreement terms, the identity, characteristics, and resources of the relevant third party, and the nature and extent of Medexus's commercial relationship with that third party. Medexus seeks to implement appropriate contractual protections as part of the Company's overall management of the relevant business relationship to ensure that Medexus's interests are protected appropriately as determined by management in light of the overall value of the transaction, relevant market dynamics, regulatory considerations, and other relevant factors. 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. See "— Commercial contract disputes".

Any such matter can be time-consuming, divert management's attention and resources, and cause Medexus to incur significant expenses. Further, litigation is inherently unpredictable, and so the outcome of any such matter could, depending on the nature of the dispute, have a material adverse effect on Medexus's business, operations, prospects, financial condition, and financial performance.

Reliance on third parties to conduct clinical and preclinical studies

Medexus relies on its third-party licensors and other drug development partners and other third parties such as contract research organizations, medical institutions, and clinical investigators to conduct, supervise, and monitor clinical trials and preclinical studies, which can involve sensitive complex tasks such as enrolling qualified patients, executing statistical and other data analyses, and completing chemistry, manufacturing, and controls work. Medexus's third-party licensors and other drug development partners often similarly rely on third parties for these purposes.

Reliance on these third parties for clinical development activities reduces Medexus's control over these activities. They may not complete activities on schedule or may not conduct preclinical studies or clinical trials in accordance with regulatory requirements or the relevant trial design or other regulatory requirements. However, Medexus's reliance on these third parties does not relieve Medexus or its third-party licensors and other drug development partners of their regulatory responsibilities, including ensuring that clinical trials are conducted in accordance with Good Clinical Practices and that preclinical studies are conducted in accordance with Good Laboratory Practices, in each case as applicable. In addition, these third parties can have

relationships with other entities, some of which could be Medexus's competitors, and in any event which other relationships could interfere with the third party's business relationship with Medexus.

If any of these third parties do not successfully carry out their contractual duties or meet expected deadlines or other requirements, Medexus's ability to obtain regulatory approvals for product candidates would likely be delayed or prevented, which in turn could materially adversely impact the Company's business, operations, prospects, financial condition, and financial performance and could cause the market value of its Common Shares to decline.

Publication of clinical trial results

From time to time, studies or clinical trials on various aspects of pharmaceutical products, including a product's active ingredient, are conducted by academic researchers, government agencies, or other third parties. The results of these studies or trials, when published, can have a significant effect on the market for the pharmaceutical product or products that are the subject of the study or trial. Publication of negative results or studies or clinical trials related to Medexus's products, an active ingredient in Medexus's products, or the therapeutic areas in which Medexus's products compete (or are anticipated to compete) could have an adverse impact on the Company's current or future sales, prescribing trends for the Company's products, or the reputation of the Company and its products. Such an impact could have a material adverse effect on Medexus's business, prospects, and financial performance.

Risks relating to financial matters

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" in Medexus's most recent MD&A.

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.

Inability to maintain effective internal controls over financial reporting

Medexus's management, with the participation of its Chief Executive Officer and its Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Medexus's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS Accounting Standards.

Internal control over financial reporting is a process that involves human diligence and compliance and is therefore inevitably subject to error or, in some circumstances, improper override, collusion, or other misconduct. These inherent limitations mean that there is inevitably some risk that Medexus will be unable to prevent or detect material misstatements on a timely basis. Although it is possible to incorporate into the financial reporting process safeguards to reduce these risks, these controls cannot guarantee that these risks will be eliminated entirely and therefore cannot provide absolute assurance of achieving Medexus's financial reporting objectives.

If Medexus fails to maintain effective internal control over financial reporting, then there is an increased risk of an error in its financial statements that could require Medexus to restate previously issued financial statements at a later date. If financial markets have included the previously misstated financial information, then the Company could suffer negative market perception and the market price of the Common Shares could decline.

Public company requirements strain resources

As a public company, Medexus is subject to the reporting requirements of the Securities Act (Ontario), related rules and regulations (including the national and multilateral instruments adopted as rules), decisions, rulings, and orders under the Securities Act (Ontario), the published policy statements issued by the Ontario Securities Commission, and the stock exchange requirements issued by the TSX. Complying with these requirements is time-consuming and expensive and involves significant management time and other company resources that could otherwise be used in operating and developing Medexus's business. Medexus expects to monitor the resources the Company devotes to these public company compliance matters, and could determine that it is necessary to hire or engage additional accounting, financial, and legal staff with appropriate public company experience and technical knowledge, all of which would increase the Company's operating costs.

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.

Estimates, judgments, and assumptions

The preparation of Medexus's consolidated financial statements requires management to make estimates, judgments, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and the accompanying notes and other disclosures. Medexus cannot provide assurance that its estimates, judgments, and assumptions are accurate or adequate. Inaccuracies or inadequacies in these estimates, judgments, and assumptions could have a material adverse effect on Medexus's results of operations and financial condition as reported in the financial statements. In any such event, Medexus could suffer negative market perception and the market price of the Common Shares could decline.

Impairment of intangible assets

Medexus recognizes product licenses as intangible assets and amortizes those licenses over their useful lives when they meet the criteria for capitalization. Forecasted revenue and profitability for the relevant products are used to assess compliance with the capitalization criteria and to assess the recoverable amount of the assets. The useful life is determined by identifying the period in which substantially all of the cash flows are expected to be generated. Amortization generally starts either from the date of the product approval for commercialization or from the date of the license agreement, depending on the contract terms. Whenever Medexus tests these licenses for

impairment, the determination of the asset's recoverable amount involves the use of estimates by management and can have a material impact on the relevant values and ultimately the amount of any impairment. If different assumptions are used, the values derived could be significantly different than those determined by Medexus, which could have a material impact on Medexus's financial statements.

