June 25, 2026

# Medexus Announces Fiscal Year 2026 Results, Demonstrating Continued Momentum and Strong Product-Level Performance of GRAFAPEX (treosulfan) for Injection

Management to host conference call at 8:00 AM Eastern time on Friday, June 26, 2026

Toronto, Ontario and Chicago, Illinois--(Newsfile Corp. - June 25, 2026) - Medexus Pharmaceuticals (TSX: MDP) (OTCQX: MEDXF) today announced its operating and financial results and provided a business update for the company's fourth fiscal quarter and fiscal year ended March 31, 2026 (the company's fiscal Q4 2026 and fiscal year 2026). All dollar amounts in this news release are in US dollars unless specified otherwise.

**Company overview**

Medexus is currently focused on delivering strong performance from GRAFAPEX, and also remains focused on supporting stable overall performance across the Company's portfolio of products in both the United States and Canada.

"Fiscal year 2026 represented an important transition point for Medexus," commented Ken d'Entremont, Chief Executive Officer of Medexus. "With the major portfolio evolution we have discussed in past quarters now largely reflected in our results, Medexus generated approximately $87.7 million of net revenue from our established portfolio excluding GRAFAPEX. Medexus enters fiscal year 2027 with a strong baseline that will highlight the growth of GRAFAPEX relative to the underlying strength and resilience of the rest of our portfolio. The continued momentum of GRAFAPEX and our ongoing business development initiatives focused on allo-HSCT will build on that foundation and position Medexus for sustained growth."

**Key update on GRAFAPEX**

Medexus has continued to see a positive market response to GRAFAPEX™ (treosulfan) for Injection since the US commercial launch of the product in February 2025. The Company expects GRAFAPEX will account for a significant portion of total net revenue and operating cash flow over the coming fiscal years. For the three- and twelve-month periods ended March 31, 2026, Medexus recognized product-level net revenue from GRAFAPEX of $3.4 million and $11.6 million, relative to $2.7 million and $11.2 million of GRAFAPEX personnel and infrastructure investments. Medexus continues to expect that annual product-level net revenue from GRAFAPEX will exceed $100 million within five years after commercial launch.

"Product-level performance for GRAFAPEX continues to demonstrate strong momentum, with sequential quarter-over-quarter growth of 50% in underlying patient demand in fiscal Q4 2026 compared to fiscal Q3 2026," Mr. d'Entremont continued. "We were pleased to see that Adjusted EBITDA* for fiscal year 2026 was positively affected by product-level net revenue from GRAFAPEX of $11.6 million exceeding the $11.2 million of GRAFAPEX personnel and infrastructure investments we made in the same period."

"The $11.2 million we have invested in the GRAFAPEX launch in fiscal year 2026 continues to have a significant impact," concluded Mr. d'Entremont. "As of today, 74 of the 180 transplant centers in the United States have already ordered GRAFAPEX for procedures in their institutions, and 54 of those 74 institutions have reordered."

**Financial highlights**

Key financial highlights for fiscal year 2026 include the following:

- Net revenue of $99.3 million for fiscal year 2026, a decrease of $9.0 million, or 8.3%, compared to $108.3 million for the corresponding prior year period. Net revenue for fiscal year 2026 includes $11.6 million of product-level net revenue from GRAFAPEX. The $9.0 million year-over-year net revenue decrease was primarily due to reduced product-level net revenue from Gleolan in the United States (due to the March 2025 termination of the Company's license, supply, and distribution agreement, or US Gleolan Agreement) and Rupall (due to significant generic competition, the impact of which Medexus expects is now largely reflected in product-level performance). The year-over-year decrease was partially offset by the product-level net revenue from GRAFAPEX mentioned above and the positive effects on product-level net revenue from Rasuvo discussed in the MD&A.

- Net revenue of $24.7 million for fiscal Q4 2026, a decrease of $0.1 million, or 0.4%, compared to $24.8 million for the corresponding prior year period. The $0.1 million year-over-year net revenue decrease was primarily due to reduced product-level net revenue from Rupall and Gleolan (in the United States), partially offset by the $3.4 million of product-level net revenue from GRAFAPEX discussed above and the positive effects on product-level net revenue from Rasuvo discussed in the MD&A.

