June 22, 2020

Medexus Pharmaceuticals Reports Record Revenue of $25.6 Million and $4.2 Million of Adjusted EBITDA* for the Fourth Quarter of Fiscal 2020

Transformative acquisition of IXINITY® completed February 28, 2020

Fiscal 2020 Metoject® unit market demand increased 96%;
Rupall™ unit market demand increased 61%; and
Rasuvo® unit market demand increased 11%

Medexus management to host conference call at 8:00 AM ET on Tuesday, June 23, 2020

MONTREAL, June 22, 2020 (GLOBE NEWSWIRE) -- **Medexus Pharmaceuticals Inc. (the "Company" or "Medexus") (TSXV: MDP, OTCQB: PDDPF)** today provided a business update and announced its financial and operating results for the fourth quarter and fiscal year ended March 31, 2020. All dollar amounts contained in this press release are in Canadian dollars unless otherwise indicated.

Fourth quarter fiscal 2020 financial highlights:**

- Revenue increased to $25.6 million compared to $12.7 million for Q4 2019, including organic growth of 27%
- Gross profit increased to $13.3 million compared to $7.7 million for Q4 2019
- Adjusted EBITDA* increased to $4.2 million compared to $0.1 million for Q4 2019

Fiscal year 2020 financial highlights:**

- Revenue increased to $74.4 million compared to $33.9 million for fiscal 2019
- Gross profit increased to $41.8 million compared to $20.2 million for fiscal 2019
- Adjusted EBITDA* was $6.0 million compared to $2.4 million for fiscal 2019

Ken d'Entremont, Chief Executive Officer of Medexus, commented, "I am pleased to report we generated strong year-over-year growth in revenue and Adjusted EBITDA* for both the fourth quarter of 2020 and full year. This improvement reflects strong organic growth across each of our key product lines, as well as one month of sales from our new commercial hematology asset, IXINITY®, which we acquired at the end of February 2020. Specifically, we achieved organic year-over-year revenue growth of 27% and IXINITY® contributed an additional $9.5 million for the fourth quarter of 2020. Approximately 85% of IXINITY® revenue for the quarter accrued to Medexus in March and as such, was highly accretive. The integration of IXINITY® is complete and it leverages our existing US based infrastructure, as we have added a product generating approximately $40 million of revenue on an annual

basis (based on the twelve-month period ended December 31, 2019) with roughly the same number of employees as we had before the acquisition. We see significant potential for further growth of IXINITY® in the US and other markets. Importantly, we financed this transaction without any equity dilution, using a credit facility, which, together with the solid cash flow of the combined companies, reinforces the strength of our balance sheet and our commitment to driving value for shareholders. Overall, we are proud of our continued progress, continue to believe that we have built a highly scalable business model, and will continue to actively evaluate additional opportunities to license or acquire accretive products that leverage our existing infrastructure in the United States and Canada."

Operational highlights:**

- **Acquisition of IXINITY®** – On February 28, 2020, the Company acquired IXINITY®, a recombinant factor IX therapeutic for the treatment of hemophilia B, a rare disease affecting between 4,000 and 5,000 people in the US. Annual sales of IXINITY® were US$32 million in 2019, a 40% increase over the previous year.

- **IXINITY® pediatric study** – In January 2020, the Company's acquired business, Aptevo BioTherapeutics LLC, commenced dosing patients in a Phase 4 clinical trial to evaluate the safety and efficacy of IXINITY® in previously treated patients under 12 years of age with hemophilia B. IXINITY® is currently indicated for patients 12 years of age or older with hemophilia B, and once completed, this study may support a significant expansion of the indicated patient population for IXINITY®. Approximately 1 in 3 patients treated for hemophilia B in the United States are 12 years of age or younger.

- **Triamcinolone Hexacetonide ("TH") approval for public reimbursement in Canada** – On March 31, 2020 the Company reached an agreement with the pan-Canadian Pharmaceutical Alliance to include TH on the federal, provincial, and territorial formularies except for Quebec, where the review is ongoing, and British Columbia. Inclusion of TH on these formularies improves access to this product for a large proportion of the population who need this drug. TH has been included on the Alberta Drug Benefit List effective May 1, 2020 as restricted benefits for patients up to 17 years of age inclusive for the treatment of Juvenile Idiopathic Arthritis, and additional formulary listings are expected this year. TH competes in an intra-articular steroid market valued at $33 million in Canada (source: IQVIA CDH Dec. 2019).

