November 16, 2020

Medexus Pharmaceuticals Reports Operating and Financial Results for the Three- and Six-Month Periods Ending September 30, 2020

Management to host conference call at 8:00 AM Eastern Time on Tuesday, November 17th, 2020

TORONTO and CHICAGO and MONTREAL, Nov. 16, 2020 (GLOBE NEWSWIRE) -- Medexus Pharmaceuticals Inc. (the "**Company**" or "**Medexus**") (TSXV: MDP) (OTCQX: MEDXF) (Frankfurt: P731) announced its financial and operating results for the three and six months ended September 30, 2020. All dollar amounts below are in Canadian dollars unless specified otherwise.

Second quarter fiscal 2021 financial highlights:

- The Company achieved revenue of $23.6 million for the three-month period ended September 30, 2020, versus $16.4 million for the three-month period ended September 30, 2019, mostly driven by the acquisition of IXINITY®. Over $3 million in revenue from IXINITY® sales, which was originally expected to be realized in September 2020, was instead realized in October 2020 due to a delay in receipt of finished product from the Company's contract manufacturing partner. The delay in receipt of finished product was a result of a common regulatory process that did not impact IXINITY®, but temporarily interrupted the Company's partner's ability to release shipments for any of their clients. The product was shipped in October 2020 and the revenue has been recognized in the fiscal third quarter ending December 31, 2020.

- Selling and administrative expenses as a percentage of revenue decreased to 46.6% from 64.4% for the same period last year, as the Company continues to leverage its platform and significantly increase its revenue with only modest increases to operating expenses.

- Adjusted EBITDA* increased to $3.0 million compared to $0.5 million for the same period last year. Adjusted EBITDA would have been higher but was impacted by the aforementioned delayed shipment of IXINITY®, which has been recognized in the fiscal third quarter ending December 31, 2020.

- Achieved operating income of $0.6 million, compared to an operating loss of $1.3 million for the same period last year.

- Available liquidity of $9.8 million at September 30, 2020.

Ken d'Entremont, Chief Executive Officer of Medexus, commented, "We continued to generate solid growth and achieved $3.0 million of Adjusted EBITDA compared to $0.5 million for the same period last year, despite the temporary impact of a delayed IXINITY® shipment, which has been recognized in our fiscal third quarter of 2021. Importantly, we continue to witness solid performances from Rasuvo®, Metoject® and Rupall™. At the same time, we have decreased our SG&A considerably as a percentage of revenues by leveraging our North American infrastructure. Over the trailing twelve months, our revenues have grown to $93 million and we achieved Adjusted EBITDA* of $12.9 million over the same period. These figures only partially reflect the impact of our acquisition of IXINITY®, which closed in February of this year. Moreover, we are off to a very strong start in the fiscal third quarter and remain highly encouraged by the outlook for the second half of fiscal 2021."

"Thus far we have experienced a limited impact of COVID-19 outside of our Canadian over-the-counter products and we strive to maintain a high level of safety for our personnel. As we continue to scale our business, we expect synergies to further contribute to the bottom line. Our balance sheet remains healthy with $9.8 million of available liquidity at the quarter end. Our strong financial position gives us comfort to execute on a number business initiatives, including certain product launches. We continue to actively evaluate additional products and potential accretive acquisitions that would enable us to further leverage our North American commercial infrastructure."

Operational highlights:**

- **IXINITY®:** In September 2020, the US Food & Drug Administration approved the Company's application to add the indication for routine prophylaxis. Additionally, the Company has now enrolled more than 50% of patients for its ongoing Phase 4 clinical trial to evaluate the safety and efficacy of IXINITY® in previously treated patients for a pediatric indication.

- **Gleolan:** On September 9, 2020, Gleolan was approved by Health Canada. The Company is working towards a full commercial launch within the next few months.