Impairment of goodwill

Medexus tests the carrying value of goodwill for impairment annually or when events or changes in circumstances indicate to Medexus that the carrying value could be impaired. In order to determine if a goodwill impairment test is required, management reviews different factors on a quarterly basis, such as changes in market environment and actual financial performance compared to planned performance. Medexus recognizes any impairment loss for goodwill directly in profit or loss in the Company's consolidated statement of loss. An impairment loss recognized for goodwill is not reversed in subsequent periods. Medexus's tests of goodwill for impairment involve the use of estimates by management and can have a material impact on the relevant values and ultimately the amount of any impairment. If different assumptions are used, the values derived could be significantly different than those determined by Medexus, which could have a material impact on Medexus's financial statements.

Risks relating to ownership of Common Shares

Dilution

Medexus will, from time to time, require additional capital to secure new business opportunities and product registrations, as well as clinical 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). Medexus could elect to issue additional Common Shares in the future if further capital is required or on the exercise of existing or future outstanding convertible or derivative instruments. Issuances of additional equity securities will result in percent dilution of the equity interests of any person who is or becomes a holder of Common Shares. This dilution would also constitute economic dilution for a holder of Common Shares if the issuance price of those additional equity securities is lower than the price at which that holder acquired their Common Shares.

Sales or issuances of substantial amounts of Common Shares (or securities that are convertible into Common Shares), or the inability to find purchasers of Common Shares, could adversely affect the market prices for the Common Shares. This could include, in the case of issuances, the grant to purchasers of discounts to recent prices at which Common Shares trade on the TSX or otherwise. A decline in the market prices of Common Shares could impair Medexus's ability to raise additional capital through the sale of new Common Shares, should it desire to do so, at a price or at prices that minimize dilution to existing holders of Common Shares. If additional Common Shares or securities convertible into Common Shares are sold or issued, such sales or issuances could substantially dilute the interests of holders of Common Shares.

Absence of dividends

Medexus has not paid dividends on its Common Shares and does not anticipate declaring any dividends in the foreseeable future. The return on an investment in Common Shares will therefore depend upon any future appreciation in value. There is no guarantee that Medexus will declare dividends in the future or that the Common Shares will appreciate in value or even maintain the price at which they were purchased.

Unpredictability and volatility of prices for Common Shares

The market prices of the Common Shares cannot be predicted and may not necessarily reflect the underlying value of Medexus's business and assets. The market price of the Common Shares could be subject to significant fluctuations in response to a variety of factors, including the factors described in this "Risk Factors" section or otherwise, and other factors beyond Medexus's control, such as fluctuations in the valuations of companies perceived by investors to be comparable.

In addition, the public trading market for the Common Shares is likely to be limited for the foreseeable future. Sudden increases in trading activity can therefore cause market prices of those securities to experience significant volatility. This volatility is not necessarily related or proportionate to changes in the underlying value of Medexus's business and assets. Price and volume fluctuations in the broader securities markets could also adversely affect the market price of the Common Shares, including in a manner unrelated or disproportionate to Medexus's operating performance as a particular issuer.

In the past, securities class action litigation has often been instituted against issuers following periods of volatility in the overall market and the market price of an issuer's securities. If Medexus were to become the subject of such a litigation, Medexus would face substantial costs and diversion of management's attention and resources.

Actual Results May Differ from Guidance

From time to time, Medexus provides guidance in its quarterly earnings releases, other news releases, investor presentations, public statements, and/or other channels regarding its future performance that in each case represents Company management's views as of the date of release. This guidance, which would include forward-looking statements, is based on projections prepared by management. Neither Medexus's registered public accountants nor any other independent expert or outside party compiles or examines these projections. Accordingly, no such person expresses any opinion or any other form of assurance with respect to any such projections.

Projections are based upon a number of assumptions and estimates that, while sometimes presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond Medexus's control, and are based upon specific assumptions with respect to future business decisions, some of which will change. The principal reason that Medexus releases guidance is to provide a basis for management to discuss the Company's business outlook with analysts and investors. Medexus does not accept any responsibility for any projections or reports published by any such third parties. Guidance is necessarily speculative in nature and it can be expected that some or all of the assumptions underlying any guidance furnished by Medexus will not materialize or will vary significantly from actual results. Accordingly, Medexus's guidance is only ever an estimate of what

management believes at the time is realizable as of the date of release. Actual results will vary from Medexus's guidance and the variations could be material.

Global Financial Conditions

Global financial conditions have always been subject to volatility. This volatility may impact the ability of Medexus to obtain equity or debt financing in the future and, if obtained, on terms favorable to Medexus. Increased levels of volatility and market turmoil can adversely impact Medexus's operations and the value and the price of Common Shares could be adversely affected.

Future Sales of Common Shares by Existing Shareholders

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares.

Securities industry analyst research reports

The trading markets for the Common Shares rely in part on the research and reports that securities analysts and other third parties choose to publish about Medexus. Medexus does not control these analysts or other third parties. The price of the Common Shares could decline if one or more securities analysts were to downgrade the Common Shares or if one or more securities analysts or other third parties were to publish unfavorable or inaccurate research about Medexus or cease publishing reports about Medexus. If one or more analysts cease coverage of Medexus or fail to regularly publish reports on Medexus, the Company could lose visibility in the financial markets, which in turn could cause declines in the prices or trading volumes of Common Shares.

