Medexus Pharmaceuticals Inc.

Management's Discussion & Analysis

For the three-month period ended June 30, 2026

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PRELIMINARY NOTES

This management's discussion and analysis of financial position and results of operations (**MD&A**) of Medexus Pharmaceuticals Inc. and its subsidiaries (collectively **Medexus** or **Company**) relates to the three-month period ended June 30, 2026. It was approved by Medexus's board of directors (**Board**) on August 10, 2026.

The unaudited condensed interim consolidated financial statements of Medexus for the three-month period ended June 30, 2026 were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (**IFRS Accounting Standards**). This MD&A should be read in conjunction with those unaudited condensed interim consolidated financial statements and Medexus's most recently filed audited consolidated financial statements and most recently filed annual information form (**AIF**).

Throughout this MD&A, 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, 2026 is referred to as "fiscal year 2026" and the quarter ended June 30, 2026 is referred to as "fiscal Q1 2027".

Unless the context otherwise requires, all financial information in this MD&A is presented on an IFRS Accounting Standards basis and all amounts are presented in US dollars.

Forward-looking statements

Certain statements in this MD&A 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 MD&A are expressly qualified by the cautionary statements in this section.

Specific forward-looking statements in this MD&A 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 (including patient demand for GRAFAPEX), in particular in light of investments in the commercial launch of GRAFAPEX (discussed below in this MD&A); future growth, net revenues, and investments and expenses, including in respect of the commercialization of GRAFAPEX, IXINITY (including the IXINITY manufacturing process improvement initiative, and including the occurrence or timing of any further investments in that initiative), and Medexus's other leading products; the potential prospects for integration of GRAFAPEX into standard transplant reimbursement practices; the occurrence and persistence of any increased demand for or other expected benefit to Rasuvo resulting from recent changes in the treatment landscape, including the cessation of support of another branded methotrexate autoinjector product by its distributor (and any continued absence from the market); inventory

levels and management of Medexus's single wholesaler for GRAFAPEX; patient demand for GRAFAPEX; the impacts of seasonality on product-level net revenue from its products; Medexus's ability to pay dividends, distributions, and other cash amounts in respect of Medexus's outstanding securities and other instruments, including the NBC 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 or refinancing (whether in respect of the NBC Credit Agreement or otherwise, and including expectations regarding the use of proceeds from any such financing transaction); 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 (including the occurrence, timing, and expected outcome of a Health Canada review process for UM171 Cell Therapy), 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, including any effects on product-level performance) and Canada and any related evaluation of the potential impact of these developments on the Company's net 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 MD&A 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 (defined below in this MD&A); 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 net revenue to be generated from and operating expenses associated with its commercialization in the United States, 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 MD&A also include statements regarding the occurrence, timing, and expected outcome of 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); the potential benefits of UM171 Cell Therapy; expectations regarding the commercialization of UM171 Cell Therapy and the product's prospects and performance, including the potential product-level net revenue to be generated (including in light of the expected

cost of production and of treatment) and the product's potential adoption and use in Canada (in particular, adoption and use relative to total allo-HSCT procedures annually), its level of contribution to allo-HSCT in Canada, its contribution to Medexus's future total net revenue and operating cash flow (including the effect of agreement terms on the interests and incentives of one or more transaction parties), and its, and the Company's, potential competitive position; without limiting the generality of the foregoing factor(s), Medexus's planned product pricing strategies (including its assessments of the net price of cell and gene therapy products in Canada, which will likely change from time to time as the allo-HSCT field continues to evolve, among other factors), which will be affected by Medexus's reimbursement strategies, including reimbursement coverage and reimbursement rates under government programs and trends in hospital and other institutional management of government program mechanisms, which can introduce and affect exposure to pricing risk; and uncertainty regarding, and the potential resulting effects of, the rapidly-evolving nature of the allo-HSCT field and the therapeutic area in which UM171 Cell Therapy is situated, including in respect of the size and value of any relevant product markets.

The forward-looking statements and information included in this MD&A 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 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; 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. Among other important factors, Medexus estimates that the over 9,000 allo-HSCT procedures in the United States in calendar year 2023 (source: Spellman, Stephen R. et al, "Current Activity Trends and Outcomes in Hematopoietic Cell Transplantation and Cellular Therapy – A Report from the CIBMTR", Transplantation and Cellular Therapy, vol 31, iss 8 (Aug 2025), pp 505-32 (available at: https://doi.org/10.1016/j.jtct.2025.05.014)) will increase by approximately 1.8% per year over the next five years, that approximately 24% of all such current and future procedures will constitute utilization in outpatient settings, and that GRAFAPEX is likely to achieve utilization in 27% to 42% of all such procedures within five years after commercial launch (based, in part, on estimated utilization of treosulfan for injection in a higher percentage of a broader range of procedures across various European markets in 2019 and 2020 (source: Company data)), which Medexus expects to result in annual product-level net revenue from GRAFAPEX of approximately $100 million to $175 million within five years after commercial

launch. 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 and Risk Management—Possible failure to realize benefits of the GRAFAPEX Agreement". Medexus's statements in this MD&A regarding UM171 Cell Therapy are 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 Canada; the current Canadian treatment landscape and current Canadian competitive dynamics, including assumptions regarding potential future changes to each; market access dynamics and the level and speed of product uptake; Medexus's planned product pricing strategies (including its assessments of the net price of cell and gene therapy products in Canada, which will likely change from time to time as the allo-HSCT field continues to evolve, among other factors); Medexus's reimbursement strategies (including reimbursement coverage and reimbursement rates under government programs) and trends in hospital and other institutional management of government program mechanisms, which can introduce and affect exposure to pricing risk; and the relevance and representativeness of the reimbursement information for the select cell and gene therapy products reviewed as referenced in this MD&A.

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

Preliminary estimates

The expected results discussed in this MD&A (which are distinct from the historical results included in Medexus's financial statements and any related disclosures, including in this MD&A) are preliminary estimates only and have not been reviewed or audited by the Company's auditors. Expected results discussed in this MD&A include preliminary estimates of product-level net revenue generated from GRAFAPEX and corresponding product-level investments in personnel and infrastructure. This MD&A also includes 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 and subsequent fiscal periods 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".

Non-GAAP measures

Company management uses, and this MD&A refers to, financial measures that are not recognized under IFRS Accounting Standards and do not have a standard meaning prescribed by generally

accepted accounting principles (**GAAP**) in accordance with IFRS Accounting Standards or other financial or accounting authorities (**non-GAAP measures**) as contemplated by National Instrument 52-112, Non-GAAP and Other Financial Measures Disclosure (**NI 52-112**). These non-GAAP measures may include "non-GAAP financial measures", such as EBITDA (or earnings before interest, taxes, depreciation, and amortization), Adjusted EBITDA, Adjusted Gross Profit (Loss), and Net Debt; "supplementary financial measures", such as gross margin, product-level net revenue and product-level investments and expenses, Equity Market Capitalization, and Enterprise Value; and "non-GAAP ratios", such as Adjusted EBITDA Margin, Net Debt to Adjusted EBITDA, Adjusted Gross Margin, and Enterprise Value to Adjusted EBITDA.

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. Medexus believes that these non-GAAP measures complement its IFRS Accounting Standards measures and provide additional insight into, and allow for a more complete understanding of, the Company's financial and operational results and management's perspective on Medexus's business and operations.

Medexus considers these non-GAAP measures to be key metrics in assessing business performance and an important measure of operating performance and cash flow. 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 Accounting Standards.

A further explanation and discussion of each of these non-GAAP measures, including their limitations, is set out below. A reconciliation of Adjusted EBITDA, Adjusted Gross Profit (Loss) and Adjusted Gross Margin, and Net Debt to the most directly comparable IFRS Accounting Standards measures can be found under the headings "—Adjusted EBITDA and Adjusted EBITDA Margin" (reconciliation to net income (loss)), "—Adjusted Gross Profit (Loss) and Adjusted Gross Margin" (reconciliation to gross profit), and "—Net Debt" (reconciliation to current portion of long-term debt and long-term debt).

Adjusted EBITDA and Adjusted EBITDA Margin

Medexus defines **Adjusted EBITDA** as net income (loss), or earnings, adjusted to exclude interest income and expense, income tax recovery and expense, depreciation of property and equipment, amortization of product licenses (or other intangible assets), share-based compensation, financing and transaction costs (for clarity, including fees related to acquisitions and related financings), termination benefits, foreign exchange gains or losses, unrealized gain or loss on the fair value of amounts payable in connection with business combination transactions, income from sale of assets, and impairment of intangible assets. Medexus also sometimes presents the following ratios based on Adjusted EBITDA –

- **Adjusted EBITDA Margin**, which is calculated by dividing Adjusted EBITDA for a given period by the Company's net revenue as shown on Medexus's consolidated statements of income (loss) and comprehensive income (loss) (or income statement) for that same period, expressed as a percentage.
- **Net Debt to Adjusted EBITDA** (or **Net Debt/Adj. EBITDA**), which is calculated by dividing Net Debt as of a given date by Adjusted EBITDA for a given period ending on that same date –

typically a trailing period of 12 months, four fiscal quarters, or one fiscal year – expressed as a multiple.

Medexus believes that Adjusted EBITDA and related ratios, when used in conjunction with IFRS Accounting Standards measures, are useful supplemental measures of operating performance because Medexus believes that Adjusted EBITDA corresponds more closely over time to the performance of the Company's underlying business assets. In particular, Medexus believes that Adjusted EBITDA facilitates comparisons of historical performance by excluding non-cash items (such as stock-based payments, fair value adjustments, and impairment charges) and other amounts not directly attributable to the Company's primary operations (such as the impact of acquisitions, dispositions, and settlements). See also, and compare with, "Liquidity and Capital Resources—Cash flows", including "—Operating activities".

Company management and the Board also use this non-GAAP measure to develop internal budgets and evaluate the performance of the Company and its management team.

Key limitations to using Adjusted EBITDA include the following –

- Adjusted EBITDA does not reflect the cash requirements necessary to service interest or principal payments on Medexus's debt, that may be required to pay the Company's taxes, that Medexus pays in connection with financing and special transactions, or that Medexus pays to former employees as termination benefits, among others.
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often must be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for those potential future replacements.
- Although stock-based compensation expenses are non-cash charges, Medexus relies on equity instruments to compensate and incentivize Company directors, officers, and employees, and expects to continue doing so in the future.
- Although adjusting for the fair value of amounts payable in connection with business combination transactions are non-cash adjustments, these charges generally reflect the value of amounts that Medexus may be required to pay or is ultimately required to pay, as determined under IFRS Accounting Standards as of the relevant time of determination.

Reconciliation to net income (loss)

The following table is derived from and should be read together with Medexus's consolidated statement of operations for the corresponding financial periods. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted EBITDA and provides additional information related to Medexus's operating performance.

