



ANNUAL INFORMATION FORM

For the Financial Year Ended March 31, 2020

September 8, 2020

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CAUTION REGARDING FORWARD LOOKING STATEMENTS

Certain statements made in this Annual Information Form 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”, “budget”, “could”, “estimates”, “expects”, “forecasts”, “goals”, “intends”, “may”, “might”, “objective”, “outlook”, “plans”, “projects”, “schedule”, “should”, “will”, “would” and “vision”) which are not historical facts. More specifically, forward-looking information in this Annual Information Form includes, but is not limited to, information contained in statements with respect to: the Company’s future expectations regarding growth and revenues; the potential public reimbursement of TH (as defined herein) and associated increase in revenue potential for such product; expected benefits from the 2018 Acquisitions and the 2020 Acquisition; the Company’s anticipated cash needs, capital requirements and its needs for additional financing; the Company’s future growth plans; anticipated trends and challenges in the Company’s business and the markets in which it operates; the Company’s ability to obtain regulatory approvals when required; the Company’s business strategy; the Company’s ability to attract and retain personnel and changes to the Company’s management; the Company’s business outlook and other expectations regarding financing or operating performance; the Company’s expectation regarding the availability of funds from operations, cash flow generation and capital allocation; the potential impact of the COVID-19 pandemic and the Company’s response thereto, including the Company’s balance sheet and cost management strategies and any benefits thereof; and the Company’s competitive position and the anticipated trends and challenges in the Company’s business and the markets in which it operates.

The forward-looking statements and information included in this Annual Information Form are based on certain key expectations and assumptions made by the Company and although the Company believes that such expectations and assumptions are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Factors and risks which could cause actual results or events to differ materially from those expressed in its forward-looking statements are discussed herein under the heading “*Risk Factors*”, under the heading “*Risk Factors and Risk Management*” in the Company’s most recent management’s discussion & analysis, and elsewhere in the Company’s other disclosure documents filed with the applicable Canadian securities regulatory authorities from time to time.

Unless otherwise noted, any forward-looking statement speaks only as of the date of this Annual Information Form, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement. All forward-looking statements contained herein are expressly qualified by this cautionary statement.

THE COMPANY

Formation and Office Address

The Company was formed on December 10, 2013 through the amalgamation of Chelsea Acquisition Corporation and Pediapharm Inc., and subsequently changed its name to Medexus Pharmaceuticals Inc. on December 12, 2018. The Company's head and registered office is located at 1 Place du Commerce, Suite 225, Verdun, Québec, H3E 1A2.

All references to dollars in this Annual Information Form refer to Canadian dollars, unless otherwise indicated.

Intercorporate Relationships

Medexus Inc., a direct wholly-owned subsidiary, is a Canadian speciality pharmaceutical company focused on the acquisition and licensing, registration, marketing, sales and distribution of innovative pharmaceutical products in Canada, for its targeted therapeutic markets, with strategic partnerships in key international markets.

Medexus Pharma, Inc. (“**Medexus US**”), an indirect wholly-owned subsidiary, is a specialty pharmaceutical company focused on the acquisition and licensing, registration, marketing, sales and distribution of innovative pharmaceutical products in the United States, for its targeted therapeutic markets, with strategic partnerships in key international markets.

As of the date hereof, the Company's corporate organizational structure is shown below:



GENERAL DEVELOPMENT OF THE COMPANY'S BUSINESS

The following describes the general development of the Company's business since the conclusion of the financial year ended March 31, 2017.

Financial Year Ended March 31, 2018

July 2017 Private Placement

On July 4, 2017, the Company announced the closing of a non-brokered private placement pursuant to which Transcan subscribed for 14,705,883 units of the Company, at a price of \$0.34 per unit, for aggregate proceeds to the Company of \$5,000,000. Each unit was comprised of one pre-Consolidation Common Share and one-half of one pre-Consolidation Common Share purchase warrant of the Company (a "**Transcan Warrant**") and each whole Transcan Warrant entitled Transcan to purchase one pre-Consolidation Common Share at a price of \$0.51 per pre-Consolidation Common Share until May 24, 2020. As of the date hereof, there are no Transcan Warrants outstanding.

Financial Year Ended March 31, 2019

Launch of CuvposaTM

April 2018 marked the commercial launch by the Company in Canada of CuvposaTM which is indicated in Canada to reduce chronic severe drooling or excessive production of saliva (sialorrhea) in patients aged 3-18 years with neurologic conditions such as cerebral palsy. For a description of CuvposaTM, see "*Narrative Description of the Company's Business – Core Products and Programs*".

October 2018 Private Placement

On October 11, 2018, in connection with the acquisition of all of the issued and outstanding shares of each of Medexus Inc. and Medexus Pharma, Inc. (under its former name, Medac Pharma, Inc.) (the "**2018 Acquisitions**"), the Company completed a private placement offering (the "**Offering**") for aggregate gross proceeds of approximately \$62 million. The Offering consisted of the issuance of a combination of (i) subscription receipts ("**Unit Subscription Receipts**"), at a price of \$0.42 per Unit Subscription Receipt, convertible into units ("**Units**") and (ii) subscription receipts ("**Debenture Subscription Receipts**"), and, together with the Unit Subscription Receipts, the "**Subscription Receipts**", at a price of \$1,000 per Debenture Subscription Receipt, convertible into convertible debentures ("**Convertible Debentures**").

Each Unit was comprised of one pre-Consolidation Common Share (0.0667 post-Consolidation Common Shares) and one half of one pre-Consolidation common share purchase warrant (a "**2018 Warrant**") (0.0333 post-Consolidation 2018 Warrants), with each whole pre-Consolidation 2018 Warrant being exercisable into one pre-Consolidation Common Share for a period of five years at an exercise price of \$0.63 per pre-Consolidation Common Share. Following the Consolidation, one post-Consolidation 2018 Warrant entitles the holder to purchase one post-Consolidation Common Share at an exercise price of \$9.45 per post-Consolidation Common Share. The 2018 Warrants are governed by the terms of the common share purchase warrant indenture dated October 16, 2018 between the Company and Computershare Trust Company of Canada, as warrant indenture trustee (the "**Warrant Indenture**").

The Convertible Debentures are governed by the terms of the convertible debenture indenture dated October 16, 2018 between the Company and Computershare Trust Company of Canada, as indenture trustee (the "**Convertible Debenture Indenture**") and are convertible into units ("**Conversion Units**") consisting of one pre-Consolidation Common Share (0.0667 post-Consolidation Common Shares) and one half of one

pre-Consolidation 2018 Warrant (0.0333 post-Consolidation 2018 Warrants), at a price of \$0.42 per pre-Consolidation Conversion Unit (\$6.30 per post-Consolidation Conversion Unit). Pursuant to the Offering, the Company issued 58,676,397 Unit Subscription Receipts, for aggregate gross subscription proceeds of \$19,949,979.40, and 42,000 Debenture Subscription Receipts, for aggregate gross subscription proceeds of \$42,000,000. The Convertible Debentures will mature on October 16, 2023 and shall be repaid in full by the Company with a payment equal to 125% of such outstanding principal amount, with such repayment to be made in cash or, at the Company's option, in Common Shares of the Company. The Convertible Debentures bear interest at a rate of 6.0% per annum beginning October 16, 2018, payable semi-annually in cash, or, at the Company's option and subject to the prior approval of the TSXV, in Common Shares of the Company.

The aggregate gross proceeds of the Offering were placed into escrow pursuant to the terms of the Subscription Receipts. On October 16, 2018, in connection with the 2018 Acquisitions, the Subscription Receipts automatically converted into an aggregate of (i) 58,676,397 Units, and (ii) \$42 million principal amount of Convertible Debentures, and consequently, the aggregate net proceeds of the Offering of approximately \$58.46 million were released to the Company.

2018 Acquisitions

On October 16, 2018, the Company completed the 2018 Acquisitions. The total consideration paid by the Company for the acquisition of Medexus Inc. was approximately \$20 million, which was satisfied through the issuance of 67,646,009 pre-Consolidation Common Shares (equal to approximately 4,509,735 post-Consolidation Common Shares) to former holders of Medexus Inc. shares.

The total consideration payable by the Company for the acquisition of Medexus US is up to US\$50 million, of which US\$17.8 million (made up of a cash payment of US\$13.1 million and working capital payment of US\$4.7 million) has been paid, together with the issuance of 7,260,235 pre-Consolidation Units (equal to approximately 484,016 post-Consolidation Units), with a value of approximately US\$1.7 million. A contingent cash payment of US\$5 million and annual payments in an amount equal to 7.5% of the aggregate consolidated EBITDA of the Company, subject to certain agreed-upon adjustments and until such time as an aggregate of US\$30 million in such annual payments have been made, are also payable in connection with the Medexus US acquisition.

Concurrent with closing of the Medexus US acquisition, medac GmbH ("**medac**"), the Company and Medexus US entered into a manufacturing and supply agreement (the "**Medexus US Supply Agreement**") for an initial term of 12 years from the completion of the Medexus US acquisition, which Medexus US Supply Agreement provides for the continued supply of products by medac to the Company for sale in the United States by the Company and a right of first refusal granted to the Company with respect to the commercialization of certain specified products of medac that medac wishes to commercialize for use in the United States or Canada during the term of the Medexus US Supply Agreement. In addition, an existing supply agreement between medac and Medexus Inc. was extended, on its existing financial terms, such that it expires 12 years from the date of the completion of the Medexus US acquisition.

For additional information in respect of the 2018 Acquisitions, refer to (i) the business acquisition report of the Company dated December 31, 2018; and (ii) the stock purchase agreement dated September 6, 2018, as amended by the first amendment thereto dated October 16, 2018, between, *inter alia*, PEDIAPHARM and medac with respect to the acquisition of Medexus US (the "**Medac Pharma Purchase Agreement**"). A copy of each document is available on Medexus' SEDAR profile at www.sedar.com.

Launch of Triamcinolone Hexacetonide Product

In October 2018, the Company launched its own Triamcinolone Hexacetonide (“**TH**”) product. TH is a leading treatment for juvenile idiopathic arthritis (“**JIA**”) and the Company’s TH product was previously being made available, by the Company, to children with JIA through the Special Access Programme of Health Canada (the “**Special Access Programme**”). With the commercial launch of TH, children with JIA now have a reliable source for the product which is a key component for the management of their disease. The commercial launch also allows the Company to promote the product for use in adults with other indications such as osteoarthritis, rheumatoid arthritis and other forms of joint disease. TH is the longest acting corticosteroid for intra-articular injection, often lasting twice as long as competitive products. The Company is currently in negotiations to have TH publicly reimbursed which, if successful will significantly increase the revenue potential of the brand.