Enforcement of Judgements Against Foreign Persons May Not be Possible

Certain officers and directors named in this AIF are located outside Canada and, as a result, it may not be possible for Canadian investors to effect service of process within Canada upon these persons. All or a substantial portion of the assets of these persons are likely to be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against such persons in Canada or to enforce a judgment obtained in Canadian courts against such persons outside of Canada.

DIVIDENDS AND DISTRIBUTIONS

Amount of dividends or distributions

Medexus has not paid any cash dividends on the Common Shares during any of the three most recently completed fiscal years.

Medexus paid interest on the now-repaid Convertible Debentures, in each case in cash or Common Shares as permitted by the terms of the Convertible Debentures and otherwise as required by the terms of the Convertible Debentures. The aggregate amount of interest payments made in cash or Common Shares during the three most recently completed fiscal years was $0.9 million during fiscal year 2024 and $1.9 million during fiscal year 2023. The Convertible Debentures matured on October 16, 2023 (during fiscal year 2024).

Restrictions on dividends and distributions

The agreements governing Medexus's debt facilities impose, and agreements governing any future debt facilities are expected to impose, restrictions on Medexus's ability to pay dividends and distributions in cash. Any payment of cash dividends or distributions also depends on the Company's revenues and earnings, capital requirements, and general financial condition, and is further subject to the discretion of the Board.

Dividend or distribution policy

The Board is not currently contemplating and does not expect to declare any dividends or distributions in the foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

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 authorized or issued and outstanding as of the date of this AIF.

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.

MARKET FOR SECURITIES

Trading price and volume

The following tables set out the closing price ranges and volume of trading of the Common Shares on the TSX. The Common Shares trade under the symbol "MDP".

	Price Range (C$)		
	High	Low	Trading Volume
2024			
April	2.00	1.47	1,172,405
May	1.93	1.55	750,281
June	1.95	1.5	983,281
July	2.6	1.8	903,290
August	2.7	2.15	516,981
September	2.75	2.12	552,133
October	2.7	2.29	328,038
November	2.75	1.71	924,426
December	3.48	2.6	531,692
2025			
January	5.56	3.38	4,312,343
February	3.9	2.64	2,679,068
March	2.84	2.36	709,869

Source: TMX Datalinx.

DIRECTORS AND OFFICERS

The following sections set out information about each individual who is currently a director or executive officer of Medexus, including province/state and country of residence and principal occupation during the five years preceding the date of this AIF. Except as may be indicated below, each director was elected at Medexus's most recent annual general meeting of shareholders as of the date of this AIF. Each director will hold office until the close of the next annual meeting of shareholders or until their successor is elected or appointed, unless such office is earlier vacated in accordance with Medexus's by-laws. Each officer was appointed as of the date set out below and will hold office until the earlier of the appointment and qualification of their successor or their earlier resignation or removal.

As of the date of this AIF, the directors and executive officers of Medexus listed below, as a group, beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 2,394,283 Common Shares, representing approximately 7.4% of the issued and outstanding Common Shares.

Directors

Ken d'Entremont

Province/state and country of residence: Ontario, Canada.

Position(s) with Medexus: Director from October 16, 2018; Chief Executive Officer from December 17, 2018.

Principal occupation for previous five years: Chief Executive Officer of Medexus from December 2018.

Harmony P. Garges MD MPH

Province/state and country of residence: North Carolina, USA.

Position(s) with Medexus: Director from February 6, 2023; member of the Compensation, Corporate Governance, and Nominating Committee.

Principal occupation for previous five years: Senior Vice President, Head of Development at GSK, a biopharma company, from June 2025; Chief Medical Officer of ViiV Healthcare, a specialist pharmaceutical company dedicated to HIV medicines and research, from August 2019 to June 2025.

Benoit Gravel

Province/state and country of residence: Québec, Canada.

Position(s) with Medexus: Director from September 22, 2017; Chair of the Compensation, Corporate Governance, and Nominating Committee; member of the Audit Committee.

Principal occupation for previous five years: Healthcare Council Member, Gerson Lehman Group (GLP) from April 2016 to January 2022.

Michael Mueller

Province/state and country of residence: Ontario, Canada.

Position(s) with Medexus: Director from May 31, 2014; Chair of the Board.

Principal occupation for previous five years: Director and Chair of the Audit Committee of Sunrise Senior Living from December 2023; Chair of the Board of Laurentian Bank of Canada from April 2019 to October 2023 (Director from December 2018 to October 2023); Director of Gensource Potash Corporation from July 2018 to April 2023; Chair of the Board of Revera, Inc. from February 2018.

Stephen Nelson

Province/state and country of residence: Ontario, Canada.

Position(s) with Medexus: Director from October 16, 2018; member of the Audit Committee; member of the Compensation, Corporate Governance, and Nominating Committee.

Principal occupation for previous five years: Senior Vice President, Portfolio Manager and Investment Advisor with TD Wealth Private Investment Advice from April 1996.

Nancy Phelan

Province/state and country of residence: Pennsylvania, USA.

Position(s) with Medexus: Director from September 21, 2023; member of the Audit Committee.

Principal occupation for previous five years: Director, Achieve Life Sciences (Nasdaq: ACHV) from January 2025; Senior Vice President, Customer Engagement at Trinity Life Sciences, a strategy, insights and analytics consultancy for the life sciences sector, from May 2024; Senior Vice President, Omnichannel Activation at Indegene from May 2022 to May 2024; Vice President, Business Transformation, Patient Engagement Lead at Novartis from April 2021 to May 2022; Vice President and Head, Patient and Specialty Services, Neuroscience Franchise at Novartis from June 2020 to April 2021.