(Amounts in $ '000s except percentages)		
Three-month periods ended June 30,	2026	2025
Net income	$544	$516
Add back:		
Depreciation and amortization (property, equipment, product licenses)	2,413	2,426
Financing costs	1,254	1,406
Income tax expense (recovery)	(43)	99
EBITDA	4,168	4,447
Add back:		
Share-based compensation	153	167
Business combinations payable – unrealized gain on change in fair value	–	(182)
Foreign exchange (gain) loss	359	(581)
Gain on disposal of assets	–	(408)
Adjusted EBITDA	4,680	3,443
Adjusted EBITDA Margin	16.4%	14.0%

Comparison of the three-month periods ended June 30, 2026 (fiscal Q1 2027) and 2025 (fiscal Q1 2026): Medexus generated $4.7 million of Adjusted EBITDA for fiscal Q1 2027, compared to $3.4 million for the corresponding prior year period. The $1.3 million, or 38.2%, year-over-year Adjusted EBITDA increase was primarily due to the $4.9 million of product-level net revenue from GRAFAPEX for fiscal Q1 2027 exceeding the $3.2 million of GRAFAPEX personnel and infrastructure investments in the same period (compared to $3.0 million and $3.0 million,

respectively, for the corresponding prior year period), together with a year-over-year increase in product-level net revenue from IXINITY (largely due to customer purchasing patterns in fiscal Q1 2027 and 2026). Adjusted EBITDA for fiscal Q1 2027 was also positively affected by the continued positive effects on product-level net revenue from Rasuvo of changes in the treatment landscape, namely, increased unit demand for Rasuvo in fiscal Q1 2027 following the cessation of support of another branded methotrexate autoinjector product by its distributor. The year-over-year increase was partially offset by the one-time positive impact of the GTA Royalty Revenue (defined below) in fiscal Q1 2026 (see also "Risk Factors and Risk Management—Commercial contract disputes") and, to a lesser extent, the impact of generic competition on product-level net revenue from Rupall in fiscal Q1 2027.

Adjusted Gross Profit (Loss) and Adjusted Gross Margin

Medexus defines **Adjusted Gross Profit (Loss)** and **Adjusted Gross Margin** as gross profit (loss), as determined under IFRS Accounting Standards, and gross margin (which Medexus defines as gross profit (loss) divided by net revenue, expressed as a percentage), each before amortization of product licenses (or other intangible assets), which is a component of cost of sales as determined under IFRS Accounting Standards. Adjusted Gross Profit (Loss) and Adjusted Gross Margin adjust cost of sales, and therefore gross profit (loss) and gross margin, to exclude these non-cash amounts. Medexus also may present Adjusted Gross Profit (Loss) and Adjusted Gross Margin on a product-level basis for certain leading products, such as GRAFAPEX. Product-level Adjusted Gross Profit (Loss) and Adjusted Gross Margin are calculated in the same way as the corresponding company-level measures using the net revenue, cost of sales, and amortization of product licenses that the Company has allocated to the relevant product in its books and records. For GRAFAPEX, Adjusted Gross Profit (Loss) and Adjusted Gross Margin will therefore exclude, or "add back", amounts attributable to any sales-based milestone payments to medac under the GRAFAPEX Agreement, which – if and when the net sales thresholds are achieved – will be amortized in accordance with IFRS Accounting Standards beginning in the year they are incurred and paid.

Medexus believes that Adjusted Gross Profit (Loss) and Adjusted Gross Margin, when used in conjunction with IFRS Accounting Standards measures, are a useful supplemental measure of operating performance because Medexus believes that Adjusted Gross Profit (Loss) and Adjusted Gross Margin correspond more closely over time to the performance of the Company's underlying business assets. In particular, Medexus believes that Adjusted Gross Profit (Loss) and Adjusted Gross Margin facilitate comparisons of historical performance because amortization of intangible assets (for example, product licenses) are non-cash amounts that are not directly attributable to the Company's primary operations. Product-level Adjusted Gross Profit (Loss) and Adjusted Gross Margin provide useful supplemental information about the operating performance of the specific product.

Company management and the Board also use this non-GAAP measure to develop internal budgets and evaluate the performance of the Company and its management team.

One limitation to using Adjusted Gross Profit (Loss) and Adjusted Gross Margin is that, although amortization is a non-cash charge, the assets being amortized often must be replaced in the future, and Adjusted Gross Profit (Loss) and Adjusted Gross Margin do not reflect any cash requirements for those potential future replacements.

Reconciliation to gross profit

The following tables are derived from and should be read together with Medexus's consolidated financial statements for the corresponding financial periods. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted Gross Profit (Loss) and Adjusted Gross Margin and provides additional information related to Medexus's financial position. For more information about general trends in gross profit (loss), gross margin, Adjusted Gross Profit (Loss), and Adjusted Gross Margin, see "Discussion of Operations—Cost of sales, gross profit and gross margin". See also "Highlights for Three-Month Period Ended June 30, 2026—Operational Highlights—Leading products—Hematology and hemato-oncology—GRAFAPEX (US)".

Company

(Amounts in $ '000s except percentages)

Three-month periods ended June 30,	2026	2025
Net revenue	28,585	24,615
Cost of sales	12,683	10,841
Gross profit	15,902	13,774
Gross margin	55.6%	56.0%
Add back: Amortization of product licenses	2,343	2,356
Adjusted Gross Profit	**18,245**	**16,130**
Adjusted Gross Margin	**63.8%**	**65.5%**

See "Discussion of Operations—Cost of sales, gross profit and gross margin" for a discussion of Adjusted Gross Margin for the fiscal periods identified above.

GRAFAPEX

(Amounts in $ '000s except percentages)

Three-month periods ended June 30,	2026	2025
Product-level net revenue	4,913	3,013
Product-level cost of sales	1,659	1,518
Product-level gross profit	3,254	1,495
Product-level gross margin	66.2%	49.6%
Add back: Product-level amortization of product licenses	1,071	1,071
Product-level Adjusted Gross Profit	4,325	2,566
Product-level Adjusted Gross Margin	88.0%	85.2%

See "Discussion of Operations—Cost of sales, gross profit and gross margin" for a discussion of Adjusted Gross Margin for the fiscal periods identified above.

Net Debt

Medexus defines **Net Debt** as the sum of long-term debt (which includes the current and non-current portions of the facilities under the NBC Credit Agreement) less cash and cash equivalents, in each case as shown on Medexus's consolidated statements of financial position (or balance sheet) as of a given date.

Medexus believes that Net Debt, when used in conjunction with IFRS Accounting Standards measures, provides useful supplemental information about Medexus's financial position, in particular about the Company's level of indebtedness as of a given date. Key limitations to using Net Debt include the fact that it is a schematic representation of the amount of outstanding indebtedness and cash and cash equivalents that would be available to repay that outstanding indebtedness, without regard to potential cost and/or nonavailability of rights to use cash for voluntary prepayments, and that it does not include all debt-like contractual obligations of the Company.

Reconciliation to current portion of long-term debt and long-term debt

The following table is derived from and should be read together with Medexus's consolidated financial statements for the corresponding financial periods. This supplementary disclosure is

intended to more fully explain disclosures related to Net Debt and provides additional information related to Medexus's financial position.

(Amounts in $ '000s)

As at:	June 30, 2026	March 31, 2026
Current portion of long-term debt	2,393	2,213
Long-term debt	23,861	20,051
	26,254	22,264
Less: Cash and cash equivalents	5,344	6,523
Net Debt	**20,910**	**15,741**

Comparison of Net Debt as at June 30, 2026 and March 31, 2026: As at June 30, 2026, the Company's Net Debt was $20.9 million, an increase of $5.2 million compared to $15.7 million as at March 31, 2026. The increase in Net Debt was primarily due to a $4.0 million increase in total long-term debt, reflecting the $2.0 million borrowed under the delayed draw feature of the Term Facility (defined below) and a $2.6 million increase in amounts borrowed under the Revolving Facility (defined below), partially offset by $0.5 million of aggregate principal payments in respect of the Term Facility (defined below) since March 31, 2026. The increase in Net Debt was also affected by the Company's repurchases of Common Shares under the 2025 NCIB (each defined below) for an aggregate repurchase price of $1.5 million (C$2.1 million), included in cash provided by financing activities for fiscal Q1 2027, and the Company's $0.7 million of cash used in operating activities and $2.5 million of cash used in investing activities for the same period. See "Liquidity and Capital Resources—Cash flows".

Net Debt to Adjusted EBITDA was 1.18x as of June 30, 2026, compared to 0.95x as of March 31, 2026, based on Adjusted EBITDA for the trailing four fiscal quarters ended June 30, 2026 and March 31, 2026.

Equity Market Capitalization

Medexus defines **Equity Market Capitalization** as the product of the closing price of a Medexus common share (**Common Shares**) on the Toronto Stock Exchange, or TSX, converted from Canadian dollars to US dollars at the then-current daily exchange rate published by the Bank of Canada, multiplied by the total number of Common Shares outstanding, in each case as of a given date.

Enterprise Value

Medexus defines **Enterprise Value** (or **EV**) as the sum of Net Debt plus Equity Market Capitalization. Medexus also may present the following ratios based on Enterprise Value –

- **Enterprise Value to Net Revenue** (or **EV/Net Revenue**), which is calculated by dividing Enterprise Value by the Company's net revenue as shown on Medexus's consolidated statements of income (loss) and comprehensive income (loss) (or income statement) for a given period – typically a trailing period of 12 months, four fiscal quarters, or one fiscal year.
- **Enterprise Value to Adjusted EBITDA** (or **EV/Adj. EBITDA**), which is calculated by dividing Enterprise Value by Adjusted EBITDA for a given period – also typically a trailing period of 12 months, four fiscal quarters, or one fiscal year.

Management believes that Enterprise Value and related ratios, when used in conjunction with IFRS Accounting Standards measures, are useful supplemental measures of Medexus's financial position and performance because they provide an indication of the Company's total value as of a given date, including as related to the performance of the Company's underlying business assets over time as reflected in net revenue and Adjusted EBITDA.

Product-level net revenue and product-level investments and expenses

Product-level net revenue and **product-level investments** and **expenses** are a disaggregation of company-level net revenue and company-level investments and expenses, respectively, and, when used in respect of a particular product, represents that product's net revenue or investments and expenses calculated in accordance with IFRS Accounting Standards. Product-level measures are calculated in the same way as the corresponding company-level measures using the components of the respective company-level measure that Medexus has allocated to the relevant product in its books and records. Each of product-level net revenue and product-level investments and expenses may be considered a "supplementary financial measure" for purposes of NI 52-112 because it may be presented on a periodic basis in respect of one or more products of Medexus. For example, Medexus from time to time reports product-level net revenue from GRAFAPEX and GRAFAPEX investments and expenses on a periodic basis, which represents net revenue and investments and expenses, respectively, attributable to GRAFAPEX during a particular period, being a component of company-level net revenue or investments and expenses for that period.

Protected names and marks

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

COMPANY OVERVIEW

Medexus is a leading 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 and biologic 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 hemato-oncology products, including cell and gene therapy products, and historically also on rheumatology and allergy products. Medexus currently generates net revenue from a portfolio of 15 brands across the United States and Canada, of which the Company's leading products are discussed below.

Medexus's current leading products in the **hematology and hemato-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 **rheumatology and allergy** product group are –

- **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
- **Rupall®** (rupatadine (as rupatadine fumarate)) (Canada), an innovative prescription allergy medication with a unique mode of action

For more information about Medexus's products and programs, see "Medexus's Business—Core products and programs" in the AIF.

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 net 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.

SELECTED FINANCIAL INFORMATION

(Amounts in $ '000s)

Three-month periods ended June 30,	2026	2025	2024
Net revenue	28,585	24,615	27,283
Gross profit	15,902	13,774	14,835
Selling, general and administrative expenses	12,990	12,166	10,349
Research and development expenses	728	688	97
Net income	544	516	1,957
Adjusted EBITDA*	4,680	3,443	6,102
Basic net income per Common Share	0.02	0.02	0.08
Diluted net income per Common Share	0.02	0.02	0.08
Total assets	142,094	153,793	147,262
Total non-current financial liabilities	48,884	21,940	55,439

* See "Preliminary Notes—Non-GAAP measures".