Consolidation of Common Shares and Name Change

On December 12, 2018, upon receiving shareholder approval at the Company’s annual and special meeting, the Company changed its name to Medexus Pharmaceuticals Inc. and completed the consolidation of the Common Shares (the “**Consolidation**”) on the basis of 15 pre-Consolidation Common Shares for each post-Consolidation Common Share.

At the opening of trading on December 19, 2018, the Common Shares began trading on the TSXV under the name Medexus Pharmaceuticals Inc., on a post-Consolidation basis, and under the new stock symbol “MDP”.

Changes in Senior Management and the Board

On December 17, 2018, the Company announced that the Board had appointed Ken d’Entremont as Chief Executive Officer. Mr. d’Entremont joined the Company as a director and Chief Operating Officer following the acquisition of Medexus Inc., of which he was the founder, president, Chief Executive Officer and a director. Sylvain Chrétien, the founder of the Company, was appointed as President, Canadian Operations, and Terri Shoemaker, the President of Medexus US prior to the Medexus US acquisition, was appointed as President, U.S. Operations. Concurrently, the Company announced the retirement of Pierre Lapalme from the Board and the appointment of Peter van der Velden as Chair of the Board.

In June of 2019, Adele M. Gulfo joined the Board, further enhancing the Board’s commercial and business development expertise.

Repayment of 2015 Debentures

On December 13, 2018, Medexus announced that it repaid its outstanding convertible secured debentures issued in 2015 for a total aggregate payment of \$5,743,833, representing the aggregate principal amount of such debentures plus accrued interest thereon, plus a 2% early repayment fee.

Authorization by Health Canada to Distribute Treosulfan

In February 2019, the Company was granted authorization by Health Canada to distribute Treosulfan under the Special Access Programme and is now shipping to hospitals across Canada.

Exclusive Canadian Distribution Rights for Gleolan

On March 4, 2019, the Company obtained exclusive rights in Canada to market and distribute Gleolan, which assists neurosurgeons to better visualize and more completely remove malignant brain tumors (gliomas) by causing them to become fluorescent and glow during surgery.

Financial Year Ended March 31, 2020

Launch of Metoject® Subcutaneous

On May 1, 2019, the Company launched a new Metoject Subcutaneous 15mg dose in Canada for the treatment of rheumatoid arthritis, psoriasis and psoriatic arthritis. The new 15mg dose of Metoject Subcutaneous is an important addition to the Metoject® line the Company currently has in Canada and the Company expects this dose to be a significant portion of our Metoject® volume going forward.

Normal Course Issuer Bid

On May 14, 2019, Medexus received approval from the TSXV to implement a normal course issuer bid (the “**NCIB**”), under which the Company may purchase for cancellation up to 1,005,333 Common Shares through the facilities of the TSXV (or by other means as may be permitted by the TSXV). The NCIB commenced on May 16, 2019 and was terminated on February 28, 2020, upon the Company entering into the Term Loan.

Under the NCIB, the Company purchased and canceled 919,000 Common Shares in total for an aggregate purchase price of \$3,738,860.

DTC Eligibility

On August 15, 2019, the Company announced that the Common Shares traded on the OTCQB in the United States, under the symbol PDDPF, were DTC eligible. DTC services provide simplification, convenience, and cost benefits for investors and brokers trading Canadian securities in the United States.

Changes in Senior Management and the Board

On October 15, 2019 the Company announced that Sylvain Chrétien would no longer serve as the Company’s President, Canadian Operations. Mr. Chrétien concurrently resigned from the Board. Additionally, on the same date, the Company announced that Benoit Hebert would be departing from his role as the Company’s Vice President, Business Development & Licensing.

2020 Acquisition

On February 28, 2020, the Company announced that Medexus US acquired 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 (the “**2020 Acquisition**”), pursuant to a purchase agreement dated February 28, 2020 with Aptevo Therapeutics Inc. (the “**IXINITY Purchase Agreement**”). IXINITY® is an FDA-approved 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. See “*Narrative Description of the Company’s Business – Core Products and Programs – IXINITY®*”.

Pursuant to the IXINITY Purchase Agreement, in addition to the approximately US\$30 million up-front cash consideration paid on closing, Medexus US is also required to make certain deferred payments on net sales of IXINITY® in an amount equal to (i) 2% of net sales until the earlier of (x) the completion of the ongoing U.S. pediatric trial in respect of IXINITY® and (y) June 30, 2022, and (ii) 5% of net sales thereafter until March 1, 2035. Medexus US is also required to make certain milestone payments upon IXINITY®'s receipt of Canadian and European regulatory approval in each of Germany, Spain, Italy and the United Kingdom and upon IXINITY® achieving worldwide annual net sales of US\$120 million, if achieved by March 1, 2035.

A copy of the IXINITY Purchase Agreement is available under the Company's profile on SEDAR at www.sedar.com.

MidCap Financial Trust Term Loan

Concurrently with the closing of the 2020 Acquisition, the Company announced that it entered into a definitive credit agreement (the "**Term Loan Credit Agreement**") with a syndicate of lenders (the "**Term Loan Lenders**") agented by MidCap Financial Trust in respect of a US\$20 million secured term loan having a term of 40 months expiring on June 30, 2023 (the "**Term Loan**"). The Company and its active subsidiaries are the borrowers under the Term Loan. The Term Loan is secured by a first-priority security interest in all existing and after-acquired assets of the Company and each other borrower. Borrowings under the Term Loan bear interest at an annual rate of one-month LIBOR plus 6.50%, subject to a LIBOR floor of 1.50%. Interest on the outstanding balance of the Term Loan is payable monthly in arrears. The Term Loan was used by the Company to fund a portion of the purchase price of the 2020 Acquisition and to pay transaction fees in connection therewith. In connection with the Term Loan, the Company also granted to an affiliate of MidCap Financial Trust warrants to purchase Common Shares (the "**MidCap Warrants**").

A copy of the Term Loan Credit Agreement is available under the Company's profile on SEDAR at www.sedar.com.

COVID-19

In early 2020, the coronavirus ("**COVID-19**") was confirmed in multiple countries throughout the world and on March 11, 2020, the World Health Organization declared a global pandemic. In response to the COVID-19 pandemic, governments enacted emergency measures to combat the spread of COVID-19, including the implementation of travel bans, quarantine periods and social distancing. In response to the outbreak, the Company has prioritized (i) the health and safety of its employees; (ii) ensuring the continuity of access to our products for our patients who rely on them for their day to day health and well-being; (iii) monitoring the status of our partners in our supply and distribution process, such as the manufacturers of our products and the operators of our warehouses and distribution sites; and (iv) open and frequent communication with all of our key business partners, including our lenders and shareholders. The welfare and safety of our personnel and the individuals with which the business interacts has remained critically important to us during this time. We quickly enforced a work from home policy for our employees; something we were well-suited to do, given the modern tools we use to run our business. We have maintained, and are committed to maintaining continuity of patient care, we have implemented several preventative measures to protect the health and safety of our employees, and we continue to refine our work processes to adapt to these unprecedented circumstances.

The COVID-19 pandemic had limited impact on the supply chain availability, results of operations and the financial condition of the Company during the three- and twelve-months ended March 31, 2020. In future periods, the COVID-19 pandemic could, among other things, cause operating or supply chain delay disruptions such as meaningful delays for the enrollment of the pediatric trial for IXINITY® as hospitals

around the world close their doors to all non-critical patients, labor shortages, expansion project delays, facility shutdowns and other business disruptions, each of which could have a negative impact on its ability to conduct its business and increase its costs. In addition, liquidity and volatility, credit availability and market and financial conditions generally could change at any time as a result. Specifically, third parties on which the Company relies, including its manufacturers, suppliers, licensors and/or distributors, have operations around the world and are exposed to a number of global and regional risks outside of the Company's control, including but not limited to those related to COVID-19.

While the Company believes that the current conditions related to the COVID-19 pandemic to be temporary based on the information available to the Company as of the date hereof, the situation is dynamic and it is not possible to predict the duration and severity of the economic disruption, government restrictions and stimulus, social distancing and phased re-opening of economies. The broader impact that the COVID-19 outbreak may have on investors, businesses, the economy and the financial markets is currently unknown as it continues to rapidly evolve. As a result, the impact of COVID-19 on its results of operations and financial condition cannot be reasonably estimated at this time. The Company continues to evaluate the situation and monitor any impacts or potential impacts to its business.

See "*Risk Factors – Risks Relating to Ownership of Common Shares – Catastrophic Events, Natural Disasters, Severe Weather and Disease.*"

Recent Developments Since March 31, 2020

MidCap Financial Trust Revolving Credit Facility

On May 7, 2020, the Company announced that it entered into a definitive credit agreement (the "**Revolver Credit Agreement**") and together with the Term Loan Credit Agreement, the "**Credit Agreements**") with a syndicate of lenders (the "**Revolver Lenders**" and collectively with the Term Loan Lenders, the "**Lenders**") agented by MidCap Financial Trust in respect of a US\$20 million secured asset-based revolving credit facility having a term of 38 months expiring June 30, 2023 (the "**Revolving Credit Facility**"). The Revolving Credit Facility is secured by a first-priority security interest in all existing and after-acquired personal property and is subject to an intercreditor agreement with MidCap Financial Trust, in its capacity as administrative agent under the Term Loan. Borrowings under the Revolving Credit Facility bear interest at an annual rate of one-month LIBOR plus 3.95%, subject to a LIBOR floor of 1.50%. Interest is payable monthly in arrears on the first business day of each month. The Revolving Credit Facility features a US\$20 million revolving commitment (subject to the borrowing base) and an uncommitted US\$10 million accordion. The initial advance under the Revolving Credit Facility was used by the Company to repay US\$10 million of the principal amount outstanding under the Term Loan, plus all accrued and unpaid interest thereon and fees payable in connection therewith, and to pay transaction fees and expenses in connection with the Revolving Credit Facility. After such repayment, approximately US\$10 million principal amount remained outstanding under the Term Loan.

A copy of the Revolver Credit Agreement is available under the Company's profile on SEDAR at www.sedar.com.

Changes in Senior Management

On May 7, 2020, the Company announced that Terri Shoemaker would no longer serve as the Company's President, U.S. Operations. In her place, Mike Adelman was appointed as the General Manager of the Company's U.S. operations.

Accord Healthcare Inc. Litigation

On August 28, 2020, the Company and medac filed a statement of claim (the “**Statement of Claim**”) in the Federal Court against Accord Healthcare Inc. (“**Accord**”). The Statement of Claim relates to, among other things, the launch by Accord of a generic version of Metoject® in the Canadian market (the “**Accord Product**”). medac is the owner of a patent in Canada for concentrated methotrexate solutions (the “**Metoject® Patent**”) and Medexus has an exclusive license to market, use and sell Metoject® in Canada. The Company and medac believe that the launch of the Accord Product in Canada constitutes an infringement of the Metoject® Patent and intend to take all appropriate steps to enforce their rights.

