June 16, 2021

Medexus Revenue Increases 43.5% to a Record US$79.7 Million for Fiscal 2021

Transformative licensing agreement for treosulfan in the U.S. completed February 2, 2021

Cash and cash equivalents of $18.7 million and available liquidity of $24.8 million at March 31, 2021

Management to host conference call at 8:00 AM Eastern Time on June 17th, 2021

TORONTO and CHICAGO, June 16, 2021 (GLOBE NEWSWIRE) -- Medexus Pharmaceuticals Inc. (the "**Company**" or **"Medexus**") (TSX: MDP) (OTCQX: MEDXF) today announced its financial and operating results for the fourth quarter and fiscal year ended March 31, 2021. As greater than 75% of the Company's revenue is now derived from the U.S., the Company's results have been reported in **U.S. dollars**, which will be the Company's reporting currency going forward. All dollar amounts below are in U.S. dollars unless specified otherwise.

Fourth Quarter Fiscal 2021 Financial Highlights*:

- Revenue of $17.6 million in the fourth quarter, compared to $18.8 million for the same period last year. While patient unit demand for IXINITY® continued to grow during the fourth quarter, net sales were lower as pharmacies and wholesalers worked through inventory on hand.
- Adjusted EBITDA decreased to $(1.6) million compared to $3.1 million for the same period last year, due primarily to an increase in Selling and Administrative Expenses as the company prepares for the launch of treosulfan and an increase in Research & Development spending for the IXINITY® pediatric study.
- Cash provided by operating activities of $4.2 million, compared to cash used by operating activities of $1.3 million for the same period last year.
- Net loss of $10.5 million compared to $1.6 million for the same period last year.
- Adjusted Net Loss of $5.2 million compared to $5.1 million for the same period last year.

Fiscal 2021 Financial Highlights*:

- Revenue of $79.7 million in fiscal 2021 versus $55.5 million in fiscal 2020.
- Adjusted EBITDA increased to $8.2 million for fiscal 2021 compared to $4.4 million for fiscal 2020.
- Net loss of $28.3 million in fiscal 2021 compared to $4.7 million in fiscal 2020.
- Adjusted Net Loss of $7.6 million in fiscal 2021 compared to $13.9 million for fiscal 2020.
- Cash provided by operating activities of $5.0 million, compared to cash used by

operating activities of $1.7 million for the same period last year.
- Available liquidity of $24.8 million at March 31, 2021, compared to $5.2 million at March 31, 2020.

Ken d'Entremont, Chief Executive Officer of Medexus, noted, "Fiscal 2021 was another record year for Medexus as we achieved $79.7 million in total revenue, or 43.5% year-over-year revenue growth, and continued to expand our business in the United States. We are optimistic that the licensing of treosulfan in the U.S. will prove to be another transformative transaction that will enable us to continue our growth trajectory. Our goal is to double our revenue in the coming years. As we look to fiscal 2022, treosulfan will be a primary focus for the Company. Feedback from FDA thus far has been very encouraging as we approach the August 11th Prescription Drug User Fee Act (PDUFA) date. We are expecting seven and a half years of exclusivity as a result of the inclusion of pediatric patients on the label and believe treosulfan has the potential to become standard of care in the United States. This product has excellent revenue potential and we believe it will have a substantially positive impact on our gross margin. To ensure a smooth and effective launch after approval, it is crucial that we invest in a highly experienced team and the proper resources to support the product launch. Our new Medical Affairs team is already engaging thought leaders in the stem cell transplant community and market research is confirming key launch assumptions around demand, pricing, and product positioning."

"In the fourth quarter of fiscal 2021, IXINITY® sales declined as pharmacy and wholesale customers worked through inventory on hand. In addition, an unexpected manufacturing expense related to the Pediatric Trial of IXINITY® impacted our Adjusted EBITDA. We do not expect this issue to affect the timing for completion of the trial. With a goal of long-term margin improvement, we are working with our manufacturing partners to improve the supply chain and manufacturing process in order to meet the unit demand for IXINITY®, which grew by more than 15% in the year-ended March 31, 2021**."

"We continue to evaluate significant in-licensing opportunities that we believe will enable us to further leverage our North American infrastructure. During the year we strengthened our business development team and sharpened our focus on US centric opportunities. This means an increased focus on Rare, Orphan, and Autoimmune disease. As part of our growth strategy, we were pleased to announce an uplisting to the TSX earlier this week. We believe that a listing on a Tier 1 exchange will also help maximize value for our shareholders and increase our profile and liquidity in the market. Additionally, we are confident that graduating to a senior exchange will provide us with access to a broader range of institutional shareholders. We will continue to evaluate the timing of a dual-listing on the Nasdaq as we advance several ongoing business initiatives."