Note regarding period-to-period variations

The Company generates net revenue from the sale of the products it commercializes. From period to period, the fluctuation in the Company's net revenue is primarily a function of changes in patient demand, frequency of procedures scheduled, seasonal and other purchasing patterns of and inventory levels held by customers, government chargebacks and rebates, customer discounts and returns, and changes in the Company's product portfolio, including due to the execution or termination of product license agreements.

Medexus holds the exclusive right to commercialize GRAFAPEX in the United States and successfully completed a commercial launch in February 2025. Although Medexus recognized product-level net revenue commencing February 2025, March 2025 was the first full month, and the three-month period ended June 30, 2025 was the first full fiscal quarter, and fiscal year 2026 was the first full fiscal year, in which Medexus recognized net sales of GRAFAPEX in the Company's net revenue. For the three-month period ended June 30, 2026, product-level net revenue from GRAFAPEX (determined based on wholesaler purchases in the period) totaled $4.9 million. Underlying patient demand was $4.8 million for the same period (determined based on units delivered by the wholesaler to institutions during the period, with reference to Medexus's corresponding product-level net revenue). (Source: Internal EDI data.) Since launch, wholesaler

purchases of GRAFAPEX have exceeded demand by $1.3 million, resulting in an estimated one month of inventory on hand at June 30, 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, which are largely outside the Company's control, could affect the timing, volume, and commercial terms of wholesaler orders, and consequently product-level net revenue, in future quarters.

The timing and commercial terms of orders, particularly large orders, can cause variability in Medexus's net revenue quarter-to-quarter. Pharmacy and wholesale customers exhibit varying buying patterns relative to patient unit demand, which is difficult to forecast with precision and has been influenced by developments in the broader treatment solution markets for the Company's products. This variance can result in those customers building up and subsequently working through inventory on hand, resulting in quarterly product-level sales that do not directly correspond to short-term changes in patient unit demand. This is particularly common in respect of IXINITY.

Dynamics affecting product-level net revenue from Rasuvo, including the effects of the Company's reductions in non-statutory discounts and effective unit-level price reductions, have been offset by the positive effects of a January 2025 change in Medicare Part D discounts for government-sponsored programs under the IRA (defined below) that has benefited product-level net revenue, given the Company's designation as a "specified small manufacturer", among other factors. In addition, during fiscal Q2 2026, Medexus learned that another branded methotrexate autoinjector product was no longer being supported by its distributor, which has resulted in increased unit demand for Rasuvo in the second half of fiscal year 2026 and fiscal Q1 2027 as patients and healthcare professionals have looked for alternatives. Unit demand for Rasuvo is subject to further potential future changes in competitive dynamics, including the eventual outcome of a patent infringement lawsuit filed by Medexus and medac in July 2026 in respect of a proposed generic version of Rasuvo.

Rupall's market exclusivity, granted by Health Canada, expired in January 2025 and, as a result, Rupall now faces significant generic competition in Canada. Generic competition has had an adverse impact on net sales of Rupall. See also "Highlights for Three-Month Period Ended June 30, 2026—Operational Highlights—Leading products—Rheumatology and allergy—Rupall (Canada)".

Medexus acquired the exclusive right to commercialize Gleolan® (aminolevulinic acid hydrochloride) for oral solution in the United States in March 2022 under a license, supply, and distribution agreement (**US Gleolan Agreement**). See the AIF for more information about Gleolan and the US Gleolan Agreement. In March 2025, Medexus entered into an agreement to terminate the US Gleolan Agreement (**Gleolan Termination Agreement**). As a result, net revenue after fiscal year 2025 does not include product-level net revenue from Gleolan in the United States, although net revenue in fiscal Q1 2026 was positively affected by $1.3 million of royalty revenue payable to Medexus, attributable to net sales of Gleolan completed by the former licensor through (and ending) June 30, 2025, under the terms of the Gleolan Termination Agreement (**GTA Royalty Revenue**). The GTA Royalty Revenue had a one-time positive impact on net revenue, gross margin, net income, and related measures for fiscal Q1 2026. See also "Risk Factors and Risk Management—Commercial contract disputes".

Medexus's selling, general and administrative expenses have varied in large part due to the net effect of the Company's investments in personnel and infrastructure to support commercialization initiatives for new products and product candidates, in particular GRAFAPEX and, until March 2025, Gleolan in the United States, and cost reduction initiatives, including one implemented in January 2024 and a reduction of operating expenses associated with Rupall starting in fiscal Q1 2026. GRAFAPEX personnel and infrastructure investments increased meaningfully over fiscal years 2025 and 2026, with $3.2 million of expenses recognized for the three-month period ended June 30, 2026 (2025 - $3.0 million, 2024 - $0.1 million). Medexus expects that these investments will be approximately $3 million to $4 million per quarter through fiscal year 2027, although individual future quarters could exceed or otherwise deviate from this estimate. This amount excludes investments in initiatives other than selling, general and administrative expenses, such as funding of medical education and post-approval clinical initiatives related to GRAFAPEX.

Medexus's research and development expenses have varied in large part due to the timing of expenditures relating to the Company's now-completed phase 4 clinical trial of IXINITY and its ongoing IXINITY manufacturing process improvement initiative. See also "Discussion of Operations—Research and development expenses".

Assets as of June 30, 2026 were lower than prior years, primarily due to lower inventory on hand, reflecting normal inventory-cycle activity attributable to customer ordering patterns, and a lower intangible asset balance, in particular due to the amortization recognized over the four fiscal quarters ended June 30, 2026 exceeding the additions to intangible assets over the same period, among other factors.

Non-current financial liabilities as at June 30, 2026 were higher than the prior year primarily due to the reclassification of long-term debt between the current and non-current portion due to the November 2025 refinancing of the Company's long-term debt financing arrangements. In addition, Medexus adopted the 2024 IAS 1 amendments relating to classification of long-term debt as of April 1, 2024; prior periods were not restated. See "Preliminary Notes—Non-GAAP measures—Net Debt".

HIGHLIGHTS FOR THREE-MONTH PERIOD ENDED JUNE 30, 2026

The following describes highlights in Medexus's financial and operating performance for the three-month period ended June 30, 2026 (the Company's fiscal Q1 2027).

Financial highlights

Medexus is currently focused on delivering strong performance from GRAFAPEX, which continues to gain commercial traction. For fiscal Q1 2027, Medexus recognized product-level net revenue from GRAFAPEX of $4.9 million, relative to $3.2 million of GRAFAPEX personnel and infrastructure investments. Product-level net revenue from GRAFAPEX has continued to increase since the product's launch in February 2025, and for two consecutive fiscal quarters has exceeded the corresponding personnel and infrastructure investments required to support the continued commercialization of the product, demonstrating the opportunities for operating leverage that GRAFAPEX presents. The Company expects that GRAFAPEX will account for a significant portion of total net revenue and operating cash flow over the coming fiscal quarters and years, with corresponding effects on Company-level gross margin and Adjusted Gross Margin. (See "Preliminary Notes—Non-GAAP measures—Adjusted Gross Profit (Loss) and Adjusted Gross Margin".) Medexus also remains focused on delivering stable overall performance across the Company's portfolio of established products in both the United States and Canada.

Key financial highlights for fiscal Q1 2027 include the following:

- Net revenue of $28.6 million for the three-month period ended June 30, 2026, an increase of $4.0 million, or 16.3%, compared to $24.6 million for the corresponding prior year period. The $4.0 million year-over-year net revenue increase was primarily due to an increase in product-level net revenue from GRAFAPEX (due to commercial traction observed to date) and IXINITY (largely due to customer purchasing patterns in fiscal Q1 2027 and 2026) and the continued positive effects on product-level net revenue from Rasuvo of changes in the treatment landscape. The year-over-year increase was partially offset by the one-time positive impact of the GTA Royalty Revenue in fiscal Q1 2026 and, to a lesser extent, the impact of generic competition on product-level net revenue from Rupall in fiscal Q1 2027.

- Adjusted EBITDA of $4.7 million for the three-month period ended June 30, 2026, an increase of $1.3 million, or 38.2%, compared to $3.4 million for the corresponding prior year period. The $1.3 million year-over-year Adjusted EBITDA increase was primarily due to the $4.9 million of product-level net revenue from GRAFAPEX for fiscal Q1 2027 exceeding the $3.2 million of GRAFAPEX personnel and infrastructure investments in the same period, together with the year-over-year increase in product-level net revenue from IXINITY, partially offset by the one-time positive impact of the GTA Royalty Revenue in fiscal Q1 2026. See "Preliminary Notes—Non-GAAP measures—Adjusted EBITDA and Adjusted EBITDA Margin".

- Operating income of $2.1 million for the three-month period ended June 30, 2026, an increase of $1.2 million, or 133.3%, compared to $0.9 million for the corresponding prior year period. The $1.2 million year-over-year increase was primarily due to the increasing operating leverage observed in product-level performance of GRAFAPEX for fiscal Q1 2027. Operating income for fiscal Q1 2027 was also positively affected by the year-over-year increase in product-level net revenue from IXINITY and Rasuvo, together with the Company's disciplined approach to personnel and infrastructure investments.

- Gross margin of 55.6% and Adjusted Gross Margin of 63.8% for the three-month period ended June 30, 2026, compared to gross margin of 56.0% and Adjusted Gross Margin of 65.5% for the corresponding prior year period. The gross margin and Adjusted Gross Margin decreases are due to the one-time positive impact of the GTA Royalty Revenue on gross margin and Adjusted Gross Margin for fiscal Q1 2026 - without which gross margin and Adjusted Gross Margin both would have increased in fiscal Q1 2027 compared to fiscal Q1 2026 due to changes in the relative contribution of product-level net revenue, in particular an increasing level of net sales of GRAFAPEX. See "Preliminary Notes—Non-GAAP measures—Adjusted Gross Profit (Loss) and Adjusted Gross Margin".
- Net income of $0.5 million for the three-month period ended June 30, 2026, which is consistent with the corresponding prior year period.
- Available liquidity of $5.3 million (June 30, 2026), consisting of cash and cash equivalents of $5.3 million (March 31, 2026 - $6.5 million) and available credit of nil under the Revolving Facility (defined below) (March 31, 2026 – $2.5 million). See "Liquidity and Capital Resources", including "—Cash flows".
- Cash used by operating activities of $0.7 million for the three-month period ended June 30, 2026, a decrease of $4.6 million compared to $3.9 million cash provided by operating activities for the corresponding prior year period primarily due to the Company's receipt and payment in fiscal Q1 2027 of a significant number of invoices for ordinary course expenses that had been previously accrued in accordance with IFRS Accounting Standards. Although working capital items can affect cash flow results for individual quarters, Medexus continues to expect that an increasing level of product-level net revenue from GRAFAPEX will have a positive effect on operating cash flow.

Operational Highlights

Leading products

Hematology and hemato-oncology

GRAFAPEX (US)

Medexus has continued to see a positive market response to GRAFAPEX since the US commercial launch of the product in February 2025. Wholesaler data as of June 30, 2026 shows that 75 individual healthcare institutions, representing 42% of the 180 transplant centers in the United States, and an estimated 45% of total allo-HSCT procedures performed in the United States annually (source: Allogeneic HSCT in HRSA 2016-2020; Health Resources and Services Administration), have already ordered GRAFAPEX for procedures in their institutions, and 54, or 72%, of those institutions have placed repeat orders.