- Adjusted EBITDA* of $16.5 million for fiscal year 2026, a decrease of $3.7 million, or 18.3%, compared to $20.2 million for the corresponding prior year period. The $3.7 million year-over-year Adjusted EBITDA* decrease was primarily due to significant generic competition on Rupall and the March 2025 termination of the US Gleolan Agreement, partially offset by increased product-level net revenue from Rasuvo and the one-time positive impact of the royalty revenue payable to Medexus under the terms of the Gleolan termination agreement in fiscal year 2026. Adjusted EBITDA* for fiscal year 2026 was also positively affected by product-level net revenue from GRAFAPEX of $11.6 million exceeding the $11.2 million of GRAFAPEX personnel and infrastructure investments in the same period.

- Adjusted EBITDA* of $4.3 million for fiscal Q4 2026, an increase of $2.0 million, or 87.0%, compared to $2.3 million for the corresponding prior year period. The $2.0 million year-over-year Adjusted EBITDA* increase was primarily due to increased unit demand for Rasuvo and increased unit demand for IXINITY in fiscal Q4 2026, partially

offset by the continued effects of significant generic competition on Rupall. Adjusted EBITDA* for fiscal Q4 2026 was also positively affected by product-level net revenue from GRAFAPEX of $3.4 million exceeding the $2.7 million of GRAFAPEX personnel and infrastructure investments in the same period.

- Operating income of $5.1 million for fiscal year 2026 and $1.2 million for fiscal Q4 2026, a decrease of $3.1 million, or 37.8%, and an increase of $2.4 million, compared to operating income of $8.2 million and operating loss of $1.2 million for the corresponding prior year periods.

- Gross margin of 54.8% and Adjusted Gross Margin* of 64.3% for fiscal year 2026, compared to gross margin of 52.2% and Adjusted Gross Margin* of 58.6% for the corresponding prior year period. The gross margin and Adjusted Gross Margin* increases are primarily due to changes in the relative contribution of product-level net revenue - in particular an increasing level of net sales of GRAFAPEX, which the Company launched in February 2025 and which is expected to have a relatively higher product-level gross margin and Adjusted Gross Margin*, and an absence of net sales of Gleolan in the United States, which the Company ceased commercializing in March 2025 and which had a relatively lower product-level gross margin and Adjusted Gross Margin*. Gross margin also benefited from the positive effects of a January 2025 change in Medicare Part D discounts for government-sponsored programs under the IRA on product-level net revenue from Rasuvo.

- Gross margin of 53.8% and Adjusted Gross Margin* of 63.5% for fiscal Q4 2026, compared to gross margin of 50.2% and Adjusted Gross Margin* of 59.8% for the corresponding prior year period. The gross margin and Adjusted Gross Margin* increases are primarily due to changes discussed above in respect of fiscal year 2026.

- Net loss of $2.4 million for fiscal year 2026 and $2.7 million for fiscal Q4 2026, a decrease of $4.6 million and $2.1 million compared to net income of $2.2 million and net loss of $0.6 million for the corresponding prior year periods.

- Available liquidity of $9.0 million (March 31, 2026), consisting of cash and cash equivalents of $6.5 million and available credit of $2.5 million (March 31, 2025 - nil) under the revolving facility of the NBC Credit Agreement (defined below), compared to $24.0 million (March 31, 2025). Subsequent to period end, in June 2026, Medexus amended the NBC Credit Agreement to provide for a new $2.6 million letter of credit facility guaranteed by Export Development Canada, thereby providing $2.5 million of borrowing capacity under the revolving facility that had previously supported letters of credit, among other amendments.

- Cash provided by operating activities of $18.9 million for fiscal year 2026 and $3.8 million for fiscal Q4 2026, a decrease of $5.1 million and an increase of $1.5 million compared to $24.0 million and $2.3 million for the corresponding prior year periods. The Company has continued to generate positive cash flow from operations in the fiscal quarters since the approval and launch of GRAFAPEX in fiscal Q4 2025, notwithstanding the $11.2 million of GRAFAPEX personnel and infrastructure investments during fiscal year 2026 to support the commercial launch of the product beginning in February 2025.

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

"Even while continuing to invest in the launch of GRAFAPEX, we have generated an average of $4.2 million of cash from operating activities per quarter in the five quarters since launch," commented Brendon Buschman, Chief Financial Officer of Medexus. "As GRAFAPEX continues to scale, we continue to believe we are well positioned for further improvement in operating cash flow."