See “Risk Factors - Litigation May Negatively Impact Medexus’ Business, Financial Condition and/or Results of Operations” and “Risk Factors - Competition from Manufacturers of Generic Products”.

NARRATIVE DESCRIPTION OF THE COMPANY’S BUSINESS

Overview

The Company, both directly and through its three active operating subsidiaries, is a North American specialty pharmaceutical company with a portfolio of products in the areas of rheumatology, auto-immune disease, allergy, speciality oncology, hematology and pediatrics. The Company’s experienced management team has a long and proven track record of successfully sourcing, developing and commercializing drugs in a variety of therapeutic areas at all stages of their life cycle throughout North America.

Innovative Drug Industry and Specialty Pharmaceuticals

Healthcare innovators can be segregated in various groups according to their core strategy. Large pharmaceutical companies generally develop new drugs through extensive investment in research and development. They usually have a global presence and will actively engage in the marketing and sales of their products. Mid-sized and smaller pharmaceutical or biotechnology companies will usually focus mainly on the research and earlier stage development of compounds.

Specialty pharmaceutical companies, like Medexus, will generally not make extensive investments in research and development and will tend to commercialize either their own products or products where the intellectual rights are acquired through licensing agreements (commonly known as “in-licensing”) from research and development intensive companies. Specialty pharmaceutical companies will also typically focus on one or a few select therapeutic areas.

Business Strategy

Consistent with industry practice for pharmaceutical companies, the products that the Company currently distributes originate from transactions whereby the Company either in-licenses products that enables it to register the drug products with Health Canada and/or the FDA in order to commercialize them, or through outright acquisitions. The Company does not produce or manufacture products and does not conduct research and development. For most products in its current portfolio, the Company licenses finished products and sells them in either Canada or the United States. In the case of products owned by the Company, or where it controls the supply chain, the Company uses third-party manufacturers to produce the finished goods.

In addition to continuing to market and grow its new and existing product lines, the Company has a first right of refusal on current products from the previous owner of Medexus US with whom the Company has entered into the Medexus US Supply Agreement. The Company believes that several of these products

represent a commercial opportunity in North America and is in the process of assessing the licensing of these drugs. The Company is also in discussion with several partners regarding other licensing agreements and believes that those products have the potential to make a material contribution within the next few years.

Core Products and Programs

IXINITY®

IXINITY® is a third-generation recombinant human coagulation factor IX approved by the FDA in April 2015 in the United States for the control and prevention of bleeding episodes and for perioperative management in adults and children 12 years of age or older with Hemophilia B. Hemophilia B, also known as Christmas disease, is a rare, inherited bleeding disorder. The blood of Hemophilia B patients has an impaired clotting ability, which results from substantially reduced or missing factor IX activity. Patients with Hemophilia B commonly experience joint bleeding with pain and swelling, which can result in irreversible joint damage. They may also experience more serious or life-threatening hemorrhages. People with Hemophilia B require factor IX injections to restore normal blood coagulation temporarily. Many patients use regular, prophylactic treatment to try to prevent bleeding episodes, while others use on-demand treatment to control bleeding episodes after they occur. Treatment selection and approach is individualized based on factors including the patient's condition and age, factor level, disease severity, bleeding pattern, activity level and individual pharmacokinetic parameters.

Rasuvo®

Rasuvo® is a weekly, subcutaneous, single-dose injector of methotrexate that is approved in the United States for the treatment of rheumatoid arthritis, psoriasis and JIA. It competes in a methotrexate market valued at approximately US\$500 million in the United States. Methotrexate is a first line treatment for rheumatoid arthritis as described by the American College Guideline for the Treatment of Rheumatoid Arthritis and is the gold standard, foundational treatment of this chronic, debilitating disease. Methotrexate is available in two forms, consisting of oral tablets and subcutaneous injection like Rasuvo®. Subcutaneous injections are superior to oral tablets in that the pharmacokinetics of the oral form plateaus at 15 mg. Therefore, the large portion of patients who require doses greater than 15mg cannot be effectively managed with oral tablets, thus the need for subcutaneous methotrexate (scMTX). Until the launch of autoinjectors like Rasuvo®, the only form of scMTX available was multidose vials, which requires the patient or caregiver to manually draw each weekly dose with a syringe and inject. Rasuvo® simplifies this process and accurately delivers a single dose via an autoinjector. Rasuvo® also reduces by half the volume of the injection thus reducing pain at the injection site. It has excellent payor, prescriber and patient acceptance, which has helped position the Company as a leader in the methotrexate auto-injector market, where the Company's management believes it holds a leading market share.¹

Metoject®

Metoject Subcutaneous is a pre-filled syringe of methotrexate with a pre-attached subcutaneous needle that is approved in Canada for the treatment of rheumatoid arthritis, psoriasis and psoriatic arthritis. Metoject® simplifies the delivery of scMTX for patients in the community. Metoject® is a highly effective and cost-efficient for the debilitating diseases it treats. Metoject® achieved public reimbursement in the first quarter of 2018 for all provinces except British Columbia and Manitoba. Public reimbursement creates access for a large group of patients who previously could not obtain Metoject®. In early 2020, additional doses were

¹ Symphony Sub National Data & Chargebacks Launch to 4/30/2020, pulled 5/31/2020.

added to formularies across Canada. Unit sales have increased significantly since the advent of public reimbursement.

Rupall™

On January 25, 2017, the Company announced the commercial launch of Rupall™ (rupatadine) in Canada. Rupall™ comes in two dosage forms; the tablet 10mg and oral solution 1mg/mL and is indicated for the relief of the symptoms associated with Seasonal Allergic Rhinitis (“**SAR**”), Perennial Allergic Rhinitis (“**PAR**”) and Chronic Spontaneous Urticaria (“**CSU**”) in patients 2 years of age and older. Rupall™ was the first prescription (Rx) antihistamine launched in a decade with all 3 indications (SAR, PAR and CSU), including a formulation for children over 2 years of age. Moreover, it will benefit from 8.5 years of market exclusivity granted by Health Canada’s Office of Patented Medicines and Liaison under section C.08.004.1 of the *Food and Drug Regulations*.

Allergic rhinitis (SAR and PAR) is an inflammatory disease of the nasal mucous membranes and it is one of the most common chronic health conditions with an estimated 20 to 25% of Canadians being affected.² CSU is a severe and distressing skin condition for which discomfort associated with this disorder can often pose a serious challenge to the treating clinician and a long-term hardship for patients and their families.^{3,4}

Cuvposa™

April 2018 marked the commercial launch by the Company in Canada of Cuvposa™ which is indicated in Canada to reduce chronic severe drooling or excessive production of saliva (sialorrhea) in patients aged 3-18 years with neurologic conditions such as cerebral palsy.

Chronic drooling, or excessive production of saliva (sialorrhea), is a common condition found in children with cerebral palsy but it may also be diagnosed in patients with other neurological disorders (i.e. severe developmental delay, autism spectrum disorders, sensory impairments, traumatic brain injuries as well as neurogenetic and metabolic disorders). It is estimated that the cerebral palsy prevalence ranges from 110-150 out of 100 000 persons in the population⁵ while prevalence of chronic drooling in children with cerebral palsy vary from 37.4% to 58%.⁶ It has been estimated that 25% to 35% of children with cerebral palsy drool to varying degrees, and 10% of these children have chronic severe drooling.⁷ The Company estimates that the total market potential for Cuvposa™ is approximately 5,000 patients in Canada.

Triamcinolone Hexacetonide (TH)

In October 2018, the Company launched its own TH product in Canada, which was previously only made available by the Company to children with JIA through Health Canada Special Access Programme. With the commercial launch of TH, children with JIA have a reliable source for a product which is a key component for the management of their disease. Health Canada approved TH in December 2017 for intra-articular, intrasynovial, or periarticular use in adults and adolescents for the symptomatic treatment of

² Keith P. et al. The burden of allergic rhinitis (AR) in Canada: perspectives of physicians and patients. *Allergy, Asthma & Clinical Immunology* 2012, 8:7.

³ Sussman et al. Insights and advances in chronic urticaria: a Canadian perspective *Allergy, Asthma & Clinical Immunology* 2015, 11:7.

⁴ Ben-Shoshan et al. Psychosocial factors and chronic spontaneous urticaria: a systematic review. *Allergy* 2013; 68: 131-141.

⁵ Mapping Connections: An understanding of neurological conditions in Canada <http://www.phac-aspc.gc.ca/publicat/cd-mc/mc-ec/section-3-eng.php>

⁶ Walshe M, Smith M, Pennington L. Interventions for drooling in children with cerebral palsy. *Cochrane Database of Systematic Reviews* 2012, (11), Art. No.: CD008624.

⁷ Drooling in children, *Paediatric Child Health* Vol 4 No 6 September 1999.

subacute and chronic inflammatory joint diseases including: rheumatoid arthritis, JIA, osteoarthritis, post-traumatic arthritis, synovitis, tendinitis, bursitis and epicondylitis. On March 31, 2020 the pan-Canadian Pharmaceutical Alliance (pCPA) price negotiations for TH in Canada were completed with expected public reimbursement to roll out in the respective provinces. TH is the longest acting corticosteroid for intra articular injection, often lasting two times longer than competitive products.

Treosulfan

In February 2019 the Company was granted authorization by Health Canada to distribute Treosulfan under the Special Access Programme and is now shipping to hospitals across Canada. Treosulfan is a conditioning agent for bone marrow prior to stem cell transplantation, a common treatment for leukemia patients. Clinical data for Treosulfan demonstrates a significant increase in overall survival at 24 months when compared to Busulfan, a drug commonly used for this indication. The Company expects to expand distribution of Treosulfan in Canada once the product has received approval as a fully registered product and believes that this further validates the Company's ability to leverage the combined product portfolios and our North American sales force.

Gleolan

On March 4, 2019, the Company obtained exclusive rights in Canada to market and distribute Gleolan, which assists neurosurgeons to better visualize and more completely remove malignant brain tumors (gliomas) by causing them to become fluorescent and glow during surgery. On March 27, 2020, the Company announced that Health Quality Ontario, under the guidance of the Ontario Health Technology Advisory Committee, recommended public funding of Gleolan (5-aminolevulinic acid hydrochloride) for guiding maximal surgical resection of high-grade gliomas in adults, conditional on Health Canada approval. Gleolan has received positive feedback from the medical community under the Special Access Programme.