Medexus has been in discussions with health plans regarding coverage pathways for GRAFAPEX without product-specific policies or prior authorization requirements, indicating the potential for broader integration of GRAFAPEX into standard transplant reimbursement practices. Collectively, total covered lives with documented access to GRAFAPEX is estimated to be at least 289 million (91% of estimated US patient lives). This includes payer coverage for GRAFAPEX that appears to be increasingly covered through existing allo-HSCT transplant coverage policies rather than

through incremental product-specific policies, which may help improve access to the product. The Company will seek to continue supporting healthcare providers in reducing the administrative burden and access barriers associated with transplant procedures and the continued expansion of patient access for GRAFAPEX.

Medexus achieved $4.9 million of product-level net revenue from GRAFAPEX for the three-month period ended June 30, 2026, relative to the $3.2 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 $4.8 million for fiscal Q1 2027, representing underlying patient demand growth of 23% compared to $3.9 million for fiscal Q4 2026 and 118% compared to $2.2 million for fiscal Q1 2026. (Source: Internal EDI data.) Since launch, wholesaler purchases of GRAFAPEX have exceeded demand by $1.3 million, resulting in an estimated one month of inventory on hand at June 30, 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 Q1 2027, product-level Adjusted Gross Margin was slightly higher due to the evolving reimbursement and tariff dynamics for the product. (See "Preliminary notes—Non-GAAP measures—Adjusted Gross Profit (Loss) and Adjusted Gross Margin".) In July 2025, the current US administration announced a 15% tariff on imports of pharmaceutical products from the EU, and, in April 2026, announced updates to the tariff rates applicable to pharmaceutical products. Based on the Company's ongoing assessments, including evaluation of the "orphan"-designated category of pharmaceutical products as discussed in the April 2026 tariff proclamation, the July 2025 and April 2026 pharmaceutical tariffs will apply to the Company's imports of GRAFAPEX, and are likely to be reflected in product-level performance commencing in fiscal year 2027. If the exemptions or adjustments under the April 2026 proclamation apply to GRAFAPEX, then the tariff rate otherwise applicable under the July 2025 pharmaceutical tariffs would be modified to 0%. However, in any event, Medexus does not currently expect the impact of these tariffs on product-level performance to be material. See also "Risk Factors and Risk Management—Evolving conditions in the United States".

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. Based on internal estimates and research, and the preliminary market response to GRAFAPEX, Medexus continues to expect to achieve annual product-level net revenue from GRAFAPEX of approximately $100 million to $175 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 and Risk Management—Possible failure to realize benefits of the GRAFAPEX Agreement" and "Preliminary Notes—Forward-looking statements".

Medexus holds exclusive commercial rights to GRAFAPEX in the United States under a February 2021 exclusive license agreement with medac (GRAFAPEX Agreement). Under the terms of the GRAFAPEX Agreement, Medexus pays to medac quarterly royalty payments on net sales of the product and will pay four one-time sales-based milestone payments of $5.0 million, $10.0 million, and $15.0 million based on trailing four quarter net sales of $40.0 million, $80.0 million, and $120.0 million, respectively, and $10.0 million based on cumulative net sales (achieved within eight years after FDA approval) of $400.0 million.

Trecondyv (Canada)
Patient unit demand for Trecondyv remained strong during the 12-month period ended June 30, 2026, which is reflected in the unit demand growth of 40% over the trailing 12-month period ended June 30, 2026. (Source: Hospitals Direct Sales Data, MAT June 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 14% over the trailing 12-month period ended June 30, 2026. (Source: customer-reported dispensing data.) Despite this recent period-over-period increase, 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. See also "Selected Financial Information—Note regarding period-to-period variations" and "Discussion of Operations—Net revenue". 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 13% over the trailing 12-month period ended June 30, 2026. (Source: Internal EDI Data.) In July 2026, Medexus and medac filed a patent infringement lawsuit in respect of a proposed generic version of Rasuvo. See "Medexus's Business—Competitive conditions", "Risk Factors—Risks relating to the business—General competition", and "Risk Factors—Risks relating to the business—Competition from manufacturers of generic products" in the AIF. See also "Selected Financial Information—Note regarding period-to-period variations" and "Discussion of Operations—Net revenue". Based on the Company's ongoing assessments, the July 2025 and April 2026 pharmaceutical tariffs will apply to the Company's imports of Rasuvo at the announced rate of 15%. Medexus does not currently expect the impact of these tariffs on product-level performance to be material.

Metoject (Canada)
Patient unit demand for Metoject increased by 5% over the trailing 12-month period ended June 30, 2026. (Source: IQVIA – TSA Monthly Data.) Medexus observed this increase in unit demand notwithstanding the continued effects of generic competition.

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-month

periods ended June 30, 2026 has decreased 55.5% 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.

Other highlights

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.

There were more than 843 allo-HSCT procedures in Canada during calendar year 2024. (Source: Cell Therapy Transplant Canada registry, Company data (2025).) Depending on the future product label approved by Health Canada (if any), and considering the specialized nature and expected contribution of the treatment to the allo-HSCT field, Zemcelpro® (if approved by Health Canada) is expected to be an appropriate option for a significant portion of Canadian patients requiring these allo-HSCT procedures annually.

Subject to regulatory approval and subsequent engagement with relevant Canadian payer bodies, Medexus expects that the net price of Zemcelpro in Canada will be competitively positioned relative to other cell and gene therapy products available in Canada. Medexus's pricing analysis in advance of any commercial launch in Canada will be informed by, and subject to, the expected continued evolution of the allo-HSCT field in Canada and globally in the coming years, among other factors.

Medexus will pay to ExCellThera quarterly royalty payments on net sales of the product and various one-time milestone payments that share the potential rewards from this opportunity and align the parties' interests around long-term net revenue performance. Cordex will manage an international multi-center phase 3 clinical trial of the product in patients with high- and very high-risk acute leukemias and myelodysplasias, which is a post-authorization measure for the product's conditional marketing authorization in Europe, and will be responsible for the manufacturing and supply of the product to Medexus on a cost-plus basis. 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). The initial term of the

license and supply agreements will extend through to the 10-year anniversary of Health Canada approval (if any) with successive two-year extension terms thereafter.

NBC Credit Agreement

In June 2026, Medexus entered into an amendment to the NBC Credit Agreement. The June 2026 amendment provided for the LC Facility (defined below), a new US$2.6 million letter of credit facility guaranteed by Export Development Canada, thereby providing US$2.5 million of borrowing capacity under the Revolving Facility 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 (defined below) to fund the payment due to Cordex upon execution of the June 2026 license and supply agreements for UM171 Cell Therapy in Canada. See "—UM171 Cell Therapy in Canada".

Subsequent to period end, in July 2026, Medexus entered into a waiver agreement to permit continued repurchases of Common Shares under the 2025 NCIB in light of the restrictive covenants under the NBC Credit Agreement.

DISCUSSION OF OPERATIONS

The following section discusses Medexus's results of operations for the three-month period ended June 30, 2026 (the Company's fiscal Q1 2027) compared to the corresponding prior year period.

Net revenue

(Amounts in millions)

Three-month periods ended June 30,	2026	2025	Change	%
Net revenue	$28.6	$24.6	$4.0	16.3%

The $4.0 million year-over-year net revenue increase was primarily due to an increase in product-level net revenue from GRAFAPEX (due to commercial traction observed to date) and IXINITY (largely due to customer purchasing patterns in fiscal Q1 2027 and 2026) and the continued positive effects on product-level net revenue from Rasuvo of changes in the treatment landscape (namely, increased unit demand for Rasuvo in fiscal Q1 2027 following the cessation of support of another branded methotrexate autoinjector product by its distributor).

For fiscal Q1 2027, Medexus recognized product-level net revenue from GRAFAPEX of $4.9 million (a year-over-year product-level net revenue increase of $1.9 million), relative to $3.2 million of GRAFAPEX personnel and infrastructure investments.

The year-over-year increase was partially offset by the one-time positive impact of the GTA Royalty Revenue in fiscal Q1 2026 (see also "Risk Factors and Risk Management—Commercial contract disputes") and, to a lesser extent, the impact of generic competition on product-level net revenue from Rupall in fiscal Q1 2027.

Cost of sales, gross profit and gross margin

(Amounts in millions, except percentages)

Three-month periods ended June 30,	2026	2025	Change	%
Cost of sales	$12.7	$10.8	$1.9	17.6%
Gross profit	$15.9	$13.8	$2.1	15.2%
Gross margin	55.6%	56.0%	(40) bps	nmf

The $2.1 million year-over-year increase in gross profit and 40 bps year-over-year decrease in gross margin reflect the one-time positive impact of the GTA Royalty Revenue in fiscal Q1 2026 and changes in the relative contribution of product-level net revenue, in particular an increasing level of net sales of GRAFAPEX.

The $1.9 million year-over-year increase in cost of sales was due to an increase in cost of sales of products given the increase in product-level net revenue, particularly in respect of IXINITY, as a result of the customer purchasing patterns reflected in this quarter's net revenue.

Medexus recognized $1.3 million of GTA Royalty Revenue in fiscal Q1 2026. The GTA Royalty Revenue is treated as having a 100% gross margin in accordance with IFRS Accounting Standards and had a one-time positive impact on net revenue, gross margin, net income, and related measures for fiscal Q1 2026. See also "Risk Factors and Risk Management—Commercial contract disputes". The gross margin and Adjusted Gross Margin decreases are due to this one-time positive impact of the GTA Royalty Revenue - without which gross margin and Adjusted Gross Margin both would have increased in fiscal Q1 2027 compared to fiscal Q1 2026 due to changes in the relative contribution of product-level net revenue reflected in the changes in net revenue discussed above – in particular an increasing level of net sales of GRAFAPEX, which the Company launched in February 2025 and which is expected to continue to have a relatively higher product-level gross margin (and Adjusted Gross Margin). Medexus continues to expect an increasing level of product-level net revenue from GRAFAPEX to have a positive effect on Company-level gross margin. These resulting changes to gross margin have emerged over fiscal year 2026 and are expected to continue to emerge over fiscal year 2027.

In respect of IXINITY, Medexus currently expects, and has observed in fiscal Q1 2027, a moderate year-over-year increase in cost of sales of products for IXINITY commencing in fiscal year 2027, notwithstanding the achievements of the Company's IXINITY manufacturing process improvement initiative, the planned investments in which are expected to largely offset this increase commencing in fiscal year 2028 – ultimately having a positive impact on product-level gross margin. Medexus does not currently expect these changes to materially impact company-level cost of sales of products.

In respect of GRAFAPEX, Medexus expects that the annual product-level Adjusted Gross Margin of GRAFAPEX will ultimately be approximately 80%, although, as demonstrated by product-level Adjusted Gross Margin for fiscal year 2026 to date, product-level Adjusted Gross Margin will be slightly higher in the initial quarters after commercial launch primarily due to the evolving reimbursement and tariff dynamics for the product. Adjusted Gross Profit (Loss) and Adjusted Gross Margin will exclude, or "add back", amounts attributable to sales-based milestone payments to medac under the GRAFAPEX Agreement, which will be amortized in accordance with IFRS Accounting Standards beginning in the year they are incurred and paid. See "Preliminary notes—Non-GAAP measures—Adjusted Gross Profit (Loss) and Adjusted Gross Margin".

Medexus also includes amortization of product licenses as a component of cost of sales. This amortization was $2.3 million for fiscal Q1 2027 compared to $2.4 million for the corresponding prior year period. See also "Preliminary Notes—Non-GAAP measures—Adjusted Gross Profit (Loss) and Adjusted Gross Margin".