Operational Highlights:

- **Treosulfan:** On February 2, 2021, the Company entered into an exclusive license to commercialize treosulfan in the United States. A Prescription Drug User Fee Act ("PDUFA") date to review the New Drug Application ("NDA") in respect of treosulfan by the FDA has been scheduled for August 11, 2021. In Canada, the Company awaits approval for treosulfan, which was granted priority review in September 2020. It is negotiating the licence in anticipation of a full commercial launch following Health Canada approval.

- **IXINITY®:** In September 2020, the FDA approved the Company's application to add the indication for routine prophylaxis. It continues to enroll patients in the ongoing Phase 4 clinical trial to evaluate the safety and efficacy of IXINITY® in previously treated patients under 12 years of age with hemophilia B. As of June 16, 2021, the study was over 95% enrolled.

- **Gleolan:** On September 9, 2020, Gleolan was approved by Health Canada and the Company announced a full commercial launch on February 25, 2021.

- **Triamcinolone Hexacetonide:** On December 18, 2020, the Company entered into an exclusive agreement with Ethypharm for the rights to register and commercialize Triamcinolone Hexacetonide Injectable Suspension 20 mg/mL ("TH") in the United States. In order to immediately address the ongoing shortage of TH in the U.S. market, the Company has received special authorization from FDA Drug Shortage Staff to import and sell to the U.S. market as of June 7, 2021, prior to and during the Company's pursuit of full FDA marketing authorization.

- **MidCap Financial Credit Facility:** On May 27, 2021, the Company entered into certain amendments to its existing credit agreements with MidCap Financial, pursuant to which, in addition to the existing $10 million secured term loan, an additional $5 million is now available to be drawn by the Company under the term loan facility, contingent upon certain conditions being satisfied, including conditions related to the PDUFA date for treosulfan and the Company's obligation to make a related payment pursuant to the treosulfan license agreement.

Operating and Financial Results Summary for the Three-Months Ended March 31, 2021

The Company achieved revenue of $17.6 million for the three-month period ended March 31, 2021, versus $18.8 million for the three-month period ended March 31, 2020. This is mainly due to a drop in IXINITY® unit sales. While patient unit demand for IXINITY® continued to grow during the fourth quarter, net sales were lower as pharmacies and wholesalers worked through inventory on hand.

Adjusted EBITDA decreased to $(1.6) million compared to $3.1 million for the same period last year, due primarily to an increase in Selling and Administrative Expenses as the company prepares for the launch of treosulfan and an increase in Research & Development spending for the IXINITY® pediatric study.

Cash provided by operating activities was $4.2 million, compared to cash used by operating activities of $1.3 million for the same period last year.

Net loss was $10.5 million compared to $1.6 million for the same period last year, due in part to a non-cash unrealized loss of $5.3 million during the fourth quarter on the fair value of the embedded derivatives in the Company's convertible debentures, which was driven by a significant increase in the Company's share price.

Adjusted Net Loss, which adjusts for such unrealized losses (or gains) on the fair value of derivatives, was $5.2 million compared to $5.1 million for the same period last year.

Operating and Financial Results Summary for the Year Ended March 31, 2021

The Company achieved revenue of $79.7 million for the twelve-month period ended March 31, 2021, versus $55.5 million for the twelve-month period ended March 31, 2020.

Adjusted EBITDA increased to $8.2 million compared to $4.4 million for the same period last year.

Cash provided by operating activities was $5.0 million, compared to cash used by operating activities of $1.7 million for the same period last year.

Net loss was $28.3 million compared to $4.7 million for the same period last year, due primarily to a non-cash unrealized loss of $20.6 million in the current period on the fair value of the embedded derivatives in the Company's convertible debentures, which was driven by a significant increase in the Company's share price.

Adjusted Net Loss was $7.6 million compared to $13.9 million for the same period last year.

Selling and administrative expenses as a percentage of revenue has decreased to 45.4%, from 55.2% for the same period last year, as the Company continues to leverage its platform and significantly increase its revenue with only modest increases to operating expenses.

Available liquidity of $24.8 million at March 31, 2021, compared to $5.2 million at March 31, 2020. This was primarily a function of a financing for $32.5 million in February of 2021.

The Company's financial statements and management discussion and analysis ("MD&A") for the period ended March 31, 2021 are available on our corporate website at www.medexus.com and in our corporate filings on SEDAR at www.sedar.com.