Competitive Conditions

The pharmaceutical industry is highly competitive and subject to rapid and significant technological change. The Company's competitors in the pharmaceutical market range from large multinational pharmaceutical development corporations to small, single-product companies that may limit their activities to a particular area or drug, or region or territory. Many of these competitors have greater financial resources and marketing capabilities than Medexus. The Company's competitors are numerous and include, among others, major pharmaceutical and chemical companies.

Due to the Company's focus on commercial stage assets, manufacturers of generic pharmaceutical products are some of the Company's main competitors. Generic versions are generally significantly less expensive than branded versions, and, where available, may be required in preference to the branded version under third-party reimbursement programs, or substituted by pharmacies. If competitors introduce new products, delivery systems or processes with therapeutic or cost advantages, the Company's products can be subject to progressive price reductions or decreased volume of sales, or both.

Most products that the Company would acquire under its strategy must compete with other products already on the market or products that are later developed by competitors. Manufacturers of generic pharmaceuticals, for example, typically invest far less in research and development than research-based pharmaceutical companies and therefore can price their products significantly lower than branded products. Accordingly, when a branded product loses its market exclusivity and enters its established brand stage, it normally faces intense price competition from generic forms of the product. With respect to the Company's acquisition strategy, management expects to compete principally with other pharmaceutical companies that seek to acquire mature and promotional stage pharmaceutical products as part of their growth strategy.

Competitive Strengths

The Company's management believes that its key competitive strengths include:

Commercial Presence

The Company has existing commercial infrastructure in both the United States and Canada with a portfolio of products in those countries. It has demonstrated commercial success with its products and therefore has a credible track record that helps attract future licensing opportunities.

Relationships with Industry

Due to their significant experience in the pharmaceutical industry, management and staff of the Company have developed deep relationships with all the key stakeholders in the pharmaceutical market in North America. Medexus leverages these relationships to maximize the execution of their business plan. These relationships combined with industry knowledge and unique know-how of the pharmaceutical market segment allow the Company to maximize revenues while building a solid products pipeline to secure the future growth of the business.

Management and Board Expertise

The Company's executive management team and the Board have significant international pharmaceutical industry expertise, including, each executive management team member having extensive pharmaceutical product acquisition and/or operational experience. The Company's management team has a broad network within the industry and a proven track record of success. Members of the Company's broader management team are also experienced in various aspects of governance, corporate financing, pharmaceutical operations, including product development, clinical research, technology transfer, manufacturing, legal and regulatory affairs, intellectual property, sales and marketing, strategic planning and integration.

Superior Business Model for Acquisitions

In seeking to acquire select established branded pharmaceutical products primarily for the purpose of generating a stream of stable, long-duration revenues and cash flow, the Company has the flexibility to consider a broad range of acquisition targets from a variety of pharmaceutical areas. Moreover, the Company's management team believes that its long and established track record and proven success in efficiently transitioning and judiciously managing acquired products and programs, will provide the Company with proficiency in choosing acquisition targets and will favourably influence certain vendors in selecting their preferred partner for future divestiture transactions. Because the Company has operations in

both Canada and the United States, it has the ability to acquire and commercialize products in either or both countries and such flexibility may be advantageous to certain vendors or licensors.

Predictable Cost Structure

The Company's management team has established and intends to continue to maintain a predictable cost structure by relying on a small but experienced employee base and outsourcing to leading outsource service providers certain of the operational functions associated with the Company's business, including warehousing, distribution, customer service, invoicing, collections, regulatory affairs, medical and drug information and informational technology. The Company's management team believes the predictability, scalability, flexibility and efficiency gained by contracting with established, experienced service organizations will assist the Company in improving its margins, achieving profitability and facilitating growth.

Pricing

The Company's model is not dependent on price increases. The Company's management team expects that, where and when appropriate, it will make competitively sound and typically modest pricing adjustments to maintain product viability and competitiveness.

Partnership with Leading Service Providers

While retaining strategic direction and direct oversight, the Company has entered into, and intends to continue to enter into, on a case-by-case basis, outsourcing relationships with leading providers of pharmaceutical contract services for many of the operational functions associated with the Company's business. These outsourcing relationships minimize the need for significant overhead and provide the Company with scalability, and flexibility to adapt to market conditions in a cost-effective manner.

Market

Overview

Most pharmaceutical products in the North American marketplace follow very similar paths of development from the drug discovery stage through to the established brand stage. The key stages are as follows:

Drug Discovery. In the drug discovery stage, researchers study the molecular mechanisms of a particular disease and attempt, through a variety of methods, to find or create a molecule that affects the way the disease functions. Typically, when a new molecule is identified that offers the potential to proceed further in development, a patent application is filed claiming the chemical formula that defines the new molecule and/or the process by which the new molecule is formulated and/or used. If issued, the patent permits the patent holder to exclude others from making, using or selling the discovery claimed in the patent for the patent lifespan.

Pre-clinical and Clinical Development. Following the drug discovery stage, candidate drugs typically undergo between one and three years of extensive pre-clinical laboratory and animal testing to assess safety and demonstrate biological activity against a disease, followed by clinical (human) trials, which can take from two to ten years or more, during which safety and efficacy of the new molecule is determined.

Regulatory Approval, Product Launch and Growth. Once the drug developer submits all data and information generated during the discovery and development stages to the appropriate regulatory

body (e.g., the FDA in the United States and Health Canada in Canada), the regulatory body, including scientists, and, if applicable, advisory committees review and decide whether the data justifies approval for widespread patient use and marketing. If approved, the new drug is introduced into the marketplace. Sales of a branded drug, often driven by sizeable promotional investment, may rise sharply after introduction if the drug becomes widely prescribed by physicians.

Maturity. After years of growth, sales of a new drug typically slow or reach a plateau, a stage of the product's lifecycle referred to as maturity. The duration of the maturity stage is often dependent on the type of exclusivity the drug enjoys (e.g. patent exclusivity or regulatory exclusivity), or other barriers to competition.

Loss of Market Exclusivity. When market exclusivity is lost and competing generic versions of the products enter the market, the brand may lose market share very rapidly. Competition comes principally from generic drugs, drugs that regulatory bodies such as the FDA or Health Canada approve as substitutable products that are bio-equivalent to the brand based on abbreviated clinical development. Generic drugs are typically priced at substantial discounts to branded drugs, and in many states, provinces and territories can be dispensed, and in some cases are required to be dispensed, in place of the brand by a pharmacist, without consent from the prescribing physician or patient.

Established Brand Stage. Once a drug loses market exclusivity to a substitutable product and market share erodes, the drug enters the final stage of the product lifecycle, the established brand stage. Although market share continues to decline in this late stage, it rarely erodes to zero. This is due to a number of factors, the most common ones being brand recognition, physicians/patients preferring to prescribe/receive branded drugs and top tier drug plans that may continue to reimburse branded drugs regardless of the cost difference and availability of generics. Therefore, demand for these drugs, while substantially reduced, often remains predictable year after year. It is often at this stage when brand companies may consider divesting the drug. See “– *Industry Trends*”.

Size of Market

The global pharmaceutical industry is a highly diverse and complex industry comprised of a variety of sectors, including large branded pharmaceutical companies, small to mid-sized specialty and niche market pharmaceutical manufacturers and marketers, biotechnology firms, research and development organizations and generic drug manufacturers. These participants compete for market share based on advantages including clinical efficacy and safety, technological innovation or novelty, convenience or ease of administration and cost effectiveness. In 2019, the global pharmaceutical market generated estimated net sales of US\$1.05 trillion, of which US\$392 billion (39%) were in North America.⁸

⁸ GlobalData Intelligence Center, Drug Sales.

In respect of the Company's existing core products:

- IXINITY®: The Company estimates that the total factor IX replacement market in the United States is approximately US\$1.1 billion.⁹
- Rasuvo®: The Company estimates that the total methotrexate market in the United States is approximately US\$500 million.
- Metoject®: The Company estimates that the total methotrexate market in Canada is approximately \$45 million.¹⁰
- Rupall™: The Company estimates that the total Anti-H1 Rx Market is approximately \$55.6 million.¹¹
- Cuvposa™: The Company estimates that the total market potential for Cuvposa™ is approximately 5,000 patients in Canada.
- TH (Trispan): The Company estimates that the total market potential for Trispan is approximately \$33 million.¹²
- Gleolan: The Company estimates that the total market potential for Gleolan is approximately 1400 patients in Canada.¹³

Industry Trends

The Company's management believes that a number of trends in the pharmaceutical industry create a favourable environment for the acquisition and distribution of promotional stage and established brand stage products.

Demographics

Growth of the population in general and aging of the population in particular will continue to drive demand for pharmaceutical therapies. Favorable perception towards brands will result in sustained opportunities for selected established brand assets and promotional stage products.

Medicare Coverage

Often, established brand pharmaceutical products subject to Medicare, Medicaid or falling under the Federal Supply Schedule may still be competitive in price to alternatives due to mandatory rebates and average manufacturer price calculation rules prescribed by United States legislation. The Federal Supply Schedule is a list of contractors that have been awarded a contract by the General Services Administration, an independent agency of the United States government, and such contractors can be used by all United States federal agencies.

⁹ MRB, Plasma Proteins Market in the United States in 2018, Published August 2019.

¹⁰ IQVIA, CDH, April 2020.

¹¹ IQVIA, CDH MAT, September 2019.

¹² IQVIA – CDH December 2019.

¹³ Incidence is 4/100,000 People in Canada – Brain Tumor Registry of Canada.

Healthcare Reform – The Patient Protection and Affordable Care Act

The United States *Patient Protection and Affordable Care Act* has resulted in an increase of access to healthcare services and treatments. This trend may continue but will be attenuated by changes in the legal and political environment, including changes in formulary management practices.

Product Divestitures

The Company management believes that as large pharmaceutical companies continue to focus on their core therapeutic areas, additional non-core or non-strategic products will be divested, many of which will likely fall into the established brand or promotional stage category.

Sales and Marketing

Management of the Company pursues a number of market access strategies and has established a number of marketing and promotional agreements in Canada and the United States.

As of the date of this Annual Information Form, the Company's sales force in the United States is comprised of 25 commercial representatives who promote Rasuvo® and IXINITY® to healthcare practitioners, institutions and payers, such as managed care organizations, pharmacy benefit managers and government organizations. In addition, the Company has entered into agreements with payers and buying groups, with the goal of growing product knowledge, trial and usage in their territories.

As of the date of this Annual Information Form, the Company has 22 commercial representatives in Canada who promote Metoject®, Rupall™, TH, Cuvposa™ and other products to a variety of physicians, hospitals, payers and buying groups with the goal of growing product knowledge, trial and usage in their territories.