Selling, general and administrative expenses

(Amounts in millions)

Three-month periods ended June 30,	2026	2025	Change	%
Selling, general and administrative expenses	$13.0	$12.2	$0.8	6.6%

The $0.8 million year-over-year increase in selling, general and administrative expenses was primarily due to the $3.2 million of GRAFAPEX personnel and infrastructure investments that the Company incurred in support of the $4.9 million of product-level net revenue generated from GRAFAPEX for fiscal Q1 2027, compared to $3.0 million of GRAFAPEX personnel and infrastructure investments for the corresponding prior year period. The year-over-year increase was partially offset by the Company's reduction of operating expenses associated with Rupall starting in fiscal Q1 2026.

Medexus expects that its investments in GRAFAPEX personnel and infrastructure will be approximately $3 million to $4 million per quarter through fiscal year 2027, although individual future quarters could exceed or otherwise deviate from this estimate. This amount excludes investments in initiatives other than selling, general and administrative expenses, such as funding of medical education and post-approval clinical initiatives related to GRAFAPEX.

Research and development expenses

(Amounts in millions)

Three-month periods ended June 30,	2026	2025	Change	%
Research and development expenses	$0.7	$0.7	–	–

Research and development expense was consistent year-over-year. Medexus expects that research and development expenses will increase in fiscal year 2027 as the Company continues to invest in the IXINITY manufacturing process improvement initiative and increases its investments in medical education and post-approval clinical initiatives related to GRAFAPEX.

Depreciation

(Amounts in millions)

Three-month periods ended June 30,	2026	2025	Change	%
Depreciation	$0.1	$0.1	$0.0	0.0%

Depreciation expense was consistent year-over-year, due to consistent depreciation associated with a relatively consistent asset base of existing property and equipment.

Operating income

(Amounts in millions)

Three-month periods ended June 30,	2026	2025	Change	%
Operating income	$2.1	$0.9	$1.2	133.3%

As a result of the factors described above, operating income was $2.1 million for fiscal Q1 2027, an increase of $1.2 million compared to operating income of $0.9 million for the corresponding prior year period. The $1.2 million year-over-year increase was primarily due to the increasing operating leverage observed in product-level performance of GRAFAPEX for fiscal Q1 2027. Operating income for fiscal Q1 2027 was also positively affected by the year-over-year increase in product-level net revenue from IXINITY and Rasuvo, together with the Company's disciplined approach to personnel and infrastructure investments.

Financing costs

(Amounts in millions)

Three-month periods ended June 30,	2026	2025	Change	%
Financing costs	$1.3	$1.4	$(0.1)	(7.1)%

The $0.1 million year-over-year decrease in financing costs was primarily due to lower interest expense, reflecting reduced principal amounts and lower weighted average interest rates under the Company's long-term debt financing arrangements in fiscal Q1 2027 compared to the corresponding prior year period.

Other income

(Amounts in millions)

Three-month periods ended June 30,	2026	2025	Change	%
Other (income) loss	$0.4	$(1.2)	$1.6	nmf

The $1.6 million year-over-year decrease in other income was primarily due to a $0.4 million foreign exchange loss in fiscal Q1 2027 (compared to a gain of $0.6 million in fiscal Q1 2026) and a $0.2 million gain on business combinations payable and $0.4 million gain recognized on the disposition of property and equipment in fiscal Q1 2026.

Income tax expense

(Amounts in millions)

Three-month periods ended June 30,	2026	2025	Change	%
Income tax expense	$(0.0)	$0.1	$(0.1)	(90)%

The $0.1 million year-over-year decrease in income tax expense was due to lower taxable income in fiscal Q1 2027 and an increase in deferred tax recovery in fiscal Q1 2027 due to timing of temporary differences.

Net income (loss)

(Amounts in millions)

Three-month periods ended June 30,	2026	2025	Change	%
Net income (loss)	$0.5	$0.5	$0.0	0.0%

As a result of the factors described above, net income was $0.5 million for fiscal Q1 2027, which is consistent with the corresponding prior year period. The increase in product-level net revenue from GRAFAPEX, IXINITY and Rasuvo was offset by the impact of the GTA Royalty Revenue in fiscal Q1 2026 and the impact of generic competition on product-level net revenue from Rupall in fiscal Q1 2027.

SUMMARY OF QUARTERLY RESULTS

The following table sets out summary unaudited quarterly financial information for each of the eight fiscal quarters through and including the fiscal quarter ended June 30, 2026.

(Amounts in $ '000s, except per share amounts)

Three months ended	30-Jun-26	31-Mar-26	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24
Net Revenue	28,585	24,652	25,324	24,741	24,615	24,754	29,992	26,303
Gross Profit	15,902	13,272	13,578	13,786	13,774	12,432	15,191	14,126
Gross Margin*	55.6%	53.8%	53.6%	55.7%	56.0%	50.2%	50.7%	53.7%
Adjusted Gross Profit*	18,245	15,653	15,932	16,142	16,130	14,791	16,887	15,645
Adjusted Gross Margin*	63.8%	63.5%	62.9%	65.2%	65.5%	59.8%	56.3%	59.5%
Selling, General and Administrative Expenses	12,990	10,589	11,216	11,916	12,166	12,174	10,971	9,688
Research and Development Expenses	728	951	617	145	688	471	379	281
Termination Benefits	–	423	–	276	–	541	–	–
Operating Income (Loss)	2,114	1,234	1,675	1,377	850	(1,169)	3,781	1,637
Net Income (Loss)	544	(2,675)	80	(315)	516	(553)	733	110
Net Income (Loss) per Common Share – Basic	0.02	(0.08)	0.00	(0.01)	0.02	(0.02)	0.03	0.00
Net Income (Loss) per Common Share – Diluted	0.02	(0.08)	0.00	(0.01)	0.02	(0.03)	0.03	0.00
Adjusted EBITDA*	4,680	4,279	4,469	4,351	3,443	2,265	5,819	5,969
Cash Provided (used) by Operations	(727)	3,787	7,831	3,337	3,919	2,276	6,710	6,855
Cash & Cash Equivalents, End of Period	5,344	6,523	14,975	9,381	9,332	23,973	8,441	6,973

* See "Preliminary Notes—Non-GAAP measures".

Note regarding period-to-period variations

The Company generates net revenue from the sale of the products it commercializes. From period to period, the fluctuation in the Company's net revenue is primarily a function of changes in patient demand, frequency of procedures scheduled, seasonal and other purchasing patterns of and

inventory levels held by customers, government chargebacks and rebates, customer discounts and returns, and changes in the Company's product portfolio, including due to the execution or termination of product license agreements.

Medexus holds the exclusive right to commercialize GRAFAPEX in the United States and successfully completed a commercial launch in February 2025. Although Medexus recognized product-level net revenue commencing February 2025, March 2025 was the first full month, and the three-month period ended June 30, 2025 was the first full fiscal quarter, and fiscal year 2026 was the first full fiscal year, in which Medexus recognized net sales of GRAFAPEX in the Company's net revenue. For the three-month period ended June 30, 2026, product-level net revenue from GRAFAPEX (determined based on wholesaler purchases in the period) totaled $4.9 million. 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 $4.8 million for fiscal Q1 2027, representing underlying patient demand growth of 23% compared to $3.9 million for fiscal Q4 2026 and 118% compared to $2.2 million for fiscal Q1 2026. (Source: Internal EDI data.) Since launch, wholesaler purchases of GRAFAPEX have exceeded demand by $1.3 million, resulting in an estimated one month of inventory on hand at June 30, 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, which are largely outside the Company's control, could affect the timing, volume, and commercial terms of wholesaler orders, and consequently product-level net revenue, in future quarters.

Medexus's net revenue is also affected by seasonality in net sales of some of Medexus's leading products, such as Rupall, largely depending on the severity and timing of allergy seasons across Canada, and Rasuvo, which typically reflects an annual, temporary increase in demand as some US patients order additional product in fiscal Q3 (calendar Q4).

The timing and commercial terms of orders, particularly large orders, can cause variability in Medexus's net revenue quarter-to-quarter. For example, net revenue for the last two quarters of fiscal year 2025 and the first two quarters of fiscal year 2026 demonstrated some such variability, including because Medexus received and filled a number of orders of IXINITY in fiscal Q3 2025 in response to customer buying patterns that resulted in proportionately reduced ordering of IXINITY in fiscal Q4 2025 and received and filled some orders of IXINITY in fiscal Q2 2026 that had been expected to be received and filled in fiscal Q1 2026. In addition, pharmacy and wholesale customers exhibit varying buying patterns relative to patient unit demand, which is difficult to forecast with precision and has been influenced by developments in the broader treatment solution markets for the Company's products. This variance can result in those customers building up and subsequently working through inventory on hand, resulting in quarterly product-level sales that do not directly correspond to short-term changes in patient unit demand. This is particularly common in respect of IXINITY. Beginning in fiscal Q3 2024, the Company's largest pharmacy customer of IXINITY reduced its purchases of IXINITY relative to past practice, which appeared to have largely stabilized as of fiscal Q3 2025, partly due to contractual purchase commitments and incentives agreed with this pharmacy customer in part to ensure continuity of supply. In each of fiscal Q2 2026 and fiscal Q3 2026, Medexus received an order for IXINITY from this customer which was paid for by the customer in fiscal Q2 2026 and fiscal Q3 2026, respectively, although delivery was deferred to fiscal Q3 2026 and partly deferred to fiscal Q4 2026, respectively, resulting in each respective case in recognition of the net revenue from this order in fiscal Q3

2026 and (partially) fiscal Q4 2026 and a related $1.3 million and $1.9 million deferred revenue liability on the Company's balance sheet as at each of September 30 and December 31, 2025.

The Company expects the impact of quarter-to-quarter variability as discussed in the preceding paragraph could be more pronounced in future quarters, particularly as the percentage of net revenue attributable to product-level net revenue from GRAFAPEX increases. The Company has a single wholesaler customer for GRAFAPEX, meaning that product-level net revenue will likely vary with this wholesaler's inventory management practices and ordering patterns and only indirectly – and potentially on a lagging basis – with underlying patient demand.

Similar dynamics have also affected Rasuvo, with reductions in non-statutory discounts offered to customers, together with effective unit-level price reductions, including under the "340B" program, in particular in fiscal Q2 2025, contributing to a meaningful adverse impact on Rasuvo net sales in each of the first two quarters of fiscal year 2025. This trend has been offset by the positive effects of a January 2025 change in Medicare Part D discounts for government-sponsored programs under the IRA that has benefited product-level net revenue, given the Company's designation as a "specified small manufacturer", among other factors. In addition, during fiscal Q2 2026, Medexus learned that another branded methotrexate autoinjector product was no longer being supported by its distributor, which has resulted in increased unit demand for Rasuvo in the second half of fiscal year 2026 and fiscal Q1 2027 as patients and healthcare professionals have looked for alternatives. Unit demand for Rasuvo is subject to further potential future changes in competitive dynamics, including the eventual outcome of a patent infringement lawsuit filed by Medexus and medac in July 2026 in respect of a proposed generic version of Rasuvo.

Rupall’s market exclusivity, granted by Health Canada, expired in January 2025 and, as a result, Rupall now faces significant generic competition in Canada. Generic competition has had an adverse impact on net sales of Rupall. See also "Highlights for Three-Month Period Ended June 30, 2026—Operational Highlights—Leading products—Rheumatology and allergy—Rupall (Canada)".