Menassie Taddese MBA

Province/state and country of residence: New Jersey, USA.

Position(s) with Medexus: Director from February 6, 2023; Chair of the Audit Committee.

Principal occupation for previous five years: President, Emerging Markets of Viatris, a global healthcare company, from November 2020 to November 2022; President, Upjohn (division of Pfizer) from October 2018 to November 2020.

Officers

Brendon Buschman

Province/state and country of residence: Ontario, Canada.

Position(s) with Medexus: Chief Financial Officer from June 28, 2024.

Principal occupation for previous five years: Vice President, Finance & Corporate Controller at Medexus from June 2019 to June 2024.

Richard Labelle

Province/state and country of residence: Québec, Canada.

Position(s) with Medexus: Chief Operating Officer from June 24, 2024.

Principal occupation for previous five years: Chief Operating Officer of Medexus from June 2024; General Manager, Canadian Operations at Medexus from May 2022 to June 2024; Vice President, Allergy/Pediatric/OTC Portfolios, Canadian Operations at Medexus from February 2014 to April 2022.

Ian C Wildgoose Brown

Province/state and country of residence: New York, USA.

Position(s) with Medexus: General Counsel and Corporate Secretary from November 8, 2021.

Principal occupation for previous five years: General Counsel and Corporate Secretary at Medexus from November 2021; Special Counsel at WeWork Capital Advisors from January 2018 to July 2021.

Cease trade orders, bankruptcies, penalties, and sanctions

Cease trade orders

To Medexus's knowledge, other than as set out below, no director or executive officer of Medexus is, as of the date of this AIF, or was, within the 10 years ending on the date of this AIF, a director, chief executive officer, or chief financial officer of any company (including Medexus) that was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied that company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued either (1) while that person was acting in that capacity or (2) after that person had ceased acting in that capacity but which resulted from an event that occurred while that person was acting in that capacity.

Between April 2019 and August 16, 2019, Michael Mueller was a director of Eureka 93 Inc. (Eureka 93), a public company trading on the Canadian Securities Exchange (CSE). On February 14, 2020, Eureka 93 filed a Notice of Intention to Make a Proposal under Part III of the *Bankruptcy and Insolvency Act* (Canada). As a result, Eureka 93's trading on the CSE was suspended and a cease trade order put in place and has not been revoked. Deloitte Restructuring Inc. was appointed as the trustee in Eureka 93's proposal proceedings.

Bankruptcies

To Medexus's knowledge, other than as set out below, no director or executive officer of Medexus, or shareholder holding a sufficient number of securities to materially affect the control of Medexus,

is, as of the date of this AIF, or was, within 10 years ending on the date of this AIF, a director or executive officer of any company (including Medexus) that, while that person was acting in that capacity, or within a year after that person had ceased to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceeding, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets.

Between March 2013 and November 18, 2016, Michael Mueller was a director of Magor Corporation (**Magor**), a company listed on the TSX Venture Exchange, or TSXV. On November 30, 2016, Magor announced that it had filed a Notice of Intention to Make a Proposal under Part III of the *Bankruptcy and Insolvency Act* (Canada). As a result, Magor was transferred to NEX, a separate board of the TSXV. Ernst & Young Inc. was appointed as the trustee in Magor's proposal proceedings. Magor completed its restructuring transaction on July 11, 2017.

See the second paragraph under "—Cease Trade Orders" above which is incorporated by reference at this paragraph.

To Medexus's knowledge, no director or executive officer of Medexus, or shareholder holding a sufficient number of securities to materially affect the control of Medexus, has, within the 10 years ending on the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceeding, arrangement or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of that director, executive officer, or shareholder.

Penalties or sanctions

To Medexus's knowledge, no director or executive officer of Medexus, or shareholder holding a sufficient number of securities to materially affect the control of Medexus, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has had any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of interest

To Medexus's knowledge, other than as disclosed below, there are no known existing, or potential, material conflicts of interest among Medexus and a director or officer of Medexus as of the date of this AIF.

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 $253,000 for fiscal year 2025 (2024 – $256,000).

AUDIT COMMITTEE

Charter

The Audit Committee's charter, adopted effective June 9, 2021, is attached to this AIF as schedule A. The Audit Committee held four meetings during the fiscal year 2025 and has held one meeting during fiscal year 2026 through the date of this AIF.

The Audit Committee's main function is to oversee Medexus's accounting and financial reporting processes, internal systems of control, independent auditor relationships, and the audits of Medexus's financial statements. The Audit Committee's responsibilities include –

- reviewing Medexus's annual and quarterly financial statements and reports and discussing the statements and reports with the Company's independent auditors and management;
- evaluating the performance of Medexus's independent auditors, deciding whether to retain their services, and approving the annual audit plan;
- reviewing and pre-approving the engagement of Medexus's independent auditors to perform audit services and any permitted non-audit services;
- reviewing Medexus's system of internal controls;
- overseeing Medexus's risk management and compliance with legal and regulatory requirements; and
- establishing procedures for the receipt, retention, and treatment of complaints received by Medexus regarding financial controls, accounting, or auditing matters.

Composition

The current members of the Audit Committee are, in alphabetical order by last name, Benoit Gravel, Stephen Nelson, Nancy Phelan, and Menassie Taddese (Chair). Each member is independent and financially literate, as those terms are defined in National Instrument 52-110 – Audit Committees (NI 52-110).

Education and experience

The members of the Audit Committee as a group have relevant education and experience sufficient to perform their responsibilities. All members are financially literate, meaning that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be reasonably expected to be raised by Medexus's financial statements.