Mr. Buschman continued: "We also meaningfully strengthened our balance sheet with our new credit agreement with National Bank of Canada, which includes significantly lower quarterly principal repayments. With Net Debt to Adjusted EBITDA* of 0.95x for the trailing four fiscal quarters ended March 31, 2026, our financial strength has enabled us to repurchase 1,221,400 common shares to date under our NCIB."

Mr. d'Entremont concluded: "We continue to be very pleased with the performance of GRAFAPEX to date, and we look forward to fiscal year 2027 as we expect product-level performance of GRAFAPEX to make up an increasing share of total net revenue and cash flow. Overall, we continue to execute with discipline and focus as we position Medexus for the opportunities ahead."

**Operational highlights**

***Leading products***

*Hematology and hemato-oncology*

- **GRAFAPEX (US):** Product-level performance of GRAFAPEX, net of working capital changes, was accretive to quarterly operating cash flows in fiscal Q4 2026 (calendar Q1 2026). Accordingly, Medexus achieved $3.4 million and $11.6 million of product-level net revenue from GRAFAPEX for the three- and 12-month periods ended March 31, 2026, relative to the $2.7 million and $11.2 million of GRAFAPEX personnel and infrastructure investments discussed below. Underlying patient demand (determined based on units delivered by the wholesaler to institutions during the period, with reference to Medexus's corresponding product-level net revenue) was $3.9 million for fiscal Q4 2026, representing sequential underlying patient demand growth of 50% compared to $2.6 million for fiscal Q3 2026, and $10.6 million for fiscal year 2026. (Source: Internal EDI data.) Since launch, wholesaler purchases of GRAFAPEX have exceeded demand by $1.0 million, resulting in an estimated one month of inventory on hand at March 31, 2026 held by the Company's single wholesaler for GRAFAPEX. This wholesaler inventory level is consistent with Medexus's expectations for this stage of a product launch; however, inventory management decisions by the wholesaler could affect the timing, volume, and commercial terms of wholesaler orders, and consequently product-level net revenue, in future quarters. Medexus expects that product-level net revenue from GRAFAPEX for fiscal year 2027 will be between $30 million and $32 million. Medexus continues to expect that the annual product-level Adjusted Gross Margin* of GRAFAPEX will ultimately be approximately 80%. For fiscal year 2026, product-level Adjusted Gross Margin* was slightly higher due to the evolving reimbursement and tariff dynamics for the product.

- **Trecondyv (Canada):** Patient unit demand for Trecondyv remained strong during the 12-month period ended March 31, 2026, which is reflected in the unit demand growth of 30% over the trailing 12-month period ended March 31, 2025. (Source: Hospitals Direct Sales Data, MAT March 2026.) This strong performance reflects successful execution of the Company's initiatives since its September 2021 commercial launch.

- **IXINITY (US):** Patient unit demand in the United States increased by 5% over the trailing 12-month period ended March 31, 2026. (Source: customer-reported dispensing data.) Medexus expects that 12-month trailing unit demand will remain relatively stable in the near term as the Company works to maintain a patient base who are stable and satisfied with the product. In fiscal Q3 2026, in an effort to further improve batch yield and manufacturing costs, Medexus entered into an agreement with the Company's third-party contract manufacturer of IXINITY for a $4.0 million manufacturing process upgrade (plus $2.0 million for a test batch of IXINITY that will, if successful, be saleable product), of which approximately $1.4 million was paid in fiscal year 2026.

*Rheumatology and allergy*

- **Rasuvo (US):** Patient unit demand for Rasuvo increased by 8% over the trailing 12-month period ended March 31, 2026. (Source: IQVIA TSA Monthly Data.) During fiscal Q2 2026, Medexus learned that another product in the branded methotrexate autoinjector market was no longer being supported by its distributor, which has resulted in increased unit demand for Rasuvo as patients and healthcare professionals have looked for alternatives. Medexus attributes the 17% increase in patient unit demand over the second half of fiscal year 2026 when compared to the prior year period to this change in the competitive landscape. Medexus expects that the effect of this one-time increase in unit demand is now largely reflected in product-level performance of Rasuvo, and is subject to further potential future changes in competitive market dynamics.