In March 2025, Medexus entered into the Gleolan Termination Agreement. As a result, net revenue after fiscal year 2025 does not include product-level net revenue from Gleolan in the United States, although Medexus recognized $1.3 million of GTA Royalty Revenue in fiscal Q1 2026. The GTA Royalty Revenue had a one-time positive impact on net revenue, gross margin, net income, and related measures for fiscal Q1 2026. See also "Risk Factors and Risk Management—Commercial contract disputes".

In general, Medexus's gross profit and gross margin are primarily affected by Medexus’s supply and distribution costs. These costs include the supply prices and royalties paid to third parties, warehouse and logistics expenses for product inventory, and allowances for potential product returns, product expirations, and other provisions. Medexus is monitoring and continues to evaluate the impact of recent developments in the evolving US government policy situation on its cost structure, including gross profit and gross margin. See "Risk Factors and Risk Management—Evolving conditions in the United States". In the case of IXINITY, these costs include manufacturing costs charged by third-party contract manufacturers, which are subject to periodic increases in accordance with the terms of Medexus’s contracts; costs associated with manufacturing events such as low-yield or failed batches, as the manufacturing process is highly sensitive to deviations from product specifications; and royalty payment obligations assumed in connection with the February 2020 acquisition of Aptevo BioTherapeutics LLC, which are expected to constitute a low

double-digit percentage of IXINITY net sales through the remaining life of the IXINITY patent portfolio.

Medexus's selling, general and administrative expenses have varied in large part due to the net effect of the Company's investments in personnel and infrastructure to support commercialization initiatives for new products and product candidates, in particular GRAFAPEX and, until March 2025, Gleolan in the United States, and cost reduction initiatives, including a reduction of operating expenses associated with Rupall starting in fiscal Q1 2026. GRAFAPEX personnel and infrastructure investments increased meaningfully over fiscal years 2025 and 2026, with $3.0 million of expenses recognized in each of fiscal Q1 2026 and fiscal Q2 2026, $2.5 million of expenses recognized in fiscal Q3 2026, $2.7 million of expenses recognized in fiscal Q4 2026, and $3.2 million in fiscal Q1 2027. Medexus expects that these investments will be approximately $3 million to $4 million per quarter through fiscal year 2027, although individual future quarters could exceed or otherwise deviate from this estimate. This amount excludes investments in initiatives other than selling, general and administrative expenses, such as funding of medical education and post-approval clinical initiatives related to GRAFAPEX. As a result of the March 2025 termination of the US Gleolan Agreement, selling, general and administrative expenses after fiscal year 2025 do not include operating expenses attributable to Gleolan in the United States.

Medexus's research and development expenses have varied in large part due to the timing of expenditures relating to the Company's now-completed phase 4 clinical trial of IXINITY and its ongoing IXINITY manufacturing process improvement initiative. In fiscal Q3 2026, 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.

Termination benefits are non-recurring by nature and are not expected to exhibit meaningful trends across any eight-quarter period or otherwise in period-to-period variations. Medexus paid termination benefits in fiscal Q1 2027, fiscal Q2 2026, and fiscal Q2 2025 to former members of senior management and other employees who departed the Company and incurred termination benefits in fiscal Q4 2025 payable to employees who previously supported Gleolan in the United States and whose employment with the Company was terminated in March 2025 in connection with the termination of the US Gleolan Agreement.

Changes in Adjusted EBITDA, operating income (loss), and net income (loss) reflect the items noted above.

Net income (loss) is also impacted by interest expense on long-term debt, changes in business combination related payables, foreign exchange gains or losses, and income tax expenses.

Cash provided (used) by operations varies from quarter to quarter based on the items noted above, changes in non-cash working capital items, and timing of payments to suppliers and service providers to the Company. In fiscal Q1 2027, the Company received and paid a significant number of invoices for ordinary course expenses that had been previously accrued in accordance with IFRS Accounting Standards, which resulted in a decrease in current liabilities (accounts payable and accrued liabilities) and a corresponding decrease in cash provided (used) by operating activities.

COMPANY STRATEGY AND OUTLOOK

Business strategy

Medexus focuses on commercialization of an existing portfolio of pharmaceutical and biologic 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 generally does not itself make significant investments in research and development. Medexus generally purchases finished products manufactured by third-party licensors, located outside North America in the case of most of Medexus's products, and distributes them in the United States and/or Canada. Medexus uses third-party contract manufacturers, primarily one located in the United States, to manufacture IXINITY.

Corporate organizational structure

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.

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 and biologic 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 and biologic 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.

In addition, in the United States, tax credits that helped reduce the cost of health insurance for a large number of people enrolled in plans pursuant to the US Affordable Care Act expired on December 31, 2025, which has resulted in higher health costs for those people starting in January 2026. An increase in overall out-of-pocket costs for health care could lead to reduced utilization and/or reduced coverage, which could result in a reduction in demand for Medexus's products.

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 "Risk Factors and Risk Management—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 net 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 conducted an enhanced audit initiative of Rasuvo through a third-party service provider, focusing on payments through Medicaid 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. Medexus also recently commenced a similar initiative to include the Company's commercial businesses.

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, "Lowering Drug Prices by Once Again Putting Americans First" (April 2025 EO), that, among other directives, directed 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. Medexus is not currently aware of developments from these elements of the April 2025 EO that would affect its business as currently conducted. Other HHS policy changes and demonstration projects to test new care, delivery and payment models can also significantly affect how pharmaceutical and biologic products, including Medexus products, are covered and reimbursed. In addition, in July 2025, the United States enacted a statute known as the "One Big Beautiful Bill Act", which contained provisions that affect funding of and utilization under Medicaid and potentially other publicly funded or subsidized health programs. See also “Risk Factors and Risk Management—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 due 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 longer-term impact of ongoing Medicare redesign initiatives authorized under the law (including the discount phase-in for "specified small manufacturers"), and the indirect impact of the law on distribution costs. These dynamics have been offset by the effects of a January 2025 change in Medicare Part D discounts, among other factors, as part of the IRA's Medicare redesign initiatives. Medexus is designated as a "specified small manufacturer" for purposes of the IRA, meaning that the redesigned mandatory discounts that apply to Medexus products will be subject to a phase-in through 2031. For reference, following a March 2026 amendment, the initial term of Medexus's supply agreement for Rasuvo ends in October 2035. Certain elements of the IRA and related regulatory developments have been subject to legal challenges by stakeholders who are adversely affected. The outcomes of these legal challenges could change the application of the

law and related regulations to pharmaceutical industry participants including Medexus. Medexus continues to evaluate the impact of these developments on its net 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 product-level net revenue 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 – at least one of which (in Colorado) has now been adopted – 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 “Risk Factors and Risk Management—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 currently focuses its business development activities.

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 Q1 2027, three customers (fiscal Q1 2026 – four) (all of which were large national wholesalers) each individually accounted for more than 10% of Medexus’s net revenue, together accounting for approximately 78% (fiscal Q1 2026 – 76%) of Medexus’s net revenue, and three customers (fiscal Q1 2026 – three) (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 94% (fiscal Q1 2026 – 76%) of Medexus’s trade accounts receivable. See “Risk Factors—Risks relating to the business—Dependence on a small number of direct customers” in the AIF.

Manufacturing, supply, and distribution

Medexus focuses on managing the production and distribution of pharmaceutical and biologic 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 and biologic 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" in the AIF.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Medexus continually and proactively monitors its liquidity position. Medexus seeks to manage the Company's liquidity and capital resources to meet the demands of its operations in light of changes in business conditions and otherwise as appropriate in light of the underlying risk of the Company's assets. Failure to generate sufficient cash flows from operations or from additional financing activities would have an adverse effect on Medexus's ability to fulfill its financial obligations and achieve its business objectives. See "Risk Factors and Risk Management—Need for additional financing" and "Risk Factors and Risk Management—Risks associated with debt financing".

Meaningful near-term liquidity considerations for the Company include maintaining sufficient financial resources to –

- make interest and principal payments in respect of the Company's debt financing arrangements, in particular the NBC Credit Agreement;
- make regulatory, sales-based, or other milestone or other payments to the Company's third-party licensors if and when they become due, such as sales-based milestone payments that may become due under the GRAFAPEX Agreement;
- carry on the continued development and commercialization of existing products;
- secure new business opportunities and product registrations, including funding any associated clinical or product development programs;
- prevent or mitigate delays or challenges in supply of the Company's products; and
- comply with regulatory requirements, including those relating to manufacturing and distribution of the Company's products.

Medexus executed a commercial launch of GRAFAPEX in the first half of calendar year 2025, with product commercially available in February 2025. For fiscal Q1 2027, Medexus recognized product-level net revenue from GRAFAPEX of $4.9 million, relative to $3.2 million of GRAFAPEX personnel and infrastructure investments. Given the opportunity that product represents, Medexus expects that these investments will be approximately $3 million to $4 million per quarter through fiscal year 2027, although individual future quarters could exceed or otherwise deviate from this estimate. This amount excludes investments in initiatives other than selling, general and administrative expenses, such as funding of medical education and post-approval clinical initiatives related to GRAFAPEX. See also "Highlights for Three-Month Period Ended June 30, 2026—Operational Highlights—Leading products—Hematology and hemato-oncology—GRAFAPEX (US)".

Contractual obligations and commitments

Medexus's contractual obligations and commitments consist of accounts payable and accrued liabilities, milestone payments under the GRAFAPEX Agreement (as of March 31, 2026, none of

which were payable), long-term debt, and balance payable for business combinations. Medexus's contractual obligations and commitments as of June 30, 2026 are shown in the following table:

Amounts in $ '000s

	1 year or less	Between 1 & 5 years	Over 5 years
Accounts payable and accrued liabilities	38,205	–	–
Long-term debt	2,393	23,861	–
Balance of payable for business combinations	2,702	22,924	2,099
Total	**43,300**	**46,785**	**2,099**

The near-term contractual obligations and commitments amount of $43.3 million as of June 30, 2026 set out in the table above reflects a decrease of $8.2 million compared to $51.5 million as of March 31, 2026. The decrease is primarily due to the Company's receipt and payment in fiscal Q1 2027 of a significant number of invoices for ordinary course expenses that had been previously accrued in accordance with IFRS Accounting Standards, which resulted in a decrease in current liabilities (accounts payable and accrued liabilities) and a corresponding decrease in cash provided (used) by operating activities.

See also note 22 (including the table in that note regarding the Company's financial liabilities) and note 18 (including the table in that note regarding the Company's anticipated future cash flow requirements in respect of commitments and contingencies) to Medexus's audited consolidated financial statements for the fiscal year ended March 31, 2026 and note 14 to Medexus's unaudited condensed interim consolidated financial statements for the three-month period ended June 30, 2026, which are available on Medexus's issuer profile on SEDAR+ at www.sedarplus.ca, for additional information about liquidity and other risks that Medexus faces.

Sources of liquidity

Overview

As of June 30, 2026, Medexus had $5.3 million of available liquidity, consisting of cash and cash equivalents of $5.3 million (March 31, 2026 – $6.5 million) and available credit of nil under the Revolving Facility (March 31, 2026 - $2.5 million). 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. In June 2026, Medexus borrowed the full amount remaining available under the Revolving Facility. See "Highlights for Three-Month Period Ended June 30, 2026—Operational Highlights—Other highlights—NBC Credit Agreement".