Customers

The Company has a limited number of direct customers, and the majority of the Company's sales are to large national wholesalers, specialty pharmacies and institutions. See "*Risk Factors – Risks Relating to the Business – Dependence on a Small Number of Customers*".

Manufacturing, Supply and Distribution

The Company is focused on managing the production and distribution of pharmaceutical products and therefore partners with third party contract manufacturers or its licensors for the manufacture and supply of the pharmaceutical products in its portfolio. Any products that the Company acquires will need to be manufactured in facilities, and by processes, that comply with the requirements of Health Canada and the FDA, as applicable. The Company and its product suppliers are, and will be, subject to extensive governmental regulation in connection with the manufacture of any pharmaceutical products. The Company and its product suppliers must ensure that all of their processes, methods and equipment are compliant with the requirements of Health Canada and the FDA, as applicable. The Company relies on national third-party logistics providers in Canada and the United States to administer the distribution process – from warehousing to order processing, to shipping, invoicing and collection of sales proceeds. See "*Risk Factors – Risks Relating to the Business – Reliance on Third Parties for the Manufacture and Supply of Products*".

Concurrent with closing of the Medexus US acquisition, the Company and Medexus US entered into the Medexus US Supply Agreement with medac to provide for the continued supply of products by medac to the Company for sale in the United States. For additional information regarding the supply arrangements with medac see "*General Development of the Company's Business*".

Employees

As at the financial year ended March 31, 2020, Medexus had 87 employees in total, including 43 sales representatives, 8 sales managers and 36 administrative staff members; none of whom are unionized.

Proprietary Protection

The pharmaceutical industry is highly dependent on protection of intellectual property rights for branded and promoted drug products. Patents are among the most important of such rights and include: (i) patents on drug products; (ii) patents on formulations of drug products; and (iii) patents on the processes for the manufacture and the use (method of treatment) of drug products. Patents have a finite lifespan (20 years from the date of filing on the discovery claimed in the patent) and have more importance to a company during the drug discovery through the launch and growth of a product and diminishing to no importance once patent exclusivity is lost and the product reaches the established brand stage. Thus, patent protection may have little if any significance for the Company's acquisition of established brand products. However, adequate patent protection will be important for any future the Company acquisition of a product that has not yet lost patent exclusivity, which will factor into the value of the acquisition. The Company will carry out due diligence to ensure that such products are adequately protected.

Other intellectual property rights are also important in protecting a branded drug, such as brand names and trademarks in order to distinguish the drug from other branded drugs and generic versions. Such brand names are important in marketing the drug to physicians and patients and in identifying the drug in formularies. In the United States, once a trademark is registered, the trademark owner must file for renewal, together with a statement that the trademark is being used, every 10 years to prevent its cancellation or expiration of the registration. For more information, see "*Intellectual Property*".

Regulatory Environment

Government authorities in the United States, in Canada and in other countries extensively regulate, among other things, the research, development, testing, approval, manufacturing, labeling, post-approval monitoring and reporting, packaging, promotion, storage, advertising, distribution, marketing and export and import of pharmaceutical products at the federal, state, provincial and local level. The process of obtaining and maintaining approvals and the subsequent compliance with applicable federal, state, provincial, local and foreign regulatory requirements require the expenditure of substantial time, risk and financial resources. FDA approval must be obtained in the United States and approval of Health Canada must be obtained in Canada prior to marketing or manufacturing new pharmaceutical products for use by humans. Regulation by other agencies, such as the Drug Enforcement Administration, and state and local authorities in the United States, and by comparable agencies in other countries, may also be relevant. In the United States, the *Federal Food, Drug and Cosmetic Act*, as amended, and the regulations promulgated thereunder, and other federal and state statutes and regulations, govern, among other things, the testing, manufacture, safety, effectiveness, labeling, storage, record-keeping, approval, sale, distribution, advertising and promotion of the Company's products. In Canada, the federal *Food and Drugs Act*, as amended, and the regulations promulgated thereunder, and other federal and provincial statutes and regulations, govern, among other things, the testing, manufacture, safety, effectiveness, labeling, packaging, storage, record keeping, approval, import, sale, distribution, advertising, promotion and post-approval monitoring of the Company's products.

In addition to drug product approvals, applicable laws require that most companies involved in pharmaceutical production and sale hold licenses in respect of their activities and establishments. For example, the Canadian *Food and Drugs Act* and regulations promulgated thereunder require that, subject to limited exceptions, all Canadian establishments must hold an establishment licence to fabricate, package,

label, distribute, import, wholesale, and/or test a pharmaceutical product. Further, to the extent that these activities are conducted outside of Canada, foreign sites must be included on an importer's license. Companies involved in the manufacture of pharmaceutical products are required to comply with manufacturing regulations, including current good manufacturing practice requirements enforced by the FDA and Health Canada and similar regulations enforced by regulatory agencies outside the United States and Canada. The Company and its suppliers will be subject to such regulatory requirements, and will also be subject to regular inspections from regulatory authorities. See "*Risk Factors – Risks Relating to the Business – Limitations Imposed by Government Regulation*".

The Company may be subject to price control restrictions on its pharmaceutical products in many countries in which it operates, which will limit the amount it can charge for its products. The potential volume of sales of the Company's products may also depend on whether such products are and continue to be listed on public and private formularies. See "*Risk Factors – Risks Relating to the Business – Limitations Imposed by Government Regulation*".

In the United States, the Federal Trade Commission, the FDA and state and local authorities regulate the advertising of pharmaceuticals. In Canada, Health Canada, the Competition Bureau and a number of self-regulatory authorities are among those that regulate the advertising of pharmaceuticals. In each case, advertising is strictly regulated and can be very limited.

The FDA can require a boxed warning (sometimes referred to as a "black box" warning) for products that have shown a significant risk of severe or life-threatening adverse events and similar warnings are also required to be displayed on such product in certain other jurisdictions, which can reduce the potential market for a product. The Company is also subject to extensive federal and state health care marketing and fraud and abuse regulations, such as the federal False Claims Act in the United States, and federal, provincial and territorial marketing regulation in Canada. The United States federal *False Claims Act* imposes civil and criminal liability on individuals or entities who submit (or cause the submission of) false or fraudulent claims for payment to the government. See "*Risk Factors – Risks Relating to the Business – Limitations Imposed by Government Regulation*".

If the Company or its operations are found to be in violation of any of these laws, regulations, rules or policies or any other law or governmental regulation, or if interpretations of the foregoing change, the Company may be subject to loss of product approvals or necessary licenses to conduct its business, recalls, stop sales, public warnings, adverse publicity, civil and criminal penalties, damages, fines, exclusion from government programs, such as Medicare and Medicaid programs, and the curtailment or restructuring of its operations. See "*Risk Factors – Risks Relating to the Business – Limitations Imposed by Government Regulation*".

INTELLECTUAL PROPERTY

Registered Trademarks, Copyright and Domain Names

The tables provided in Schedule "C" – *Intellectual Property* hereto present the Company's applications and registrations for trademarks in Canada and the United States, as well as domain names, owned by or licensed to the Company.

Unregistered Trademarks

The Company owns all business and trade names, brand names, trade dress, logos, slogans and unregistered trademarks, including all goodwill associated therewith, used in carrying on the Company's business (collectively, the "**Unregistered Trademarks**"). Otherwise, the Company does not intend to register the

Unregistered Trademarks that are actually in existence, but will nonetheless take all commercially reasonable measures to protect such Unregistered Trademarks from infringing use.

Unregistered Copyrights

The Company owns all designs and copyrights used in carrying on the Company's business including, without limitation, all copyrights associated with advertising or marketing materials, website design and content and other business-related documents (collectively the "**Unregistered Copyrights**"). The Company does not intend to register the Unregistered Copyrights that are actually in existence, but will nonetheless take all commercially reasonable measures to protect such Unregistered Copyrights from infringing use.

Trade Secrets and Confidential Information

The Company owns trade secrets (including know-how) and confidential information which are protected through confidentiality provisions and other similarly restrictive covenants contained in agreements entered into by the Company and the parties having access to such trade secrets and confidential information. The trade secrets and confidential information owned by the Company include all trade secrets and confidential information used in carrying on the Company's business including, without limitation, concept know-how, advertising materials and strategies, marketing plans and materials, clients lists, telephone numbers and operational procedures.

FUTURE DEVELOPMENTS

Medexus remains very active in attempting to obtain the rights to new products for the US and Canadian markets through either in-licensing agreements or via acquisition, with the objective of accelerating the Company's growth in both revenue and profitability. The Company has decided it will further enhance its efforts with additional human resources to find opportunities that help accelerate the business development process.

RISK FACTORS

An investment in Medexus involves significant risks that must be considered speculative due to the nature of Medexus' business. Readers should carefully consider the risk factors set out below, the other information described elsewhere in this Annual Information Form and those risks set out in Medexus' most recently filed MD&A before making a decision to buy securities of the Company. If any of the following or other risks occur, the Company's business, prospects, financial condition, financial performance and cash flows could be materially adversely impacted. In that case, the trading price of the securities of the Company could decline and investors could lose all or part of their investment in such securities. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the below described or other unforeseen risks.

Risks Relating to the Business

The operations of Medexus are speculative due to the nature of its business and involve a variety of risks that are customary to the pharmaceutical industry, many of which are beyond the Company's control. The risks below are not the only ones facing Medexus, its business and the pharmaceutical industry. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations.

Limited Operating History of the Post-Acquisition Business

The Company has a limited history of operations and earnings since the transformational 2018 Acquisitions in October 2018. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business in the pharmaceutical markets as well as the challenges of combining previously independent businesses.

To continue to properly operate its business, the Company will need to continue to integrate and develop operational, financial and management information systems. There can be no assurance that the Company will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its current business plans.

Ability to Implement its Business Plan

The Company's business plan is based on the licensing or acquisition of product rights for the North American pharmaceutical market, to obtain marketing authorization from regulatory authorities, and to leverage its sales operations to grow the sales of its products. Since the Company is mainly dependent on third-parties for the development of innovative products, competitors with substantially greater financial resources may compete for the rights to those innovative products. As competition increases for product rights, the Company may not be capable to acquire rights it deems financially acceptable. The inability of obtaining further product rights may impede the Company's long-term growth and value creation objectives.

Dependence on Revenue from Sales of Certain Core Products

The Company currently derives a significant portion of its revenue from sales of Rasuvo®, Metoject®, Rupall™ and IXINITY®, and such sales are expected to continue to account for a significant portion of the Company's revenue in the near term. Accordingly, if demand for these core products declines significantly or the sales revenue therefrom or otherwise declines significantly, the business, financial condition and operating results of the Company would be adversely affected.