- **Treosulfan:** On September 10, 2020, Health Canada granted priority review for Treosulfan, which could be approved as soon as May, 2021. The Company is currently negotiating the licence in anticipation of a full commercial launch.

- **Triamcinolone Hexacetonide (Trispan):** On August 27th, 2020, Health Canada approved the name change from Triamcinolone Hexacetonide to Trispan. It is set to be reimbursed in Nova Scotia in the coming weeks. Now, with broad reimbursement across the country, the company is executing commercial launch of the product.

- **OTCQX:** as of August 2020, Medexus began trading on the OTCQX under the ticker symbol MEDXF and continues to trade on the TSX Venture Exchange.

Operating and Financial Results Summary for the Three-Months Ended September 30, 2020

The Company achieved revenue of $23.6 million for the three-month period ended September 30, 2020, versus $16.4 million for the three-month period ended September 30,

2019. The increase was mainly due to the acquisition of IXINITY® as well as solid performances from the Company's key products.

Gross profit was $12.8 million for the three-month period ended September 30, 2020, compared to gross profit of $9.6 million for the three-month period ended September 30, 2019. The gross margin was 54.4% for the three-month period ended September 30, 2020, compared to 58.6% for the three-month period ended September 30, 2019. The lower gross margin for the current period is primarily a function of the acquisition of IXINITY® in 2020, which has a lower gross margin than the Company's other key products.

Operating income for the three-month period ended September 30, 2020, was $0.6 million, compared to an operating loss of $1.3 million for the three-month period ended September 30, 2019.

Adjusted EBITDA* for the three-month period ended September 30, 2020 was $3.0 million compared to $0.5 million for the three-month period ended September 30, 2019.

Net Loss for the three-month period ended September 30, 2020 was $2.0 million, compared to net income of $0.7 million for the three-month period ended September 30, 2019.

Operating and Financial Results Summary for the Six-Months ended September 30, 2020

Total revenue reached $51.1 million for the six-month period ended September 30, 2020, compared to revenue of $32.5 million for the six-month period ended September 30, 2019, as a result of the acquisition of IXINITY® and strong performances from the Company's key products.

Gross profit reached $27.8 million for the six-month period ended September 30, 2020, compared to gross profit of $19.5 million for the six-month period ended September 30, 2019. The gross margin was 54.4% for the six-month period ended September 30, 2020, compared to 60.0% for the six-month period ended September 30, 2019. The lower gross margin for the current period is due, in part, to the acquisition of IXINITY® in 2020, which has a lower gross margin than the Company's other key products.

Operating income for the six-month period ended September 30, 2020 was $2.2 million, compared to an operating loss of $2.4 million for the same period last year.

Adjusted EBITDA* for the six-month period ended September 30, 2020 was $8.0 million compared to $1 million for the six-month period ended September 30, 2019.

Net Loss for the six-month period ended September 30, 2020 was $6.8 million, compared to net loss of $1.5 million for the six-month period ended September 30, 2019.

The Company's financial statements and management discussion and analysis ("MD&A") for the period ended September 30, 2020 are available on our corporate website at www.medexus.com and in our corporate filings on SEDAR at www.sedar.com.

* *Refer to "Non-IFRS Financial Measures" at the end of this press release.*

** *Refer to "Cautionary Note Regarding Comparative Financial Information" at the end of*

this press release.

Conference Call Details

Medexus will host a conference call at 8:00 AM Eastern Time on Tuesday, November 17, 2020 to discuss the Company's financial results for the fiscal 2021 second quarter ended September 30, 2020, as well as the Company's corporate progress and other developments.

The conference call will be available via telephone by dialing toll free 844-369-8770 for Canadian and U.S. callers or +1 862-298-0840 for international callers, or on the Company's Investor Events section of the website: https://www.medexus.com/en_US/investors/news-events.