NBC Credit Agreement

In November 2025, the Company entered into a senior secured credit agreement (**NBC Credit Agreement**) with National Bank of Canada (**NBC**) as administrative agent and lender. The NBC Credit Agreement provides for a $21.0 million term loan facility (**Term Facility**), a $10.0 million delayed draw term facility intended to finance future licensing and acquisition transactions (**DDTL Facility**), a $5.0 million revolving loan facility (**Revolving Facility**), and, following a June 2026 amendment, a $2.6 million letter of credit facility guaranteed by Export Development Canada to support the Company's existing letters of credit (**LC Facility**). The Term Facility benefits from a $15.0 million uncommitted accordion feature. Following a June 2026 licensing transaction, the Company has borrowed $2.0 million of the available $10.0 million under the DDTL Facility. The Term Facility, the DDTL Facility, the Revolving Facility, and the LC Facility mature in November 2029.

Outstanding borrowings under the NBC Credit Agreement bear interest at adjusted term Secured Overnight Financing Rate (**SOFR**) plus a tiered margin determined quarterly based on the Company's consolidated net leverage ratio. The Company also pays tiered standby fees on available but undrawn amounts under the Revolving Facility, DDTL Facility, and LC Facility and on letters of credit issued under the LC Facility. At June 30, 2026, $19.4 million was outstanding under the Term Facility, $2.0 million was outstanding under the DDTL Facility, and $5.0 million was outstanding under the Revolving Facility. The weighted average interest rate on outstanding borrowings under these facilities was 6.27% (March 31, 2026 – 6.29%). As at June 30, 2026, the Company had outstanding standby letters of credit under the LC Facility totaling $2.4 million (March 31, 2026 – $2.4 million) relating to VAT refund guarantees. The letters of credit are considered in the calculation of the Company's financial covenants under the NBC Credit Agreement.

The Term Facility is subject to an amortization schedule requiring quarterly principal repayments equal to 2.5% of the original principal amount, or $0.5 million, payable on the last business day of each calendar quarter ending March 31, 2026 and thereafter, with the remaining balance due at maturity. The amortization installment amount will increase proportionately to reflect any amounts borrowed under the uncommitted accordion feature of the Term Facility. Advances under the DDTL Facility are interest-only until the end of the quarter in which they are made and are thereafter subject to quarterly principal repayments equal to 2.5% of the applicable advance, beginning on the last business day of the following quarter, with the remaining balance due at maturity.

The NBC Credit Agreement includes customary representations and warranties and customary financial covenants, including a maximum net debt to adjusted EBITDA ratio of 3.0x (subject to adjustment as provided in the NBC Credit Agreement) and a minimum fixed charge coverage ratio of 1.2x (each defined and determined in accordance with the NBC Credit Agreement). The NBC Credit Agreement includes customary terms relating to early repayment upon receipt of net cash proceeds of new debt other than permitted debt or sale of property outside the usual course of business, receipt of insurance proceeds not otherwise reinvested, and the occurrence of an event of default under the NBC Credit Agreement. The NBC Credit Agreement also includes customary restrictions on additional indebtedness, liens, judgments and other claims, asset sales, distributions, management fees, and capital expenditures, as well as customary events of default, and provides for a first-priority security interest in substantially all the Company's assets.

Subsequent to period end, in July 2026, Medexus entered into a waiver agreement to permit continued repurchases of Common Shares under the 2025 NCIB in light of the restrictive covenants under the NBC Credit Agreement.

Cash flows

(Amounts in $ '000s)

Three-month periods ended June 30,	2026	2025
Cash provided (used) by operating activities	(727)	3,919
Cash used by investing activities	(2,465)	(2,341)
Cash provided (used) by financing activities	2,025	(16,291)
Decrease in cash position during the period	(1,167)	(14,713)
Impact of foreign exchange	(12)	72
Cash and cash equivalents, beginning of period	6,523	23,973
Cash and cash equivalents, end of period	5,344	9,332

Operating activities

Cash used by operating activities was $0.7 million for fiscal Q1 2027 compared to cash provided by operating activities of $3.9 million for the corresponding prior year period. The $4.6 million year-over-year decrease in cash provided by operating activities was primarily due to a $5.4 million year-over-year decrease in non-cash operating working capital items, primarily a decrease in accounts payable (largely due to the Company's receipt and payment in fiscal Q1 2027 of a significant number of invoices for ordinary course expenses that had been previously accrued in accordance with IFRS Accounting Standards), and a $0.5 million year-over-year increase in income taxes paid, partially offset by a $1.3 million year-over-year increase in net income adjusted for non-cash items (such as amortization of product licenses, impairment of intangible assets, and share-based compensation expense).

Investing activities

Cash used by investing activities was $2.5 million for fiscal Q1 2027 compared to $2.3 million for the corresponding prior year period. The $0.2 million year-over-year decrease (increase in cash

used) was primarily due to the one-time positive impact of proceeds from disposal of assets in fiscal Q1 2026, partially offset by a lower milestone payment made in fiscal Q1 2027.

Financing activities

Cash provided by financing activities was $2.0 million for fiscal Q1 2027 compared to cash used by financing activities of $16.3 million for the corresponding prior year period. The $18.3 million year-over-year increase (decrease in cash used) was primarily due to a payment of $15.5 million that Medexus made in fiscal Q1 2026 under the terms of a June 2025 amendment to the Company's now-repaid senior secured credit agreement with Bank of Montreal, or BMO.

FUTURE CAPITAL REQUIREMENTS

Medexus believes that its existing cash and cash equivalents together with expected cash flow from operations will be sufficient to meet the Company's projected operating and capital expenditure requirements for at least the next 12 months and that Medexus possesses the financial flexibility to execute the Company's strategic objectives. However, Medexus's ability to generate cash is subject to the operating performance of the Company's business (in particular its leading products), general economic conditions, industry trends, and other factors (including those set out under "Risk Factors and Risk Management"). To the extent that existing cash and cash equivalents and operating cash flow are insufficient to fund the Company's future activities and requirements, Medexus would need to raise additional funds through equity or debt financing. If Medexus raises funds through the issuance of additional debt, Medexus could become subject to additional contractual restrictions on its business and operations. There can be no assurance that Medexus would be able to raise additional funds on favorable terms or at all. Medexus could need to raise additional funds to pursue its growth strategy or continue its existing business and operations, yet could be unable to raise capital when needed or on acceptable terms, which could lead Medexus to be unable to expand its business and operations.

OFF–BALANCE SHEET ARRANGEMENTS

Medexus had no off-balance sheet arrangements as of June 30, 2026.

TRANSACTIONS WITH RELATED PARTIES

Below is a summary of transactions in which Medexus participated during the relevant fiscal period and in which any related party as determined under IFRS Accounting Standards had a direct or indirect material interest. Medexus views the following transactions with related parties as having occurred in the normal course of the Company’s operations.

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 $40,000 for the three-month period ended June 30, 2026 compared to $55,000 for the corresponding prior year period.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS, AND ASSUMPTIONS

The preparation of Medexus's consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting principles and policies and the reported amounts of assets, liabilities, revenues, and expenses during the relevant periods covered by those financial statements. These estimates and assumptions are based on historical experience, expectations of the future, and other relevant factors. Medexus reviews its estimates and assumptions regularly. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Actual results may differ from these estimates. A description of Medexus's significant accounting estimates, judgements, and assumptions, as well as expected changes in accounting policies, is included in note 1 to Medexus's audited consolidated financial statements for the fiscal year ended March 31, 2026 and note 1 to Medexus's unaudited condensed interim consolidated financial statements for the three-month period ended June 30, 2026.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The fair values of cash, amounts receivable, advances to related parties, loans receivable, accounts payable and accrued liabilities, and advances from related parties approximate their carrying values due to the immediate or short-term nature of these instruments.

IFRS 13, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

> Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
>
> Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
>
> Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Medexus's financial instruments consist of cash, other current assets, accounts payable, derivative liability, and promissory notes. The fair values of other current assets, accounts payable, related parties payable, and promissory notes approximate their carrying values either due to their current nature or current market rates for similar instruments. Cash is measured at fair value on a recurring basis using level 1 inputs. Derivative liability is measured at fair value on a recurring basis using level 3 inputs.

See also note 22 to Medexus's audited consolidated financial statements for the fiscal year ended March 31, 2026 and note 14 to Medexus's unaudited condensed interim consolidated financial statements for the three-month period ended June 30, 2026, which are available on Medexus's issuer profile on SEDAR+ at www.sedarplus.ca, for additional information.

Foreign Currency Fluctuations

Medexus's functional currency is the Canadian dollar, but Medexus's presentation currency is the US dollar and the Company is also party to transactions denominated in US dollars and in the

European euro. Movements in exchange rates between the Canadian dollar and these currencies have an impact on Medexus's financial results.

The Company is exposed to foreign currency risk through the following financial assets and liabilities, expressed in US$:

	June 30, 2026	March 31, 2026
Cash and cash equivalents		
US dollar	24	3,375
Euro	5	–
Accounts payable and accrued liabilities		
US dollar	–	(81)
Euro	(490)	(2,806)
Balance of payable for business combinations		
US dollar	(18,506)	(18,017)

The table below shows the immediate increase (decrease) in net income of a 10% strengthening in the closing exchange rate of significant currencies to which the Company has exposure as at March 31, 2026. The sensitivity associated with a 10% weakening of a particular currency would be equal and opposite. This assumes that each currency moves in isolation.

	June 30, 2026	March 31, 2026
10% strengthening of the CA$:US$ exchange rate	1,848	1,472
10% strengthening of the CA$:EUR exchange rate	49	281

DISCLOSURE OF OUTSTANDING SHARE DATA

Summary

Medexus's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of August 10, 2026, Medexus had 31,425,983 Common Shares and no preferred shares issued and outstanding.

In addition, as of August 10, 2026, the following number of Common Shares were issuable in accordance with the terms of convertible securities (including equity incentive compensation awards) issued by Medexus –

- 869,071 Common Shares issuable upon settlement of RSUs and PSUs (each defined below), assuming vesting at 100%; and
- 486,954 Common Shares issuable upon exercise of Options (defined below), 374,983 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 MD&A.

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.

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, primarily 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 certain 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.

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. A copy of the notice of intention to make the 2025 NCIB as filed with the TSX is available to investors at no charge by contacting Medexus.

Under the 2025 NCIB, Medexus may purchase for cancellation up to 2,983,650 Common Shares. As of June 30, 2026, Medexus had repurchased 1,239,600 Common Shares under the 2025 NCIB for an aggregate repurchase price of C$4.2 million ($3.0 million).

The 2025 NCIB is expected to continue until November 2026 unless terminated earlier in accordance with its terms.

RISK FACTORS AND RISK MANAGEMENT

Medexus is subject to a number of risks and uncertainties. A risk is the possibility that an event might happen in the future that could have a negative effect on the Company's financial condition, financial performance, or business. The Board has overall responsibility for overseeing Medexus's evaluation and mitigation of these risks and periodically reviews Medexus's risk management practices.

This section describes certain of the risks and uncertainties relating to financial matters that Medexus faces. A comprehensive discussion of the principal risks and uncertainties that Medexus faces is set out under the heading "Risk Factors" in Medexus's most recent AIF, which is available on Medexus's issuer profile on SEDAR+ at www.sedarplus.ca. See also note 22 to Medexus's audited consolidated financial statements for the fiscal year ended March 31, 2026, and note 14 to Medexus's unaudited condensed interim consolidated financial statements for the three-month period ended June 30, 2026, which are also available on Medexus's issuer profile on SEDAR+ at www.sedarplus.ca, for additional information about Medexus's liquidity risk, credit risk, currency risk, interest rate risk, and capital risk management. However, those risks and uncertainties referenced in the preceding sentences 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, may also adversely affect Medexus's operations.