Reliance on Third Parties for the Manufacture and Supply of Products

The Company is dependent upon the supply of its products available from its partners or its third-party manufacturers. There can be no assurance that the Company's partners or manufacturers will be able to maintain an adequate supply of products to fulfill all of the Company's orders on a timely basis. Failure to obtain adequate product supplies or to do so at acceptable quality levels or prices could have an adverse effect on the Company's business.

Numerous factors could cause interruptions in the supply of the Company's products, including: (i) failure to have a third party supply chain validated in a timely manner; (ii) shortages in raw material and packaging components required by the Company's manufacturers; (iii) changes in sources for manufacturing or packaging; (iv) changes in regulatory, legal or compliance requirements for products, suppliers or manufacturers; (v) the Company's failure to timely locate and obtain replacement manufacturers as needed; (vi) conditions affecting the cost and availability of raw materials; and (vii) product recall stemming from quality or regulatory reasons impacting the integrity of the product.

An interruption may have an adverse effect on the Company's business, financial results and operations. In particular, any adverse developments affecting commercial manufacturing of the Company's products may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, enforcement

actions, import alerts, import detentions, or other interruptions in the supply of the Company's products or product candidates. The Company may also have to take inventory write-offs and incur other charges and expenses for products or product candidates that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives. Accordingly, failures or difficulties faced at any level of the Company's supply chain could materially adversely affect the Company's business and delay or impede the development and commercialization of any of the Company's products or product candidates and could have a material adverse effect on the Company's business, financial condition and results of operations.

Product Reimbursement from Third Party Payers

The Company depends on third-party reimbursement to maximize the commercial potential of its products and to successfully market its products. In the event that governmental, health insurer and other organizational (e.g. health maintenance organizations and managed care organizations) policies and/or practices drastically change, the Company's products may not obtain reimbursed status or may lose reimbursed status. This reimbursement and the associated governmental healthcare reimbursement systems are under constant review. Third-party payers increasingly challenge the pricing of pharmaceutical products. In addition, the trend toward managed health care in the United States, the growth of organizations such as health maintenance organizations and managed care organizations and legislative proposals to reform health care and government insurance programs in the jurisdictions in which the Company sells its products could significantly influence the purchase of pharmaceutical products, resulting in price changes and/or a reduction in product demand. Such cost containment measures and health care reform could affect the Company's ability to sell its products, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Product Pricing Regulations on Certain Patented Drug Products

All patented pharmaceutical products introduced in Canada are subject to the post-approval product pricing regulation of the Patented Medicine Prices Review Board (the "PMPRB"). Certain patented products may form part of the Company's portfolio of products from time to time and may be subject to such regulation by the PMPRB, patentees must file information about prices and sales at introduction and then twice a year until patent expiration. For new patented products, the price in Canada is generally limited to either the cost of the same or similar drugs or drugs in the same therapeutic class sold in Canada or the median of prices for the same drug or drugs in the same therapeutic class sold in other specified industrial countries. For existing patented products, prices cannot increase by more than the Consumer Price Index.

Of the Company's core products, only Metoject® is currently subject to regulation by the PMPRB. Metoject® pricing is currently in compliance with the PMPRB's requirements and the Company does not anticipate any non-compliance of its current pricing strategy with PMPRB guidelines.

The PMPRB will monitor compliance through a requirement to file price and sales information for Metoject® (and any other patented drug product required to be reported to the PMPRB in the Company's portfolio from time to time) by the Company on an ongoing basis. The PMPRB does not approve prices for drug products in advance of their introduction to the market, rather, it provides guidelines from which companies like the Company set their prices at the time they launch their products. If the PMPRB's guidelines provide a ceiling price for a patented product that is lower than the Company's expectations, or if the PMPRB deems a patented product to be excessively priced, this can lead to the reduction of the product's price and the potential imposition of a fine. Such restriction and regulation may hamper the Company's ability to profitably commercialize such product to its full market potential or at all. If the sales generated by such product were material to the Company, this could materially and adversely affect the Company's business and could have a material adverse effect on the Company and its financial results.

Furthermore, future changes to the methodology or policies of PMPRB, which are expected to come into force in January 2021, or other relevant regulatory bodies may result in less favorable product pricing directives and requirements. The Company's ability to predict and/or adapt to such directives or requirements may be limited.

Dependence on Key Personnel

The Company is highly dependent upon a relatively small group of qualified managerial personnel. These individuals have an in-depth understanding of the Company's business objectives and the markets within which the Company intends to operate. The loss of the services of one or more of the Company's directors or officers could have a detrimental effect on the Company, its operations and its ability to execute its strategy successfully, which could materially and adversely affect the Company's business.

In addition, the Company's anticipated growth may require additional expertise and the addition of new qualified personnel. There is intense competition for qualified personnel in the pharmaceutical field. Therefore, the Company may not be able to attract and retain the qualified personnel necessary for the development and growth of its business. The failure to recruit additional key managerial personnel in a timely manner would harm the Company's business development programs, its ability to manage day-to-day operations, attract and retain other employees and generate revenues.

Competition

The pharmaceutical industry is intensely competitive in all of its phases, and the Company competes with many companies that have substantially greater financial and technical resources and selling and marketing capabilities.

The Company will face further competition from drug development companies that focus their efforts on developing, acquiring and marketing products that are similar in nature to the Company's products, but that in some instances offer improvements over its products and novel approaches to improve existing products. The Company's competitors may succeed in developing technologies and products that are more effective, have better side effect profiles, or are less expensive to use than any that it may acquire. These developments could render the Company's products obsolete or uncompetitive, which would have a material adverse effect on the Company's business, financial condition and operating results.

Competition from Manufacturers of Generic Products

Generic versions of pharmaceutical products are generally less expensive than branded versions, and, where available, may be required in preference to the branded version under third party reimbursement programs, or substituted by pharmacies. If sales of any of the Company's products that no longer enjoy market exclusivity or are not sufficiently protected by associated intellectual property were to increase substantially, competitors may be more likely to develop generic formulations that compete directly with such products. Increased generic competition would have a material adverse effect on the Company's business and financial results. Additionally, generic competitors may attempt to market, sell or use generic versions of the Company's products for which the Company has an exclusive license. Where such generic competition emerges, including in the case of the generic version of Metoject® launched by Accord, the Company will take all appropriate legal steps to enforce its rights and/or commercial steps to protect its market share, but there can be no guarantee that the Company's market share for such products will not be negatively impacted.

Inability to Obtain or Maintain Regulatory Approvals

The manufacture and sale of pharmaceutical products in Canada, the United States and other jurisdictions are highly regulated, which significantly increases the difficulty and costs involved in obtaining and maintaining regulatory approval for marketing new and existing products.

The regulatory approval process can be long and may involve significant delays despite the Company's best efforts. Even if the Company's current or future product candidates were to successfully obtain approval from regulatory authorities, such approval may not be obtained in a timely manner, and any such approval might significantly limit the approved indications for use, including more limited patient populations, require that precautions, contraindications or warnings be included on the product labeling, including black box warnings, require expensive and time-consuming post-approval clinical studies, risk management plans or Risk Evaluation and Mitigation Strategy (as may be required by the FDA under the *Food and Drug Administration Amendments Act* and/or Health Canada under the *Food and Drugs Act* and related *Food and Drug Regulations*), or surveillance as conditions of approval, or, through the product label, the approval may limit the claims that the Company may make, which may impede the successful commercialization of the Company's product, including substantial reductions in the projected peak revenues and lifetime product potentials for the Company's products. Such limitations in the approved indication could materially and adversely affect the Company's business and could have a material adverse effect on the Company and its financial results.

Following any approval for commercial sale of the Company's product candidates, certain changes to the product, such as changes in manufacturing processes and additional labeling claims, as well as new safety information, will be subject to additional notification to, or review and approval by, regulatory authorities. Furthermore, regulations of Health Canada and the FDA are rigorous, time consuming and costly and the Company cannot predict the extent to which it may be affected by changes in regulatory developments and its ability to meet such regulations. There is a risk that the Company's current or future products may be withdrawn from the market and the required approvals suspended because of non-compliance with regulatory requirements. If there is delay or failure to obtain or maintain regulatory approvals for the Company's product candidates in Canada or the United States or other jurisdictions, or if any approval contains significant limitations, the Company's ability to market to the Company's full target market will be reduced and the Company's ability to realize the full market potential of the Company's product candidates will be hampered. This could materially and adversely affect the Company's business and could have a material adverse effect on the Company and its financial results.

Limitations Imposed by Government Regulation

In both domestic and foreign markets, the formulation, manufacturing, packaging, labelling, testing, handling, distribution, importation, exportation, licensing, sale and storage of the Company's products are affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints which are beyond the Company's control. Such laws, regulations and other constraints may exist at all levels of government. There can be no assurance that the Company will be in compliance with all of these laws, regulations and other constraints. Failure to comply with these laws, regulations and other constraints or new laws, regulations or constraints could lead to the imposition of significant penalties or claims and could negatively impact the Company's business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements may result in significant compliance costs or lead the Company to discontinue product sales and may have an adverse effect on the marketing of the Company's products, resulting in significant loss of sales.

In addition, the marketing, promotional and pricing, discount, rebate or co-pay practices of pharmaceutical companies, as well as the manner in which companies, in-house or third-party sales forces interact with

purchasers, prescribers and patients, are subject to extensive regulation, enforcement of which may result in the imposition of civil and/or criminal penalties, injunctions, and/or limitations on marketing practices for the Company's products. Many companies have been the subject of claims related to these practices asserted by federal authorities, which have resulted in fines and other consequences.

Companies may not promote drugs for "off-label" uses – that is, uses that are not described in the applicable product's product monograph and that differ from those approved by the FDA, Health Canada or other applicable regulatory agencies. A company that is found to have improperly promoted off-label uses may be subject to significant liability, including civil and administrative remedies as well as criminal sanctions. In addition, the Company management's attention could be diverted from business operations and the Company's reputation could be damaged.

Expiration of Core Patent Protection

The Company has and may in the future also acquire rights to additional products that still enjoy patent protection. This patent protection will eventually expire and, in such situations, in order to continue to obtain commercial benefits from these products, the Company will rely on product manufacturing trade secrets, know-how and related non-patent intellectual property. The effect of this patent expiration depends, among other things, upon the nature of the market and the position of these products in the market from time to time, the growth of the market, the complexities and economics of manufacture of a competitive product and regulatory approval requirements of generic drug laws. In the event that competition develops from generic products, this competition could have a material adverse effect on the Company's business, financial condition and operating results. The entrance into the market of a generic pharmaceutical product may erode the branded product's market share which may have a material adverse effect on the Company's business, financial condition and results of operations.