- **Metoject (Canada):** Patient unit demand for Metoject decreased by 3% over the trailing 12-month period ended March 31, 2026. (Source: IQVIA - TSA Monthly Data.) Medexus attributes this decrease in unit demand, which has corresponded with an adverse impact on product-level net revenue, to the continued effects of generic competition, in particular the launch of a second generic product in March 2024.

- **Rupall (Canada):** Rupall's market exclusivity, granted by Health Canada, expired in January 2025 and Rupall now faces generic competition in Canada. As a result, patient unit demand over the three- and 12-month periods ended March 31, 2026 has decreased 64.7% and 58.7% when compared to the corresponding prior year periods. (Source: IQVIA TSA Monthly Data.) Medexus expects that the adverse impact of generic competition is now largely reflected in product-level performance of Rupall, meaning that declines in net sales and product-level performance of Rupall for future fiscal quarters will be less severe. As a result of these dynamics, the Company has reduced operating expenses associated with the product since fiscal Q1 2026 and reallocated field support in fiscal Q3 2026.

***Pipeline opportunities***

- **UM171 Cell Therapy in Canada:** In June 2026, Medexus secured exclusive Canadian rights to commercialize UM171 Cell Therapy, a proprietary advanced clinical stage investigational drug product that recently received conditional marketing authorization in Europe from the European Commission (or EC) as Zemcelpro® (dorocubicel), in a license and supply deal with ExCellThera, a blood stem cell expansion and metabolic fitness company, and Cordex Biologics, its wholly owned subsidiary. Zemcelpro is a novel personalized cryopreserved hematopoietic stem cell transplantation product containing two components, namely UM171-expanded CD34+ cells (dorocubicel) and unexpanded CD34- cells, each derived from the same cord blood unit. The UM171 molecule and technology behind Zemcelpro was discovered and developed in Canada by scientists at the Universite de Montreal. The product is used to treat hematological malignancies (blood cancers), such as leukemias and myelodysplasias. Given its current stage of development in Canada, Medexus does not expect to begin commercializing the product before calendar year 2028 or, depending on available regulatory pathways, possibly calendar year 2031. Medexus made an initial US$2 million payment to Cordex and has agreed to sponsor the new drug submission seeking Health Canada approval of UM171 Cell Therapy in Canada as Zemcelpro® (dorocubicel).

**Other highlights**

- **NBC Credit Agreement:** In June 2026, Medexus entered into an amendment to the NBC Credit Agreement, a senior secured credit agreement with National Bank of Canada as administrative agent and lender. The June 2026 amendment provided for a new $2.6 million letter of credit facility guaranteed by Export Development Canada, thereby providing $2.5 million of borrowing capacity under the revolving facility under the NBC Credit Agreement that had previously supported letters of credit, among other amendments. Also in June 2026, Medexus borrowed $2.0 million under the delayed draw feature of the term facility to fund the payment due to Cordex upon execution of the June 2026 license and supply agreements for UM171 Cell Therapy in Canada.

- **2025 NCIB:** In November 2025, the Toronto Stock Exchange accepted Medexus's notice of intention to make a normal course issuer bid for its common shares (**2025 NCIB**). In connection with the 2025 NCIB, Medexus entered into an automatic share purchase plan with its designated broker to facilitate the purchase of common shares under the 2025 NCIB during times when the Company would ordinarily not be permitted to make such purchases. Under the 2025 NCIB, Medexus may purchase for cancellation up to 2,983,650 common shares. As of March 31, 2026, Medexus had repurchased 710,300 common shares under the 2025 NCIB for an aggregate repurchase price of C$2.1 million ($1.5 million) and, as of the date of this news release, 1,221,400 common shares for an aggregate repurchase price of C$4.1 million ($3.0 million).

**Other business update**

With the successful completion of the company's fiscal year 2026, Richard Labelle, who joined Medexus (Pediapharm Inc.) in February 2014 and most recently, since June 2024, has served as Medexus's Chief Operating Officer, has chosen to retire from Medexus.

"I'd like to thank Richard for his many years of service on the Medexus senior management

team," said Mr. d'Entremont. "Since he joined our predecessor company, Pediapharm, in 2014, Richard's leadership has been an important part of the company's successes. He has helped put in place a solid foundation to support the company's continued growth over the coming years. I wish him all the best in his next chapter."