** Refer to "Non-IFRS Financial Measures" and "Cautionary Note Regarding Comparative Financial Information" at the end of this press release.*
*** Specialty pharmacy reported dispensing data*

Conference Call Details

Medexus will host a conference call at 8:00 AM Eastern Time on Thursday, June 17, 2021 to discuss the Company's financial results for the fiscal 2021 fourth quarter ended March 31, 2021, as well as the Company's corporate progress and other developments.

The conference call will be available via telephone by dialing toll free 888-506-0062 for Canadian and U.S. callers or +1 973-528-0011 for international callers and using entry code 842544. A webcast of the call may be accessed at https://www.webcaster4.com/Webcast/Page/2010/41707 or on the Company's Investor Events section of the website: https://www.medexus.com/en_US/investors/news-events.

A webcast replay will be available on the Company's Investor Events section of the website (https://www.medexus.com/en_US/investors/news-events) through Friday, September 17, 2021. A telephone replay of the call will be available approximately one hour following the

call, through Thursday, June 24, 2021 and can be accessed by dialing 877-481-4010 for Canadian and U.S. callers or +1 919-882-2331 for international callers and entering conference ID: 41707.

About Medexus Pharmaceuticals Inc.

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

For more information, please contact:

Ken d'Entremont, Chief Executive Officer
Medexus Pharmaceuticals Inc.
Tel.: 905-676-0003
E-mail: ken.dentremont@medexus.com

Roland Boivin, Chief Financial Officer
Medexus Pharmaceuticals Inc.
Tel.: 514-344-8675
E-mail: roland.boivin@medexus.com

Investor Relations (U.S.):
Crescendo Communications, LLC
Tel: +1-212-671-1020
E-mail: mdp@crescendo-ir.com

Investor Relations (Canada):
Tina Byers
Investor Relations
Tel: 905-330-3275
E-mail: tina@adcap.ca

Cautionary Note Regarding Comparative Financial Information

On February 28, 2020, the Company announced that it had, indirectly through its wholly-owned subsidiary, Medexus Pharma Inc. completed a major acquisition (the "**2020 Acquisition**") in acquiring all of the outstanding limited liability company interests of Aptevo BioTherapeutics LLC, a Delaware limited liability company, from Aptevo Therapeutics, Inc. Accordingly, readers are cautioned that while certain financial information included herein for, and comparisons to, prior periods have been presented in this press release, changes from a pre-2020 Acquisition period to a post-2020 Acquisition period may, in the opinion of management, be of limited value in understanding changes to the financial condition, financial performance, or business of the Company from period to period given the transformative nature of the 2020 Acquisition. Readers are advised that the comparative information included in this press release for the year ended March 31, 2020, includes pre-2020 Acquisition results for the Company (i.e., the comparative information for such periods consists of (i) results prior to February 28, 2020, which reflect only the pre-2020 Acquisition results for the Company, and (ii) results subsequent to February 28, 2020, which reflect the consolidated results of the Company post-2020 Acquisition).

Forward-Looking Statements

Certain statements made in this press release contain forward-looking information within the meaning of applicable securities laws ("**forward-looking statements**"). The words "anticipates", "believes", "expects", "will", "plans" and similar expressions are often intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Specific forward-looking statements contained in this news release include, but are not limited to, statements with respect to the Company's future expectations regarding the Company's growth trajectory and future revenues, increased investment in the Company's portfolio; the expected years of exclusivity for the indication of treosulfan; expectations regarding the Company's ability to fund planned initiatives; expectations regarding the growth of treosulfan and the receipt of FDA and other regulatory approvals; and the anticipated benefits of listing on a senior stock exchange. These statements are based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions based on historical trends, current conditions and expected future developments. Since forward-looking statements relate to future events and conditions, by their very nature they require making assumptions and involve inherent risks and uncertainties. The Company cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those set out in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including the Company's most recent annual information form and management's discussion and analysis; future capital requirements and dilution; intellectual property protection and infringement risks; competition (including potential for generic competition); reliance on key management personnel; the Company's ability to implement its business plan; the Company's ability to leverage its United States and Canadian infrastructure to promote additional growth, including with respect to the infrastructure of Medac Pharma, Inc. and the potential benefits the Company expects to derive therefrom; regulatory approval by the health authorities; product reimbursement by third party payers; patent litigation or patent expiry; litigation risk; stock price volatility; government regulation; and potential third party claims. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of the date hereof. Other than as specifically required by

law, the Company undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

Non-IFRS Financial Measures

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

MEDEXUS PHARMA
Medexus Pharmaceuticals Inc.

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