A webcast replay will be available on the Company's Investor Events section of the website (https://www.medexus.com/en_US/investors/news-events) through Wednesday, February 17, 2021. A telephone replay of the call will be available approximately one hour following the call, through Tuesday, November 24, 2020 and can be accessed by dialing 877-481-4010 for Canadian and U.S. callers or +1 919-882-2331 for international callers and entering conference ID: 38655.

About Medexus Pharmaceuticals Inc.

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

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

Cautionary Note Regarding Comparative Financial Information

On February 28, 2020, the Company announced that Medexus Pharma, Inc. ("Medexus US") completed another major acquisition (the "IXINITY® Acquisition") in acquiring a Delaware limited liability company, which owns the worldwide rights to the commercial hematology asset, IXINITY®, for up-front cash consideration of approximately US$30 million.

Accordingly, readers are cautioned that while certain financial information included herein for, and comparisons to, prior periods have been presented in this press release, changes from a pre-IXINITY® Acquisition period to a post-IXINITY® Acquisition period may, in the opinion of management, be of limited value in understanding changes to the financial condition, financial performance, or business of the Company from period to period given the transformative nature of the IXINITY® Acquisition. Readers are advised that the comparative information included in this press release for the three and six-month periods ended September 30, 2019, includes certain pre-IXINITY® Acquisition results for the Company (i.e., the comparative information for such periods consists of results prior to February 28, 2020 which reflect only the pre-IXINITY® Acquisition results for the Company and results subsequent to February 28, 2020 which reflect the consolidated results of the Company post-IXINITY® Acquisition).

Forward Looking Statements

Certain statements made in this press release contain forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking information includes statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "anticipates", "believes" "could", "expects", "forecasts", "intends", "may", "projects", "will" and "vision") which are not historical facts. More specifically, forward-information in this press release includes, but is not limited to, information contained in statements with respect to: the recognition of revenue for IXINITY® and the increase in Adjusted EBITDA related thereto; the further impact of the IXINITY® Acquisition; the Company's results for the fiscal third quarter; the Company's future expectations regarding growth and revenues and the contribution of synergies to the bottom line; the Company's business strategy, including the execution of new product launches and potential accretive acquisitions; the Company's business outlook; the anticipated results of Phase 4 clinical trial for IXINITY®; the anticipated results of the Gleolan application to the Ontario Ministry of Health, including public reimbursement and rapid distribution; the potential approval of Treosulfan; and the reimbursement of Trispan in Nova

Scotia. These statements are based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions based on historical trends, current conditions and expected future developments. Since forward-looking statements relate to future events and conditions, by their very nature they require making assumptions and involve inherent risks and uncertainties. The Company cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those referred to in the Company's MD&A under the heading "Risk Factors and Risk Management" and elsewhere in the Company's other disclosure documents filed with the applicable Canadian securities regulatory authorities from time to time. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of the date hereof. Other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

Non-IFRS Financial Measures

This press release uses the term "Adjusted EBITDA" which is a non-IFRS financial measure, which does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. Rather, this measure is provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. In particular, management uses Adjusted EBITDA as a measure of the Company's performance. The Company defines Adjusted EBITDA as earnings before financing and special transaction costs (including, for greater certainty, fees related to the transactions and financing announced on October 16, 2018 and February 28, 2020, as discussed herein), interest expenses, income taxes, interest income, depreciation of property and equipment, amortization of intangible assets, non-cash share-based compensation, income from sale of asset, gain or loss on the convertible debenture embedded derivative, foreign exchange gains or losses, termination benefits, and impairment of intangible assets. The Company considers Adjusted EBITDA as a key metric in assessing business performance and considers Adjusted EBITDA to be an important measure of operating performance and cash flow, providing useful information to investors and analysts. This non-IFRS measure is not intended to represent cash provided by operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. Additional information relating to the use of this non-IFRS measure, including the reconciliation of Adjusted EBITDA to Net Income (Loss), can be found in our MD&A, which is available through the SEDAR website (www.sedar.com).

MEDEXUS PHARMA
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