"Medexus has grown and evolved enormously over the past 12 years," said Mr. Labelle. "I have been fortunate to be a part of Medexus's journey. I look forward to following Medexus's future successes with great interest."

"I share Ken's sentiments in thanking Richard," concluded Mike Mueller, chair of the Medexus board of directors. "We have greatly benefited from Richard's experience as a longstanding member of the Medexus team, and I am confident that his contributions have enhanced our ability to embark on the next chapter in the Medexus growth story."

**Additional information**

Medexus's financial statements and management's discussion and analysis for fiscal year 2026 are available on Medexus's corporate website at www.medexus.com and in the company's corporate filings on SEDAR+ at www.sedarplus.ca.

**Conference call details**

Medexus will host a conference call at 8:00 am Eastern Time on Friday, June 26, 2026 to discuss Medexus's results for fiscal year 2026.

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

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

Access code: 515731

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

https://www.webcaster5.com/Webcast/Page/2010/54174

A replay of the call will be available approximately one hour following the end of the call through Friday, July 10, 2026. To access the replay, please dial the following numbers -

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

Conference ID: 54174

A replay of the webcast will be available on theInvestors section of Medexus's corporate website until Saturday, June 26, 2027.

**About Medexus**

Medexus is a leading pharmaceutical company with a strong North American commercial

platform and a growing portfolio of innovative and rare disease treatment solutions. Medexus's current focus is on hematology and hemato-oncology products, including cell and gene therapy products, and historically has also focused on rheumatology and allergy products. For more information about Medexus and its product portfolio, please see the company's corporate website at www.medexus.com and its filings on SEDAR+ at www.sedarplus.ca.

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**Preliminary estimates**

The expected results discussed in this news release (which are distinct from the historical results included in Medexus's financial statements and any related disclosures, including in this news release) are preliminary estimates only and have not been reviewed or audited by the Company's auditors. Expected results discussed in this news release include preliminary estimates of product-level net revenue generated from GRAFAPEX in fiscal Q1 2027 and corresponding product-level investments in personnel and infrastructure. This news release also includes preliminary estimates of underlying patient demand for GRAFAPEX derived from internal EDI (electronic data interchange) data. All such figures are based on information currently available to Medexus management and are subject to change and adjustment as Medexus's financial results for fiscal Q1 2027 are finalized. Accordingly, final reported results may differ, and may differ materially, from these preliminary estimates, and investors therefore should not place undue reliance on any such preliminary estimates. All such preliminary estimates constitute forward-looking information within the meaning of applicable securities laws, are based on a number of assumptions, and are subject to a number of risks and uncertainties. For more information, see "Forward-looking statements".

**Forward-looking statements**

Certain statements in this news release contain forward-looking information within the meaning of applicable securities laws, also known and/or referred to as "forward-looking information" or "forward-looking statements". The words "anticipates", "believes", "budget", "potential", "targets", "could", "estimates", "expects", "forecasts", "goals", "intends", "may", "might", "objective", "outlook", "plans", "projects", "schedule", "should", "will", "would", "prospects", and "vision", or similar words, phrases, or expressions, are often intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words, phrases, or expressions. Specific forward-looking statements in this news release include, but are not limited to, information contained in statements regarding any of the following: Medexus's business strategy, outlook, and other expectations and plans regarding financial or operational performance, including those specific to and/or attributable to GRAFAPEX™ (treosulfan) for Injection (including patient demand for GRAFAPEX, and