- **Development Project** – The status of the Company's development project, aimed at reformulating an existing FDA-approved product for use in the field of rheumatology, is in line with management's expectations. If this project is successfully developed, the Company will have a product that addresses an unmet medical need, within a large market it currently serves.

- **Gleolan application to Health Canada and reimbursement** – On December 20, 2019, the Company filed an application for registration of Gleolan to Health Canada. The application is a priority review, which means the file could be approved as soon as August 2020. On March 27, 2020, the Company was informed that The Quality business unit at Ontario Health, based on guidance from the Ontario Health Technology Advisory Committee had recommended publicly funding Gleolan through

the Ministry of Health upon approval of the product by Health Canada.

- **Organic Growth** – Each of the Company's promoted products is delivering strong unit growth year over year. Rasuvo® unit market demand in the United States increased 11% in the year ended March 31, 2020, (Source: Symphony Sub National 03/31/2020 Data & Chargebacks, PAP). Metoject® realized a 96% unit demand growth in Canada in the year ended March 31, 2020, (Source: IQVIA – TSA National units) and Rupall™ delivered an increase of 61% in the year ended March 31, 2020, (Source: IQVIA – Drugstores and hospitals purchases).

Operating and Financial Results Summary**

For the three months ended March 31, 2020, total revenue was $25.6 million compared to revenue of $12.7 million for the three months ended March 31, 2019. The increase was due to the organic growth of the Company's key products as well as the additional revenue from the acquisition of IXINITY®, which contributed approximately $9.5 million.

Gross profit for the three months ended March 31, 2020 was $13.3 million, or 51.8% of sales, compared to $7.7 million, or 60.1% of sales, for the same period last year. The lower gross margin for the three months ended March 31, 2020, when compared to the three months ended March 31, 2019 is due, in part, to the IXINITY® acquisition, which currently has a lower gross margin than the Company's other key products.

Operating loss for the three months ended March 31, 2020 was $1.9 million compared to $1.8 million for the three months ended March 31, 2019.

Adjusted EBITDA* for the three months ended March 31, 2020 was $4.2 million compared to $0.1 million for the three months ended March 31, 2019. Net loss for the three months ended March 31, 2020 was $2.1 million compared to net loss of $0.7 million for the same period last year.

For the fiscal year ended March 31, 2020, total revenue was $74.4 million compared to revenue of $33.9 million for the fiscal year ended March 31, 2019. The increase was due to the organic growth of the Company's key products as well as the additional revenue from the acquisition of IXINITY®.

Gross profit for the fiscal year ended March 31, 2020 was $41.8 million, or 56.2% of sales, compared to $20.2 million, or 59.7% of sales, for the same period last fiscal year. The lower gross margin for twelve-month period ended March 31, 2020 is due, in part, to a lower gross margin related to IXINITY® in comparison to the other major product lines. Additionally, during the fiscal year 2020, the Company experienced an increase in discounts given to payors and a reduction in the net selling price of Rasuvo®.

Operating loss for the fiscal year ended March 31, 2020 was $7.7 million compared to $5.7 million for the fiscal year ended March 31, 2019.

Adjusted EBITDA* for the year-ended March 31, 2020 was $6.0 million compared to $2.4 million for the fiscal year ended March 31, 2019. Net loss for the fiscal year ended March 31, 2020 was $6.2 million compared to net loss of $6.3 million for the fiscal year ended March 31, 2019.

Under the Company's normal course issuer bid, the Company purchased and canceled 919,000 common shares in the market for consideration of approximately $3.7 million during the fiscal year ended March 31, 2020.

The Company's financial statements and management discussion and analysis ("MD&A") for the three and twelve months ended March 31, 2020 are available on our corporate website at www.medexus.com and in our corporate filings on SEDAR atwww.sedar.com.

*Refer to "Non-IFRS Financial Measures" at the end of this press release.
**Refer to "Cautionary Note Regarding Comparative Financial Information" at the end of this press release.

Conference Call Details

Medexus will host a conference call on Tuesday, June 23, 2020 at 8:00 AM Eastern Time to discuss the Company's financial results for the fourth quarter and fiscal year-ended March 31, 2020, as well as the Company's corporate progress and other developments.

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

A webcast replay will be available on the Company's Investor Events section of the website (www.medexus.com/news-events) through September 23, 2020. A telephone replay of the call will be available approximately one hour following the call, through June 30, 2020, and can be accessed by dialing 877-481-4010 for Canadian and U.S. callers or +1 919-882-2331 for international callers and entering conference ID: 35423.