The education and experience of each member of the Audit Committee that is relevant to the performance of their responsibilities as a member of the Audit Committee are set out below.

Mr Gravel began his career as an economist in the energy and transportation industries in Canada with Hydro-Québec and VIA Rail. He joined the pharmaceutical industry over 35 years ago at Rhône-Poulenc in Montreal as Director, Corporate Planning & Business Development. Mr Gravel

spent three years in Paris in global business development and returned to Canada as Vice President, External Affairs, Vice President, Finance, and President of Rhône-Poulenc. Upon the creation of Aventis in 2000, he was appointed Vice President, Commercial Affairs. Upon the completion of the merger between Aventis and Sanofi in 2005, Mr Gravel held several commercial executive positions in Canada with Sanofi, his most recent Canadian position being Vice President, Diabetes & Specialized Care Patient Centered Unit. His final assignment with Sanofi prior to retirement was Vice President, Global Portfolio Management & Strategic Development based in Prague, Czech Republic in the Global Generics division. Mr Gravel has bachelor's and master's degrees in Economics from University of Montréal.

Mr Nelson has over 25 years of experience in the investment industry. He is currently Senior Vice President, Portfolio Manager and Investment Advisor with TD Wealth Private Investment Advice, and he has been with TD Bank for over 20 years in various roles. Mr Nelson currently manages over $4 billion of investment assets. His performance as a portfolio manager and investment advisor has resulted in his designation as a member of TD Waterhouse's President's Club for the past 20 years. In addition, Mr Nelson has served as a director of a number of private companies, including Medexus Inc. from April 2013 until its acquisition by Medexus in October 2018 and AMP Solar Group Inc. from January 2011 to April 2020, and is a noted author of bestselling finance texts. He received his Bachelor of Arts (Economics) from the University of Western Ontario.

Ms Phelan is a recognized life sciences thought leader, digital pioneer, and change agent with 25+ years of experience in commercial strategy and operations. Ms Phelan currently serves as SVP, Customer Engagement at Trinity Life Sciences, and previously served as SVP, Omnichannel Activation at Indegene, where she led the omnichannel commercialization business organization helping life sciences organizations optimize their field force deployments and commercialization impact. A passionate patient and customer champion, Ms Phelan previously co-led the Transformation Management Office at Novartis and previously was VP, Head, Neuroscience Franchise Patient and Specialty Services, was CEO of Adhera Therapeutics, and held diverse senior leadership positions at Pfizer, Wyeth, Bristol-Myers Squibb, and Schering-Plough. Ms Phelan has served as a member of the board of directors of Achieve Life Sciences (Nasdaq: ACHV) since January 2025.

Mr Taddese is a seasoned veteran of the biopharmaceutical industry with wide ranging experience in general management, finance, business transformation, partnership creation, and overall leadership. He brings over 26 years of experience leading large commercial and cross-functional organizations across the globe to the Board and to the Audit Committee. In particular, from 1997 to 2015, Mr Taddese served in increasingly senior finance roles with Pfizer, and each of his general management roles with Pfizer and Viatris since 2015 included P&L responsibility and oversight of finance functions.

Reliance on exemptions

At no time during fiscal year 2025 has Medexus relied on the various exemptions provided under NI 52-110.

Oversight

At no time during fiscal year 2025 was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently PricewaterhouseCoopers LLP) not adopted by the Board.

Preapproval policies and procedures

The Audit Committee has adopted an audit committee preapproval policy containing specific policies and procedures for the engagement of non-audit services to be provided to Medexus by its external auditor. The Audit Committee considers the impact of any such non-audit service and fees on the independence of the auditor. The Audit Committee may delegate preapproval authority to a member of the Audit Committee, provided that the decisions of any such member are presented to the full Audit Committee at its next scheduled meeting.

External auditor services and fees

The aggregate fees billed by Medexus's external auditors in each of the last two most recently completed fiscal years for audit fees are as set out in the table below.

Fiscal year Ended March 31	Audit Fees ($)	Audit-Related Fees ($)	Tax Fees ($)	All Other Fees ($)
2025	423,000	119,000	–	8,000
2024	473,000	69,000	–	–

The following notes apply for purposes of the table above.

Audit Fees consist of the aggregate fees billed by Medexus's external auditors for audit services.

Audited Related Fees consist of the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of Medexus's financial statements but are not reported under "Audit Fees" above and include the provision of comfort letters and consents, consultations concerning financial accounting and reporting of specific matters, and the review of documents filed with regulatory authorities.

Tax Fees consist of the aggregate fees billed for tax compliance, tax advice, and tax planning services, including the preparation of tax returns and claims for refunds; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities; tax planning services; and consultation and planning services.

All Other Fees include the aggregate fees billed for products and services provided by the auditors other than the services reported above.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal proceedings

Medexus is not aware of any currently existing or contemplated legal proceedings that are or would reasonably be expected to be material to Medexus to which Medexus is or during fiscal year 2025 was a party or to which any of Medexus's property is or during fiscal year 2025 was subject.

Regulatory actions

During fiscal year 2025, (1) there have been no sanctions imposed by any court against Medexus relating to securities legislation or by a securities regulatory authority, (2) there have been no other penalties or sanctions imposed by a court or regulatory body against Medexus that would likely be considered important to a reasonable investor in making an investment decision, and (3) Medexus has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Procedures for Transactions with Related Persons

The Board recognizes that transactions with related parties can present potential or actual conflicts of interest and could raise questions as to whether those transactions are consistent with Medexus's best interests and the best interests of Medexus's investors. The Board has therefore adopted procedures and practices for evaluating transactions with any related party, which is defined as any person who is a director or executive officer of Medexus, any person or company that beneficially owns, controls, or directs, directly or indirectly, more than 10% of the outstanding Common Shares of Medexus, or any associate or affiliate of any of the foregoing persons or companies.