Inability to Protect, Maintain and Enforce Intellectual Property

The Company's success will depend in part on its ability or on the ability of licensors of products to the Company to protect, maintain and enforce intellectual property rights and licensing arrangements for its products. No assurance can be given that the licenses or rights used by the Company will not be challenged, invalidated, infringed or circumvented, or that the rights granted thereunder will provide competitive advantages to the Company. Any loss of intellectual property protection is likely to adversely affect the Company's operating results. The Company's commercial success will also depend in part on it or its licensors not infringing patents or proprietary rights of others and not breaching the licenses granted to it or its licensors, as the case may be. There can be no assurance that the Company or its licensors will be able to obtain a license to any third party technology that may be required to conduct the Company's business or that such technology can be licensed at a reasonable cost. There is no certainty that the Company will not be challenged by its partners for non-compliance with its existing or future licensing arrangements. Consequently, there may be a risk that licensing arrangements are withdrawn with no compensation or penalties to the Company.

The Company will rely on trade secrets, know-how and other proprietary information as well as requiring employees, suppliers and other third-party service providers to sign confidentiality agreements. However, these confidentiality agreements may be breached, and the Company may not have adequate remedies for such breaches. Others may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology. Third parties may otherwise gain access to the Company's proprietary information and adopt it in a competitive manner. If a third party obtains the Company's proprietary information and adopts it in a competitive manner, it may have a material effect on the Company's business, financial condition and operating results.

Product Liability Claims

The administration of drugs to humans, whether in clinical trials or after marketing clearance is obtained, can result in product liability claims. Product liability claims can be expensive, difficult to defend and may result in large judgments or settlements against the Company. In addition, third party collaborators and licensees may not protect the Company from product liability claims.

The Company will maintain product liability insurance in connection with the marketing of its products. The Company may not be able to obtain or maintain adequate protection against potential liabilities arising from product sales. If the Company is unable to obtain sufficient levels of insurance at acceptable cost or otherwise protect against potential product liability claims, it will be exposed to product liability claims. A successful product liability claim in excess of its insurance coverage could harm the Company's financial condition, results of operations and prevent or interfere with its product commercialization efforts. In addition, any successful claim may prevent the Company from obtaining adequate product liability insurance in the future on commercially desirable terms. Even if a claim is not successful, defending such a claim may be time-consuming and expensive and would result in the Company needing to divert resources which could otherwise be used in developing its business.

Litigation May Negatively Impact Medexus' Business, Financial Condition and/or Results of Operations

From time to time in the ordinary course of its business, Medexus may become involved in various legal proceedings, including commercial, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause Medexus to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, financial condition and/or results of operations.

On August 28, 2020, the Company and medac filed a statement of claim (the "**Statement of Claim**") in the Federal Court against Accord Healthcare Inc. ("**Accord**"). The Statement of Claim relates to, among other things, the launch by Accord of a generic version of Metoject® in the Canadian market (the "**Accord Product**"). medac is the owner of a patent in Canada for concentrated methotrexate solutions (the "**Metoject® Patent**") and Medexus has an exclusive license to market, use and sell Metoject® in Canada. The Company and medac believe that the launch of the Accord Product in Canada constitutes an infringement of the Metoject® Patent and intend to take all appropriate steps to enforce their rights.

Risk of Being Removed from or Failure to be Included in Public and Private Formularies

Managed care organizations, pharmacy benefit managers, group purchasing organizations and other third-party public and private payers try to negotiate the pricing of medical services and drug products to control their costs. Managed care organizations and pharmacy benefit managers typically develop public and commercial formularies to reduce their cost for medications. Formularies can be based on the prices and therapeutic benefits of the available products. Due to their lower costs, generic products are often favoured. The breadth of the products covered by formularies varies considerably from one managed care organization to another, and many formularies include alternative and competitive products for treatment of particular medical conditions. Failure to be included in such formularies or to achieve favourable formulary status may negatively impact the utilization of Medexus' products. If Medexus' products are not included within an adequate number of formularies or adequate reimbursement levels are not provided, or if those policies increasingly favour generic products, Medexus' market share and gross margins could be harmed, as could Medexus' business, financial condition, results of operations and cash flows.

Risks Associated with Debt Financing

As described under “*General Development of the Company’s Business*”, the Company entered into the Term Loan and the Revolving Credit Facility in February 2020 and May 2020, respectively, incurring significant debt liabilities. The Company’s ability to satisfy these liabilities and make payments when due and payable will be contingent, in part, upon its success in achieving significant revenues from its products. While Medexus was successful in securing financing under the Credit Agreements, there is no assurance that Medexus will be able to secure additional financing to repay its liabilities under the Credit Agreements should cash flows from operations be insufficient to repay these liabilities. The Company’s inability to repay outstanding debt when due would have a material adverse impact on its business.

The Company and its subsidiaries are the borrowers under the Credit Agreements. The Term Loan is secured by a first-priority security interest in all existing and after-acquired assets of the Company and each other borrower, while the Revolving Credit Facility is secured by a first-priority security interest in all existing and after-acquired personal property of the Company and each other borrower. In the event of a default in payment on or the acceleration of repayment under the financing under the Term Loan or the Revolving Credit Facility, or upon the exercise of the remedies on behalf of the Lenders pursuant to the terms of either or both of the Credit Agreements, such enforcement would have a material adverse effect on the business, operations, financial condition and prospects of Medexus.

Marketing and Distribution Risk

Except with respect to those products that the Company intends to commercialize itself, the Company intends to collaborate with third parties that have direct sales forces and established distribution systems, either to augment, or in lieu of, its own sales force and distribution systems. For any collaboration to be successful, the Company must identify partners whose competencies complement those of the Company, however, it is not certain that any sales, fees or royalties payable to the Company under any commercial arrangement will allow the Company to fully recoup its investment made on its products or product candidates. To the extent that the Company enters into co-promotion or other commercial arrangements, its share of product revenue is likely to be lower than if the Company directly marketed or sold its products. In addition, any revenue received will depend in whole or in part upon the efforts and decisions of such third parties, which may not be successful and will generally not be within the Company’s direct control. Furthermore, any commercial agreements may be subject to termination by a partner of the Company, and any such termination may make it difficult for the Company to attract new partners or adversely affect how the Company is perceived in the business and financial communities.

If the Company is not successful in commercializing its existing products and future product candidates, either on its own or through collaborations with one or more parties, future product revenue will suffer and the Company may incur significant losses.

Publication of Clinical Trial Results

From time to time, studies or clinical trials on various aspects of pharmaceutical products, including a product’s active ingredient, are conducted by academic researchers, government agencies or other third parties. The results of these studies or trials, when published, may have a significant effect on the market for the pharmaceutical product or products that are the subject of the study or trial. The publication of negative results or studies or clinical trials related to the Company’s products, an active ingredient in the Company’s products or the therapeutic areas in which the Company’s products compete (or are anticipated to compete) could have an adverse impact on the Company’s current or future sales, prescribing trends for the Company’s products or the reputation of the Company and its products. Such an impact could have a material adverse effect on the financial position of the Company.

Reliance on Data Obtained from IQVIA

The Company relies on operational data obtained from IQVIA, an industry accepted data source. IQVIA data may not accurately reflect actual prescriptions. If IQVIA data does turn out to be inaccurate or unreliable and the Company's controls are not effective, there could be an adverse effect on the Company's ability to properly manage inventory and its financial performance.

Clinical Trials

The Company and its drug development partners must demonstrate, through preclinical studies and clinical trials, that any product being developed is safe and efficacious before obtaining regulatory approval for the commercial sale of such product. The results of preclinical studies and previous clinical trials are not necessarily predictive of future results and the Company's current product candidates may not have favourable results in later testing or trials. Preclinical tests and Phase 1 and Phase 2 clinical trials are primarily designed to test safety, to study pharmacokinetics and pharmacodynamics, test efficacy and to understand the side effects of products at various doses and schedules. Success in preclinical or animal studies and early clinical trials does not ensure that later large-scale efficacy trials will be successful and such success is not necessarily predictive of final results. Favourable results in early trials may not be repeated in later trials and positive interim results do not ensure success in final results. Even after the completion of Phase 3 clinical trials, which are designed to test efficacy and monitor adverse reactions, the FDA and Health Canada or other regulatory authorities may disagree with the clinical trial design and interpretation of data and may require additional clinical trials to demonstrate the efficacy of product candidates.

A number of companies in the biotechnology and pharmaceutical industry have suffered significant setbacks in advanced clinical trials, even after achieving promising results in earlier trials and preclinical studies. Failure to complete clinical trials successfully and to obtain successful results on a timely basis could materially adversely impact the Company's business, financial condition or operating results and could cause the market value of its Common Shares to decline.

Reliance on Third Parties to Conduct Clinical and Preclinical Studies

The Company and its drug development partners rely on third parties such as Contract Research Organizations ("CROs"), medical institutions and clinical investigators to enroll qualified patients, conduct, supervise and monitor its clinical trials, conduct preclinical studies and complete chemistry, manufacturing and controls work. The reliance on these third parties for clinical development activities reduces the Company's control over these activities. Further, the reliance on these third parties does not relieve the Company or its drug development partners of their regulatory responsibilities, including ensuring that its clinical trials are conducted in accordance with Good Clinical Practices and that its preclinical studies are conducted in accordance with Good Laboratory Practices. Furthermore, these third parties may have relationships with other entities, some of which may be competitors. In addition, they may not complete activities on schedule or may not conduct preclinical studies or clinical trials in accordance with regulatory requirements or the Company's trial design. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, the Company's ability to obtain regulatory approvals for product candidates may be delayed or prevented which could in turn could materially adversely impact the Company's business, financial condition or operating results and could cause the market value of its Common Shares to decline.

Risk of Foreign Exchange and Market Rate Fluctuations

Currency exchange rate fluctuations can affect the Company's results of operations to the extent that the revenues and expenses of the Company may be in differing currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities when revenue or expenses are denominated in United States or other foreign currency. All of the sales from Medexus US, representing a significant portion of gross revenues earned, are in United States dollars. As a result, the Company's competitiveness could be impacted by unfavourable fluctuations in currency exchange rates.

Minimum Payment Obligations

The Company is or may become subject to certain contractual arrangements that may require the payment of certain annual minimum fees to the applicable counterparties (e.g. technology partners), regardless of the sales or quantities of applicable products required. Payment of such amounts, without a corresponding revenue inflow, may have an adverse effect on the financial position of the Company. Additionally, certain arrangements may require the Company to purchase more quantities of raw materials than are necessary to sustain annual production requirements. If such materials are not used prior to their expiry, this could have an adverse effect on the financial position of the Company.