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 product-level net revenue 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, medical affairs, market access, and other capabilities and infrastructure; obtain adequate supply; maintain and, if possible, 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 pharmaceutical products in this therapeutic area 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 or biologic 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. 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. 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 the AIF and in Medexus's most recent annual MD&A or, as applicable, most recent 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 MD&A and elsewhere are qualified by reference to the terms of each such document as applicable.

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), and, in November 2025, Medexus completed a refinancing of its long-term debt financing arrangements to include a $10.0 million delayed draw feature intended to finance future licensing and acquisition transactions. (See "General Development of Medexus's Business—Recent developments since March 31, 2026—Amendment to NBC Credit Agreement" in the AIF.) 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. Although cash flow from operations during fiscal year 2026 was positive, total cash flow was negative for fiscal year 2026 and has fluctuated over time, and both cash flow from operations and total cash flow were negative for fiscal Q1 2027; 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 could require additional capital to fund its activities. See also "Liquidity and Capital Resources—Cash flows" in Medexus's most recent annual MD&A or, as applicable, 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 any such efforts will depend on then-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 could then need to fund its operations, including the availability of the delayed draw

feature and/or the uncommitted accordion feature of the Term Facility, and/or, in future, to refinance its debt arrangements at the appropriate 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 its operations could be materially and adversely impacted if these or other adverse conditions constrain or otherwise affect the Company's sources of capital.

Risks associated with debt financing

Medexus has incurred significant debt liabilities. Medexus entered into the NBC Credit Agreement in November 2025. Borrowings under the NBC 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 NBC Credit Agreement. See "Liquidity and Capital Resources—Sources of liquidity—NBC Credit Agreement" in Medexus's most recent annual MD&A or, as applicable, most recent MD&A. Borrowings under the NBC Credit Agreement are secured by a first-priority security interest in all Medexus's assets. If Medexus defaults in payment under the NBC Credit Agreement, if payment is otherwise accelerated, or if the lenders under the NBC 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 NBC Credit Agreement, which would permit the lenders under the NBC Credit Agreement to accelerate payment and otherwise exercise their available remedies.

Medexus's ability to satisfy its debt liabilities, including under the NBC Credit Agreement, and otherwise to make payments when due, largely depends on the Company's ability to achieve significant cash flow 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 NBC Credit Agreement. 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 beyond the routine cash management practices undertaken by the Company in the ordinary course of its business, restructuring debt, obtaining additional debt or equity capital, or selling assets on an expedited timeline, 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 Net Debt at June 30, 2026 was $20.9 million. Medexus has meaningfully reduced its Net Debt since March 31, 2023, when it was $57.1 million, and has reduced Net Debt sequentially most quarters since March 31, 2024, when it was $44.6 million. Notwithstanding this significant progress in reducing Net Debt, Medexus's indebtedness, combined with other financial obligations and contractual commitments of the Company, still could have 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. For more information about Net Debt, see "Preliminary Notes—Non-GAAP measures", including "—Net Debt", in Medexus's most recent annual MD&A or, as applicable, most recent MD&A, which is incorporated by reference into this paragraph.

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). Although not so in the case of minimum payments made by the Company to date, such payments, without a corresponding net revenue inflow, could have an adverse effect on Medexus's business, financial condition, and financial performance.

Foreign exchange and market rate fluctuations

Currency exchange rate fluctuations can affect Medexus's results of operations to the extent that the Company's net revenues and expenses are in different currencies. Medexus's US net revenues, representing a significant portion of the total net 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 net revenue or expenses are denominated in Canadian dollars, Euros, or other foreign currencies. For example, all net 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.

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. For example, in June 2026, Medexus secured exclusive Canadian rights to commercialize UM171 Cell Therapy. (See "General Development of Medexus's Business—Recent developments since March 31, 2026—UM171 Cell Therapy in Canada" in the AIF.) 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 or parties to such a transaction, including the prospects of any such party and their existing products or drug candidates and ability to obtain regulatory approvals; and potential inability to generate cash flow 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, including as a result of the structure or terms of the transaction.

In addition, if and when Medexus undertakes such a transaction, it may assume or incur debt obligations (for example, see "Highlights for Three-Month Period Ended June 30, 2026—Operational Highlights—Other highlights—NBC Credit Agreement"), 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.

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. Medexus seeks to implement appropriate contractual protections as part of the Company's overall management of the relevant business relationship. 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 – as is the case for suppliers of most of Medexus's leading and other products. In addition, any such matter could escalate to formal dispute resolution proceedings, regardless of the terms of the relevant contractual arrangements. 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, and, in any event, could incur costs and divert management's attention. For example, in January 2026, Medexus received a letter from the former licensor of Medexus's now-terminated commercialization rights to Gleolan in the United States. In the letter, the former Gleolan licensor alleged that Medexus had failed to comply with its payment obligations under the Gleolan Termination Agreement, being the agreement terminating the US Gleolan Agreement. Medexus regards the claims set out in the letter as baseless and without merit and responded in writing to that effect. To date, the former Gleolan licensor has not provided notice of any formal dispute resolution proceeding against Medexus. However, there can be no assurance as to the conduct or outcome of this matter. See also "Risk Factors—Risks relating to legal and regulatory matters—Negative impact from litigation" in the AIF.

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 net revenue and operating cash flow 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 net revenue and operating cash flow in the near term. See "Risk Factors—Risks related to the business—Dependence on revenue from sales of leading products" in the AIF. 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, in each case whether as a result of informal or formal dispute resolution processes, could have a material adverse effect on the Company, potentially including as a consequence of the terms of the NBC Credit Agreement. See also "—Risks associated with debt financing".

Evolving conditions in the United States

The current political environment in the United States has continued to create some uncertainty with respect to, among other things, the regulation of pharmaceutical and biologic products, the regulation of international trade involving the United States, and related legal and regulatory processes. There also continues to be some 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. Legal, regulatory, and/or policy changes following and in light of past and/or future election outcomes in the United States 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 policy and budget dynamics. Without limiting the generality of the foregoing, the following non-exhaustive discussion is intended to highlight certain activity and events that the Company views as significant to the pharmaceutical industry and Medexus's business and prospects.

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 instructed HHS to develop voluntary MFN price targets and communicate them to pharmaceutical manufacturers and also identified 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 current US presidential administration has since made multiple announcements relating to the prices of prescription drugs in the United States, including agreements with several large pharmaceutical companies (of which Medexus was not one) with respect to the prices those companies offer US state Medicaid programs.

The current US administration could also seek to use its regulatory authority to issue other new regulations or take other policy or other actions related to the sale of prescription drugs to the federal healthcare programs or otherwise, potentially affecting pharmaceutical manufacturers and/or intermediaries in the pharmaceutical supply chain. For example, the May 2025 EO called for antitrust enforcement by the US Department of Justice and the FTC and referenced, possibly as an enforcement mechanism (despite legal and other likely hurdles), the FDA's authority to revoke drug approvals. In addition, legislative action could change the statutes governing these

matters, providing clearer statutory authority to the current US administration to pursue its policy goals. However, Medexus cannot predict whether, when, or in what form these administration initiatives will be implemented, including in light of potential rulemaking requirements, litigation risk, and future legislative, regulatory, policy, and/or other actions.

In any event, and although it is unclear what the details of any such future legislative, regulatory, policy, and/or other 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 – particularly given the complexity of the US healthcare system, and any potential intended and/or unintended and direct and/or indirect consequences of any such action – during which Medexus's net revenue could decline, either temporarily or permanently, and Medexus would likely incur additional costs.

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 net 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. The current US administration's current tariffs or tariff-related proposals with respect to imports of pharmaceutical products from the EU and elsewhere could be imposed, suspended, changed, rescinded, or terminated at any time.

In July 2025, the current US administration announced a 15% tariff on imports of pharmaceutical products from the EU. More recently, in April 2026, the current US administration announced a 100% tariff on patented pharmaceutical products and ingredients, subject to numerous exceptions, such as a 15% tariff on pharmaceutical products from the EU (among other locations) and a 0% tariff on "drugs and associated ingredients, where all approved indications are designated as orphan pursuant to the Orphan Drug Act", "cell and gene therapies", and "other specialty pharmaceutical products to be identified" (among other categories). 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 GRAFAPEX, Trecondyv, Rasuvo, Metoject, and Gleolan are located in Germany, the licensor and supplier of Rupall is located in Spain, and Medexus uses a third-party contract manufacturer located in Italy for part of the IXINITY manufacturing process. Based on the Company's preliminary assessment, which remains ongoing (particularly given the continuing uncertainty around the status of these and other tariffs, and considering the potential application of the April 2026 proclamation to the Company's products, which remains uncertain), the July 2025 pharmaceutical tariffs apply to the Company's imports of these products, which will at least initially increase the cost of sales of products and reduce gross margins for some or all these products – although Medexus does not currently expect the current tariffs to materially impact these measures or to otherwise materially impact product-level performance.

Tariffs, including current or future tariffs on pharmaceutical products imported into the United States from the EU or elsewhere, and/or greater restrictions on trade generally could be imposed, suspended, changed, rescinded, or terminated at any time. For example, the exemptions or adjustments under the April 2026 proclamation may apply to certain of the Company's products

from the EU, potentially modifying the tariff rate otherwise applicable under the July 2025 pharmaceutical tariffs.

These tariffs and other trade restrictions on pharmaceutical and/or biologic products could impact the cost at which Medexus purchases its products and their components, and could adversely affect the pricing structures, profit margins, and overall supply chain efficiency of Medexus and its third-party business partners. And any 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 significantly 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 (including in its public filings) 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, and in addition to any direct negative impact, the Company could suffer negative market perception and the market price of the Common Shares could decline. See also "Risk Factors—Risks relating to legal and regulatory matters—Negative impact from litigation" in the AIF.

Medexus cannot predict the ultimate effect of 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, regulatory, and/or policy initiatives on the Company's business, but acknowledges and submits 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, regulatory, and/or policy initiatives, could also face lawsuits challenging the enforceability of certain of their respective 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 mitigate any adverse impact on the Company's business and operations to the extent possible.

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" in the AIF.

CONTROLS AND PROCEDURES

Disclosure controls and procedures

Medexus's management are together responsible for establishing and maintaining disclosure controls and procedures as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109). Medexus's management have together designed such a system of disclosure controls and procedures to provide reasonable assurance that material information with respect to Medexus is made known to them and information required to be disclosed by Medexus in its annual filings, interim filings, or other reports filed, furnished, or submitted by the Company under securities laws is recorded, processed, summarized, and reported within the time periods required by the relevant securities laws.

Internal controls over financial reporting

Medexus's management are together responsible for establishing and maintaining internal controls over financial reporting as defined in NI 52-109 (ICFR). Medexus's management have together designed such a system of ICFR to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with IFRS Accounting Standards. The control framework that Medexus's management used to design the Company's ICFR is set out in Internal Control–Integrated Framework (2013) as issued by the Committee of Sponsoring Organizations of the Treadway Commission. There have been no changes in Medexus's ICFR during the three-month period ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, Medexus's ICFR.

Limitations of controls and procedures

Any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within Medexus have been prevented or detected.

These inherent limitations include the reality that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of individuals, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ADDITIONAL INFORMATION

SEDAR+

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

See Medexus's audited consolidated financial statements for the fiscal year ended March 31, 2026, together with the related independent auditor's report, for additional financial information about Medexus.

See Medexus's most recent annual information form for additional information about Medexus's business and operations.

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