Medexus requires related parties to promptly disclose (1) any transaction in which Medexus was, is, or will be a participant and the related party had, has, or will have a direct or indirect interest and (2) all material facts relating to that transaction. Management makes an initial assessment as to whether the transaction constitutes a related party transaction that would be reportable by Medexus under relevant securities laws or otherwise requires approval under relevant corporate laws, including the Canada Business Corporations Act. If so, the transaction would require approval by either a majority of the independent members of the Board who are disinterested with respect to the transaction or a majority of the members of a competent committee of the Board. Under its charter, the Compensation, Corporate Governance, and Nominating Committee is competent to evaluate and, if appropriate, approve most such transactions.

Material Transactions with Related Persons

To Medexus's knowledge, except as otherwise disclosed elsewhere in this AIF, no director or executive officer of Medexus, no person or company that beneficially owns, controls, or directs, directly or indirectly, more than 10% of the outstanding Common Shares of Medexus, and no associate or affiliate of any of the foregoing persons or companies has or has had any material

interest, direct or indirect, in any transaction within the three most recently completed fiscal years that has materially affected or is expected to materially affect Medexus.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Odyssey Trust Company at its office in Calgary, Alberta.

MATERIAL CONTRACTS

The following are the contracts that are material to Medexus and entered into within the last fiscal year or before the last fiscal year and still in effect –

- BMO Credit Agreement (dated as of March 8, 2023 and amended as of September 5, 2023, June 28, 2024, and March 28, 2025) between Medexus and BMO
- GRAFAPEX Agreement (dated as of February 2, 2021 and amended as of September 30, 2021, August 1, 2022, September 25, 2023, November 28, 2024, and January 10, 2025) between Medexus and medac
    - Medexus holds the exclusive right to commercialize GRAFAPEX in the United States.
    - Medexus agreed to commercialize GRAFAPEX in the United States and agreed to pay medac low single-digit-percentage royalty payments on net sales of GRAFAPEX on a quarterly basis, two previously-paid mid-single-digit-million dollar milestone payments, low- to mid-double-digit-million dollar milestone payments triggered by the outcome of the FDA's review process, and periodic mid-single-digit- to low-double-digit-million dollar milestone payments triggered by achievement of net sales thresholds.
    - medac supplies GRAFAPEX to Medexus. Medexus has now assumed the role of sponsor of the NDA for GRAFAPEX on file with the FDA.
    - Medexus has the opportunity to negotiate commercialization rights to future indications.
    - Unless terminated earlier in accordance with its terms, the initial term of the GRAFAPEX Agreement extends through to January 2035, being ten years from the FDA's approval of GRAFAPEX, with successive two-year extension terms thereafter.
    - Medexus also holds the exclusive right to commercialize Trecondyv (treosulfan for injection) in Canada under a separate July 2021 exclusive license agreement with medac.
- LLC Purchase Agreement (dated as of February 28, 2020) between Medexus and Aptevo Therapeutics, relating to the acquisition of Aptevo BioTherapeutics LLC
    - The purchase price consisted of cash consideration of approximately $30 million paid at closing plus the deferred payments described below.
    - Medexus is obligated to pay to Aptevo Therapeutics a royalty on net sales of IXINITY equal to 5.0% of net sales of IXINITY until March 2035 (previously 2.0% of net sales of IXINITY before June 2022).

- Medexus is also obligated to pay periodic milestone payments of (1) a low-single-digit million-dollar payment triggered by a regulatory approval of IXINITY in each of Canada, Germany, Italy, Spain, and the United Kingdom, and (2) a mid-single-digit million-dollar payment the event IXINITY achieves worldwide annual net sales of $120 million before March 1, 2035.

- Second Amended and Restated Contract Manufacturing and Supply Agreement (dated as of October 16, 2018 and amended as of June 27, 2022 and November 28, 2024) between Medexus, medac, and the other parties named in that agreement, relating to the manufacture and supply of Rasuvo

- Stock Purchase Agreement (dated as of September 6, 2018 and amended as of October 16, 2018 and August 1, 2022) between Medexus, medac, and the other parties named in that agreement, relating to the acquisition of Medexus Pharma, Inc.

- Relaxa License Agreement (dated as of September 14, 2016 and amended as of September 28, 2021 and December 1, 2022)

- License and Supply Agreement (dated as of December 17, 2014 and amended as of February 22, 2016 and September 27, 2019) between Medexus and J. Uriach y Compañía S.A. (c/o Noucor Health, S.A.), relating to Medexus's exclusive rights to commercialize Rupall in Canada

Copies of certain of these agreements are available on SEDAR+ at www.sedarplus.ca.

In addition, copies of the March 2025 agreement to terminate the US Gleolan Agreement and the US Gleolan Agreement itself are included in the Company's filings on SEDAR+. 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.

INTERESTS OF EXPERTS

Medexus's external auditor is PricewaterhouseCoopers LLP (PwC). PwC has prepared an independent auditors' report dated June 25, 2025 in respect of Medexus's consolidated financial statements with accompanying notes as at and for fiscal year 2025 and advised that PwC is independent with respect to Medexus within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

None of the aforementioned persons or companies, nor any director, officer, or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed, or employed as a director, officer, or employee of Medexus or of any associate or affiliate of Medexus.