including any seasonality or other variability in such demand and any resulting impact of the foregoing on product-level performance of GRAFAPEX and/or corresponding Company-level measures), in particular in light of investments in the recent commercial launch of GRAFAPEX, and including those regarding the strength and resilience of the Company's portfolio excluding GRAFAPEX; future growth, net revenues, and investments and expenses, including in respect of the commercialization of GRAFAPEX, IXINITY (including the manufacturing process improvement initiative, and including the occurrence or timing of any further investments in that initiative), and Medexus's other leading products, and including product-level performance in respect of same; the occurrence, attribution, and persistence of any increased demand for or other expected benefit to Rasuvo resulting from recent changes in the product's competitive landscape, including the cessation of support for a product in the branded methotrexate autoinjector market by its distributor; the extent to which the impact of generic competition is reflected in product-level performance of Rupall; inventory levels and management of Medexus's single wholesaler for GRAFAPEX; patient demand for GRAFAPEX; and 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; Medexus's ability to secure and fund commercialization rights to promising products and the performance of those products against expectations, including in respect of UM171 Cell Therapy (and, in particular, a phase 3 clinical trial of UM171 Cell Therapy, a Health Canada review process for UM171 Cell Therapy (including any approvals under Health Canada's 'special access programs'), and a related commercial launch in Canada (in each case if any) and any potential uses and/or benefits of UM171 Cell Therapy), and the success of the Company's ongoing business development initiatives focused on allo-HSCT and their potential contributions to Medexus's future growth, whether sustained or otherwise. The forward-looking statements and information included in this news release are based on Medexus's current expectations and assumptions, including factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, and including assumptions based on regulatory guidelines, historical trends, current conditions, and expected future developments. In particular, and without limiting the generality of the foregoing, Medexus's estimate of product-level net revenue from commercialization of GRAFAPEX is based on a number of such factors and assumptions as most recently described in Medexus's most recent management's discussion and analysis, and including the Company's planned commercial, market access, and medical strategies, the success of which will depend in part on the US regulatory landscape and related dynamics, including potential future changes to each, and can introduce and affect exposure to commercial, legal, and regulatory risk. Since forward-looking statements relate to future events and conditions, by their very nature they require making assumptions and involve inherent risks and uncertainties. Medexus cautions that, although the assumptions are believed to be reasonable in the circumstances, these risks and uncertainties mean that actual results could differ, and could differ materially, from the expectations contemplated by the forward-looking statements. Material risk factors include, but are not limited to, those set out in Medexus's materials filed with the Canadian securities regulatory authorities from time to time, including Medexus's most recent annual information form and management's discussion and analysis. Accordingly, undue reliance should not be placed on these forward-looking statements, which are made only as of the date of this news release. Other than as specifically required by law, Medexus undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

**Protected names and marks**

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

**Non-GAAP measures**

Company management uses, and this news release refers to, financial measures that are not recognized under IFRS and do not have a standard meaning prescribed by generally accepted accounting principles (GAAP) in accordance with IFRS or other financial or accounting authorities (non-GAAP measures). These non-GAAP measures may include "non-GAAP financial measures", "non-GAAP ratios", and "supplementary financial measures" (each defined in National Instrument 52-112, Non-GAAP and Other Financial Measures Disclosure). Medexus's method for calculating these measures may differ from methods used by other companies and therefore these measures are unlikely to be comparable to similarly-designated measures used or presented by other companies.

In particular, management uses Adjusted EBITDA, Adjusted EBITDA Margin (Adjusted EBITDA divided by net revenue, expressed as a percentage), Adjusted Gross Profit (Loss) (gross profit (loss) before amortization of intangible assets), product-level Adjusted Gross Profit (Loss), Adjusted Gross Margin (Adjusted Gross Profit (Loss) divided by net revenue, expressed as a percentage), product-level Adjusted Gross Margin, Net Debt and Net Debt to Adjusted EBITDA (Net Debt as of a given date by Adjusted EBITDA for a given period ending on that same date, expressed as a multiple), and product-level net revenue and product-level investments and expenses as measures of Medexus's performance. EBITDA (earnings before interest, taxes, depreciation, and amortization), Adjusted EBITDA, Adjusted Gross Profit (Loss), product-level Adjusted Gross Profit (Loss), and Net Debt are non-GAAP financial measures; Adjusted EBITDA Margin, Adjusted Gross Margin, product-level Adjusted Gross Margin, and Net Debt to Adjusted EBITDA are non-GAAP ratios; and product-level net revenue, product-level investments and expenses, and gross margin (gross profit (loss) divided by net revenue, expressed as a percentage) are supplementary financial measures.

An explanation and discussion of each of these non-GAAP measures, including their limitations, is set out under the heading "Preliminary Notes—Non-GAAP measures" in Medexus's most recent management's discussion and analysis, and is hereby incorporated by reference. A reconciliation of Adjusted EBITDA to the most directly comparable IFRS measure can be found under the heading "Reconciliation of Adjusted EBITDA to Net Income (Loss)" below. A reconciliation of Adjusted Gross Margin and product-level Adjusted Gross Margin to the most directly comparable IFRS measure can be found under the heading "Reconciliation of Adjusted Gross Profit (Loss) and Adjusted Gross Margin" below. A reconciliation of Net Debt to the most directly comparable IFRS measure can be found under the heading "Reconciliation of Net Debt to current portion of long-term debt and long-term debt" below.