About Medexus Pharmaceuticals Inc.
Medexus is a leading specialty pharmaceutical company with a strong North American commercial platform. The Company's vision is to provide the best healthcare products to healthcare professionals and patients, through our core values of Quality, Innovation, Customer Service and Teamwork. Medexus 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.: 514-762-2626 ext. 202
E-mail: roland.boivin@medexus.com

Investor Relations (U.S.):

Crescendo Communications, LLC
Tel: +1-212-671-1020
Email: mdp@crescendo-ir.com

Investor Relations (Canada):

Frank Candido
Direct Financial Strategies and Communication Inc.
Tel: 514-969-5530
E-mail: frank.candido@medexus.com

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

Cautionary Note Regarding Comparative Financial Information

On October 16, 2018, the Company (under its former name, Pediapharm Inc.) completed two transformative acquisitions (the "**2018 Acquisitions**") in acquiring of all the issued and outstanding shares of Medexus Inc. and Medexus Pharma, Inc. (under its former name, Medac Pharma, Inc.) ("**Medexus US**") and, subsequently, on December 12, 2018, changed its name to "Medexus Pharmaceuticals Inc.".

On February 28, 2020, the Company announced that Medexus US completed another major acquisition (the "**2020 Acquisition**", and together with the 2018 Acquisitions, the "**Acquisitions**") in acquiring a Delaware limited liability company, which owns the worldwide rights to the commercial hematology asset, IXINITY®, for up-front cash consideration of approximately US$30 million.

Accordingly, readers are cautioned that while certain financial information included herein for, and comparisons to, prior periods have been presented in this press release, changes from a pre-Acquisitions period to a post-Acquisitions 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 Acquisitions. Readers are advised that the comparative information included in this press release for: (a) the twelve-month period ended March 31, 2019, includes certain pre-2018 Acquisitions results for Pediapharm Inc. (i.e., the comparative information for such period consists of results prior to October 16, 2018 which reflect only the results for Pediapharm Inc. pre-2018 Acquisitions and results subsequent to October 16, 2018 which reflect the consolidated results of the Company post-2018 Acquisitions, including the acquired entities); and (b) the three- and twelve-months ended March 31, 2020, includes certain pre-2020 Acquisitions results for the Company (i.e., the comparative information for such periods consists of results prior to February 28, 2020 which reflect only the pre-2020 Acquisition results for the Company and 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**"). Such forward-looking information includes statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "anticipates", "believes" "could", "expects", "forecasts", "intends", "may", "projects", "will" and "vision") which are not historical facts. More specifically, forward-information in this press release includes, but is not limited to, information contained in statements with respect to: the Company's future expectations regarding growth and revenues; expected benefits from the 2020 Acquisition; the Company's business strategy; the Company's business outlook and other expectations regarding cash flow of the combined companies and strength of balance sheet; statements with respect to the Company's ability to drive value for shareholders; statements with respect to future business operation and results, including with respect to future earnings and the Company's evaluation of additional opportunities to license or acquire accretive products; the Company's ability to leverage its existing infrastructure in the United States and Canada; the anticipated results of Phase 4 clinical trial for IXINITY®; the anticipated benefits deriving from an approval for public reimbursement of TH in certain jurisdictions in Canada; and the anticipated results of the Gleolan application to Health Canada. 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 MD&A under the heading "Risk Factors and Risk Management" and elsewhere in the Company's other disclosure documents filed with the applicable Canadian securities regulatory authorities from time to time. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of the date hereof. Other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

Non-IFRS Financial Measures

This press release uses the term "Adjusted EBITDA" which is a non-IFRS financial measure, which does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. Rather, this measure is provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. In particular, management uses Adjusted EBITDA as a measure of the Company's performance. The Company defines Adjusted EBITDA as earnings before financing and special transaction costs (including, for greater certainty, fees related to the transactions and financing

announced on October 16, 2018 and February 28, 2020, as discussed herein0), interest expenses, income taxes, interest income, depreciation of property and equipment, amortization of intangible assets, non-cash share-based compensation, income from sale of asset, gain or loss on the convertible debenture embedded derivative, foreign exchange gains or losses, termination benefits, and impairment of intangible assets. The Company considers Adjusted EBITDA as a key metric in assessing business performance and considers Adjusted EBITDA to be an important measure of operating performance and cash flow, providing useful information to investors and analysts. This non-IFRS measure is not intended to represent cash provided by operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. Additional information relating to the use of this non-IFRS measure, including the reconciliation of Adjusted EBITDA to Net Income (Loss), can be found in our MD&A, which is available through the SEDAR website (www.sedar.com).

Source: Medexus Pharmaceuticals Inc