ADDITIONAL INFORMATION

SEDAR+

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

See Medexus's information circular prepared in connection with the annual general meeting of shareholders that was held on September 19, 2024 for additional information about director and officer compensation and about the Equity Plans, among other things.

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

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 AIF and is not incorporated by reference into this AIF or any of Medexus's public filings.

SCHEDULE A | AUDIT COMMITTEE CHARTER

[Attached.]

MEDEXUS PHARMACEUTICALS INC.

AUDIT COMMITTEE CHARTER

Effective Date: June 9, 2021

1. Purpose and Scope

The Audit Committee (the "**Committee**") of Medexus Pharmaceuticals Inc. (the "**Corporation**") is a committee of the Board of Directors (the "**Board**"). As delegated by the Board, the Committee shall attend to the responsibilities set out in this Charter.

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

Subject to any exceptions permitted by National Instrument 52-110 – *Audit Committees*, as may be amended from time to time ("**NI 52-110**") that are applicable to the Corporation, each member of the Committee must be independent within the meaning of the provisions of NI 52-110, and in compliance with the listing standards of any exchange on which the Corporation's securities are listed for trading. Members may not (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the Corporation or any subsidiary thereof, provided that compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation (provided that such compensation is not contingent in any way on continued service; or (ii) be an affiliated person of the issuer or any subsidiary thereof.

Term of Members

The members of the Committee shall be appointed annually by the Board, provided that if the composition of the Committee is not so determined, each director who was then serving as a member of the Committee shall continue as a member of the Committee until their successor is appointed. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

Committee Chair

At the time of the annual appointment of the members of the Committee, the Board may appoint a Chair of the Committee. If a Committee Chair is not appointed by the Board, the members of the Committee shall designate a Committee Chair by majority vote of the full Committee membership, provided that if the designation of the Committee Chair is not made, then the director who was then serving as Committee Chair shall continue as Committee Chair until their successor is appointed. Notwithstanding any of the foregoing, the Committee Chair must be a member of the Committee.

In the absence of the Committee Chair at a meeting of the Committee, the members of the Committee present may appoint a chair from their number for such meeting.

Financial Literacy of Members

At the time of their appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

3. Meetings

Frequency of Meetings

The Committee shall meet as often as the Committee considers appropriate to fulfill its responsibilities.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Calling of Meetings

The Committee Chair, any member of the Committee, the Chair of the Board, the Chief Executive Officer or, if applicable, the Lead Director may call a meeting of the Committee by notifying the Corporation's Corporate Secretary, or, if no Corporate Secretary is currently employed or appointed, the Corporation's General Counsel or Chief Legal Officer, or, if none are currently employed, the Chief Financial Officer, who will notify the members of the Committee.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Committee Chair may report orally to the Board on any matter in their view requiring the immediate attention of the Board.

Attendance of Non-Members

The external auditors are entitled to receive notice of, attend and be heard at each Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

Meetings Without Management and Executive Sessions

As part of each meeting of the Committee, the Committee shall hold a meeting with the external auditor of the Corporation without members of management present and an *in camera* session, at which management and non-independent directors of the Board are not present, and the agenda for each Committee meeting will afford an opportunity for such a session.

The Committee shall also periodically meet separately, at unscheduled or regularly scheduled meetings or portions of meetings, in executive session or otherwise with each of the Corporation's external auditors and various members of management, as the Committee deems appropriate.

Access to Management and Books and Records

The Committee shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the Corporation's management and employees and the books and records of the Corporation.

4. Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the functions and responsibilities required of an audit committee by any exchange upon which securities of the Corporation are traded, or any governmental or regulatory body exercising authority over the Corporation, as are in effect from time to time (collectively, the "**Applicable Requirements**") or as the Board otherwise deems necessary or appropriate.

Financial Reports

(a) General

The Committee is responsible for overseeing the Corporation's accounting and financial reporting processes and audits of the Corporation's financial statements. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Corporation. The external auditors are responsible for auditing the Corporation's annual financial statements and for reviewing the Corporation's unaudited interim financial statements.

(b) Review of Annual Financial Reports

The Committee shall review the annual audited financial statements of the Corporation, the auditors' report thereon and the related management's discussion and analysis of the Corporation's financial condition and financial performance ("**MD&A**"). After completing its review, if advisable, the Committee shall approve and recommend the annual financial statements and the related MD&A for Board approval.

(c) Review of Interim Financial Reports

The Committee shall review the interim financial statements of the Corporation, the auditors' review report thereon, if any, and the related MD&A. After completing its review, if advisable, the Committee shall approve and recommend the interim financial statements and the related MD&A for Board approval.

(d) **Review Considerations**

In conducting its review of the annual financial statements or the interim financial statements, the Committee shall:

(i) meet with management and the auditors to discuss the financial statements and MD&A;

(ii) review the disclosures in the financial statements;

(iii) review the audit report or review report, if any, prepared by the external auditors;

(iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the Corporation's financial statements;

(v) regularly review the Corporation's critical accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;

(vi) consider the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;

(vii) review management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;

(viii) review significant recorded and unrecorded audit adjustments;

(ix) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under applicable generally accepted accounting principles ("**GAAP**");

(x) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;

(xi) inquire at least annually of both the Corporation's management, accounting group and the Corporation's auditors as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies;

(xii) review with the auditors alternative accounting treatments that have been discussed with management;

(xiii) review with management any significant changes in GAAP, as well as emerging accounting and auditing issues, and their potential effects;

(xiv) review with management matters that may have a material effect on the financial statements;

(xv) review management's report on the effectiveness of internal control over financial reporting;

(xvi) review the factors identified by management as factors that may affect future financial results;

(xvii) review results of the Corporation's audit committee whistleblower program; and

(xviii) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.