The following tables are derived from and should be read together with Medexus's consolidated financial statements for the corresponding fiscal periods. The supplementary disclosure is intended to more fully explain disclosures related to Adjusted EBITDA, Adjusted Gross Margin and product-level Adjusted Gross Margin, and Net Debt and Net Debt to Adjusted EBITDA, and provides additional information related to Medexus's operating performance. However, Medexus's non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of Medexus's financial information as reported under IFRS.

***Reconciliation of Adjusted EBITDA to Net Income (Loss)***

| (Amounts in $ '000s) | Fiscal quarter ended March 31, | | Fiscal year ended March 31, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| Net income (loss) | $ (2,675 ) | $ (553 ) | $ (2,394 ) | $ 2,247 |
| Add back: | | | | |
| Depreciation and amortization (property, equipment, product licenses) | 2,456 | 2,436 | 9,734 | 7,178 |
| Financing costs | 1,027 | 2,005 | 5,201 | 8,195 |
| Income tax expense (recovery) | (333 ) | (206 ) | 120 | (807 ) |
| EBITDA | 475 | 3,682 | 12,661 | 16,813 |
| Add back: | | | | |
| Share-based compensation | 166 | 119 | 973 | 1,056 |
| Termination benefits | 423 | 541 | 699 | 897 |
| Foreign exchange loss (gain) | 169 | 65 | (247 ) | 1,068 |
| Unrealized gain (loss) on change in fair value of balance payable for business combinations | 3,046 | (2,480 ) | 2,864 | (2,480 ) |
| Impairment loss | - | 338 | - | 2,801 |
| Gain on disposal of assets | - | - | (408 ) | - |
| Adjusted EBITDA | **4,279** | **2,265** | **16,542** | **20,155** |
| Adjusted EBITDA Margin (%) | **17.4%** | **9.2%** | **16.7%** | **18.6%** |

***Reconciliation of Adjusted Gross Profit (Loss) and Adjusted Gross Margin***

*Company*

| (Amounts in $ '000s) | Fiscal quarter ended March 31, | | Fiscal year ended March 31, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| Net revenue | 24,652 | 24,754 | 99,332 | 108,332 |
| Cost of sales | 11,380 | 12,322 | 44,922 | 51,748 |
| Gross profit | 13,272 | 12,432 | 54,410 | 56,584 |

| | | | | |
|---|---|---|---|---|
| Gross margin | 53.8% | 50.2% | 54.8% | 52.2% |
| Add back: Amortization of product licenses | 2,381 | 2,359 | 9,447 | 6,925 |
| Adjusted Gross Profit | **15,653** | **14,791** | **63,857** | **63,509** |
| Adjusted Gross Margin | **63.5%** | **59.8%** | **64.3%** | **58.6%** |

*GRAFAPEX*

| | Fiscal quarter ended March 31, | | Fiscal year ended March 31, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| Product-level net revenue | 3,379 | 583 | 11,570 | 583 |
| Product-level cost of sales | 1,490 | 789 | 5,799 | 789 |
| Product-level gross profit | 1,889 | (206 ) | 5,771 | (206 ) |
| Product-level gross margin | 55.9% | (35.3)% | 49.9% | (35.3)% |
| Add back: Product-level amortization of product licenses | 1,072 | 714 | 4,286 | 714 |
| Product-level Adjusted Gross Profit | **2,961** | **508** | **10,057** | **508** |
| Product-level Adjusted Gross Margin | **87.6%** | **87.1%** | **86.9%** | **87.1%** |

***Reconciliation of Net Debt to current portion of long-term debt and long-term debt***

(Amounts in $ '000s)

| **As at:** | **March 31, 2026** | **March 31, 2025** |
|---|---|---|
| Current portion of long-term debt | 2,213 | 36,980 |
| Long-term debt | 20,051 | 198 |
| | 22,264 | 37,178 |
| Less: Cash and cash equivalents | 6,523 | 23,973 |
| Net Debt | **15,741** | **13,205** |

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