(e) **Approval of Other Financial Disclosures**

The Committee is responsible for reviewing financial disclosure in a prospectus or other securities offering document of the Corporation, as well as press releases disclosing, or based upon, financial results of the Corporation and any other publicly disseminated material financial disclosure including, in accordance with the Corporation's Disclosure Policy, material financial outlook (e.g., earnings guidance) and forward-oriented financial information (e.g., forecasted financial statements) provided to analysts, rating agencies or otherwise publicly disseminated, and material non-GAAP financial measures.

The Committee is responsible for ensuring that satisfactory procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assessing those procedures.

External Auditors

(a) **General**

The Committee shall be directly responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work. When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition.

(b) **Appointment and Compensation**

Subject to applicable corporate law, the Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the Corporation's external auditors. The Committee shall receive appropriate funding from the Corporation, as determined by the Committee, for payment of compensation to the external auditors engaged by the Committee.

(c) **Resolution of Disagreements**

The Committee shall assess the effectiveness of the working relationship of the Corporation's external auditors with management and resolve any disagreements between management and the external auditors as to financial reporting matters brought to its attention.

The Committee shall review all reportable events, including disagreements, unresolved issues and consultations with the Corporation's auditors, whether or not there is to be a change of auditors, and receive and review all reports prepared by the auditors.

(d) **Discussions with Auditors**

The Committee shall periodically discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Committee.

(e) **Audit Plan**

At least annually, the Committee shall review and approve the auditors' annual audit plan. The Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) **Independence of Auditors**

At least annually, and before the auditors issue their report on the annual financial statements, the Committee shall obtain from the auditors a formal written statement delineating all relationships between the auditors and the Corporation; actively engage in dialogue with the auditors about any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Committee shall take appropriate action to oversee the independence of the auditors.

(g) **Evaluation and Rotation of Lead Partner**

The Committee shall periodically review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt a policy of rotating lead partners of the Corporation's external auditors.

(h) **Requirement for Pre-Approval of Non-Audit Services**

The Committee shall approve in advance any and all audit services and permissible non-audit services to be performed by the auditors for the Corporation or its subsidiary entities that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures, and adopt and implement policies for such pre-approval. The Committee shall consider the impact of such service and fees on the independence of the auditor. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting.

(i) **Approval of Hiring Policies**

The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

(j) **Financial Executives**

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

Internal Controls

(a) **General**

The Committee shall review the Corporation's system of internal controls.

(b) **Establishment, Review and Approval**

The Committee shall require management to implement and maintain appropriate and adequate systems of internal controls in accordance with Applicable Requirements, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. The Committee shall periodically consider and review with management and the auditors:

(i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Corporation's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, internal control over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;

(ii) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Corporation's periodic regulatory filings;

(iii) any material issues raised by any inquiry or investigation by the Corporation's regulators;

(iv) the Corporation's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Corporation to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

(v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for

implementation of recommendations to correct weaknesses in internal control over financial reporting and disclosure controls.

Risk Management

The Committee shall be responsible for overseeing management's identification and assessment of the principal risks to the operations of the Corporation and the establishment and management of appropriate systems to manage such risks with a view to achieving a proper balance between risks incurred and potential return to holders of securities of the Corporation and to the long-term viability of the Corporation. In this regard, the Committee shall require management to report periodically to the Committee and the Committee shall review such reports provided by management, on the risks inherent in the business of the Corporation (including appropriate crisis preparedness, business continuity, information system controls, cybersecurity and disaster recovery plans), the appropriate degree of risk mitigation and risk control, overall compliance with and the effectiveness of the Corporation's risk management policies, and residual risks remaining after implementation of risk controls. The Committee shall report periodically to the Board, on the principal risks faced by the Corporation and the steps implemented by management to manage these risks.

Compliance with Legal and Regulatory Requirements

The Committee shall review reports from the Corporation's General Counsel or Chief Legal Officer, if applicable, and other management members on: (a) legal or compliance matters that may have a material impact on the Corporation; (b) the effectiveness of the Corporation's compliance policies; and (c) any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Whistleblower Procedures

The Committee shall establish a policy and procedure for (a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Chair of the Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the Corporation's legal counsel to reach a satisfactory conclusion.

The Committee shall review the Corporation's whistleblower policy on a periodic basis to determine whether the procedures established under the policy operate effectively in respect of the receipt, retention and treatment of reports and in providing a confidential and anonymous procedure as may be required by applicable laws.

Audit Committee Disclosure

The Committee shall prepare, review and recommend to the Board for approval any audit committee disclosures required by Applicable Requirements in the Corporation's disclosure documents.

Delegation

The Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this Charter as the Committee deems appropriate.

5. Outside Advisors

The Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors. The Corporation shall provide appropriate funding, as determined by the Committee, for payment of compensation of these advisors and for the payment of ordinary administrative expenses of the committee that are necessary or appropriate in carrying out its duties.

6. No Rights Created

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Committee functions. While it should be interpreted in the context of all Applicable Requirements, as well as in the context of the Corporation's Articles and By-laws, it is not intended to establish any legally binding obligations.

7. Charter Review & Committee Self-Evaluation

The Committee shall annually review and update this Charter to ensure compliance with the Applicable Requirements and recommend it to the Board for approval of any applicable modifications. The Committee shall also periodically conduct a self-evaluation to evaluate its effectiveness and no less than once every two years.

* * * * *

As adopted by the Board of Directors on June 9, 2021.