Risks Relating to Future Acquisitions

The Company intends to grow by, in part, acquiring new products at a reasonable price to allow it to earn a desirable rate of return on its investment. The Company expects to compete to identify and acquire products with other potential purchasers, including pharmaceutical companies and other third parties that may have greater resources than the Company. If the Company is not able to acquire or license additional products at reasonable prices, its ability to grow its business operations may be adversely impacted.

In the course of any proposed acquisition, the Company will undertake business, legal and financial due diligence with the goal of identifying and evaluating any material risks. Despite any such efforts, the Company may not be successful in identifying and evaluating all such risks and may not realize the anticipated advantages of any given investment. Any such failure could adversely affect the Company's business, results of operations or financial condition.

Acquisitions or licensing transactions in connection with new products can be complex, time-consuming and expensive. The Company may fail to consummate a transaction in connection with a given product despite considerable investment of time and resources. If a transaction is not completed, the Company may be subject to several risks including that: (i) the market price of the Common Shares may reflect an assumption that one or more transactions may be undertaken, and a failure to consummate such transactions could result in a negative market perception and associated decline in Common Share price; and (ii) many costs related to the pursuit of a given opportunity may be payable by the Company whether or not such transaction is completed.

The integration of any newly acquired or licensed business or product may be complex and time-consuming. If such business or product is not successfully integrated, the Company may not be able to achieve the anticipated benefits, cost savings or growth opportunities.

Any given acquisition or licensing transaction may not further the Company's strategy as anticipated, and may expose the Company to increased risks, liabilities and competition. Any one of such challenges or risks could impact the Company's ability to realize any benefit from a given transaction and this could have a material adverse effect on the Company's business, results of operations or financial condition.

Risks Related to Expiry of Inventory

The Company values its inventory of finished products for sale at the lower of cost determined on a first-in, first out basis, and net realizable value. The Company may establish accounting reserves for inventory from time to time to reflect situations in which the costs of the inventory is not expected to be recovered. The reserve for inventory is expected to equal to all or a portion of the inventory which has reached its expiration or is close to expiration and not expected to be sold, based on specific facts and circumstances. Any write-down of inventory may have a material adverse effect on the business, results of operations or financial condition of the Company.

Rapid Technological Change; New Products and Standards

The pharmaceutical industry is characterized by rapid technological change, frequent new product and services introductions embodying new technologies and emergence of new industry standards and practices that could render the Company's existing products and system obsolete. The Company's products and services embody complex technology and may not always be compatible with current and evolving technical standards and products developed by others. Failure or delays by the Company to meet or comply with the requisite and evolving industry or user standards could have a material adverse effect on its business, results of operations and financial condition.

Inability to Achieve Drug Development Goals within Expected Time Frames

From time-to-time, the Company sets targets and makes public statements regarding its expected timing for achieving drug development goals. These include targets for the commencement and completion of preclinical and clinical trials, studies and tests and anticipated regulatory filing and approval dates. These targets are set based on a number of assumptions that may not prove to be accurate. The actual timing of these forward-looking events can vary dramatically from the Company's estimates or they might not be achieved at all, due to factors such as delays or failures in clinical trials or preclinical work, scheduling changes at CROs, the need to develop additional data required by regulators as a condition of approval, the uncertainties inherent in the regulatory approval process, delays in achieving manufacturing or marketing arrangements necessary to commercialize product candidates and limitations on the funds available to the Company. If the Company does not meet these targets, including those which are publicly announced, the ultimate commercialization of its products may be delayed and, as a result, its business could be harmed.

Dependence on a Small Number of Customers

The Company sells certain of its products in Canada and the United States to a limited number of distributors. Under this distribution model, the distributors generally take physical delivery of the product and generally sell the product directly to pharmacies or patients. In addition, certain of the Company's products may be highly dependent on a small number of customers. The Company expects this significant distributor/customer concentration to continue for the foreseeable future. The Company's ability to generate and grow sales of its products will depend, in part, on the extent to which its distributors are able to provide adequate distribution of its products on pricing terms that are favorable to it. Although the Company believes it can find additional or replacement distributors, if necessary, the pricing terms of such arrangements may not be as favourable to the Company, its revenue during any period of disruption could suffer and the Company might incur additional costs. In addition, these distributors/customers are responsible for a significant portion of the Company's net trade accounts receivable balances. The loss of any large distributor/customer, a significant reduction in sales the Company make to them, any cancellation of orders they have made with the Company, or any failure to pay for the products the Company has shipped to them could materially adversely impact the Company's business, financial condition or operating results and could cause the market value of its Common Shares to decline.

Repayment of Convertible Debentures

In the event the Convertible Debentures do not get converted into Common Shares pursuant to their terms, the Company may not be able to refinance the principal amount outstanding under the Convertible Debentures or generate enough cash from operations to meet its debt obligations and will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets or seeking equity capital. There is no assurance that Medexus will be able to repay the outstanding principal amount of any indebtedness upon maturity thereof.

Need for Additional Financing

Medexus may eventually require additional capital to secure new business opportunities and product registrations, as well as clinical development programs that Medexus may decide to pursue. There is no assurance that the Company can adequately finance its development programs which could put it at risk as a going concern, lead to delays, limit its ability to move its programs forward in a timely and satisfactory manner or abandon the programs or force it to pursue alternative strategic options, any of which would harm its business, financial condition and results of operations.

There can be no assurance that the Company will be able to raise the additional funding that it will need to carry out its business objectives and to complete acquisitions. The development of the Company's business depends upon prevailing capital market conditions, Medexus' business performance and its ability to obtain financing through debt financing, equity financing or other means. There is no assurance that Medexus will be successful in obtaining the financing it requires as and when needed or at all in order to complete future acquisitions or to refinance existing debt. If additional financing is raised by the issuance of Common Shares from treasury, shareholders may suffer additional dilution.

Increases in Interest Rates

Increases in interest rates, both domestically and internationally, could negatively affect Medexus' cost of financing its operations and investments. Adverse credit market conditions could limit the Company's ability to raise debt that may be needed to fund the Company's operations. Medexus' ability to maintain its current credit facility and its ability to issue or borrow long-term debt and raise financing may be critical to the success of Medexus' business. The Company's ability to conduct operations could be materially and adversely impacted should these or other adverse conditions affect the Company's sources of liquidity.

Product Safety

Unexpected safety or efficacy concerns can arise with respect to Medexus' marketed and commercialized products, whether or not scientifically justified, leading to product recalls, withdrawals, post-approval requirements, labeling revisions, withdrawal of regulatory approvals for the affected products, issuance of safety alerts or other safety notices, required labeling changes, or declining sales, as well as product liability, consumer fraud and/or other claims. If product safety issues present a public health risk, products in the field may be subject to seizure or injunctive action preventing their distribution. This could have a material adverse effect on Medexus' business, financial condition and results of operations.

Reliance on Third Party Services

Medexus relies on third parties to provide information technology, medical, distribution, logistics, regulatory and sales services including warehousing of finished product, accounts receivable management, billing, collection and record keeping. If the third parties cease to be able to provide Medexus with these services, or do not provide these services in a timely or professional manner, Medexus may not be able to

successfully manage the product revenues or integrate new products into its business, which may result in decreases in sales. Additionally, any delay or interruption in the process or in payment could result in a delay delivering product to the Company's customers, which could have a material effect on the Company's business, financial condition and operating results.

Cybersecurity and Protection of Data

Medexus maintains significant amounts of data electronically in locations throughout Canada and the United States. This data relates to all aspects of the Company's business and also contains certain patient or customer data. The Company maintains systems and processes designed to protect this data, but notwithstanding such protective measures, there is a risk of intrusion or tampering that could compromise the integrity and privacy of this data. In addition, Medexus provides confidential and proprietary information to its third-party business partners in certain cases where doing so is necessary to conduct the Company's business. While Medexus obtains assurances from those parties that they have systems and processes in place to protect such data, and where applicable, that they will take steps to assure the protections of such data by third parties, nonetheless those partners may also be subject to data intrusion or otherwise compromise the protection of such data.

While Medexus and its third-party business partners maintain systems for preventing and detecting a breach of their respective information technology systems, Medexus and such third parties may be unaware that a breach has occurred and may be unable to detect an ongoing breach. Medexus has exposure to similar security risks faced by other large companies that have data stored on their information technology systems. To its knowledge, Medexus has not experienced any material breach of its cybersecurity systems. If the Company's or any third-party service providers' systems fail to operate effectively or are damaged, destroyed, or shut down, or there are problems with transitioning to upgraded or replacement systems, or there are security breaches in these systems, any of the aforementioned could occur as a result of natural disasters, software or equipment failures, telecommunications failures, loss or theft of equipment, acts of terrorism, circumvention of security systems, or other cyber-attacks, Medexus could experience delays or decreases in product sales, and reduced efficiency of its operations. Any compromise of the confidential data of the Company's patients, customers or itself, or failure to prevent or mitigate the loss of this data could disrupt the Company's operations, damage its reputation, violate applicable laws and regulations and subject the Company to additional costs and liabilities and have a material and adverse impact on its business, financial condition and performance.

Public Company Requirements May Strain Resources

As a public company, the Company is subject to the reporting requirements of the *Securities Act* (Ontario), as amended, the regulations and rules thereto, including the national and multilateral instruments adopted as rules, decisions, rulings and orders promulgated under the *Securities Act* (Ontario) and the published policy statements issued by the Ontario Securities Commission (OSC) and the listing requirements of the TSXV. The ever-increasing obligations of operating as a public company will require significant expenditures and will place additional demands on management as the Company complies with the reporting requirements of a public company. The Company may need to hire additional accounting, financial and legal staff with appropriate public company experience and technical accounting and regulatory knowledge.

In addition, actions that may be taken by significant shareholders may divert the time and attention of the Board and management from its business operations. Campaigns by significant investors to effect changes at publicly traded companies have increased in recent years. If a proxy contest were to be pursued by any of the Company's shareholders, it could result in substantial expense to the Company and consume significant attention of management and the Board. In addition, there can be no assurance that any

shareholder will not pursue actions to effect changes in the management and strategic direction of the Company, including through the solicitation of proxies from the Company's shareholders.

Risks Relating to Tax and Financial Matters

Estimates, Judgments and Assumptions

The preparation of Medexus' consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Medexus cannot provide assurance that its estimates, judgments and assumptions are accurate or adequate, which could have a material adverse effect on the Company's results of operations, financial condition, and cash flows.

Value of Intangible Assets

The Company is obligated to review the carrying value of its intangible assets for impairment periodically or when there is an indication of impairment. Events that may impact the projected future results relating to a particular intangible may result in the Company impairing the value of the particular asset, which will be charged to income during the period in which the impairment is determined. Any such impairment may have a material adverse effect on the business, results of operation or financial condition of the Company.

Risks Regarding Returns, Allowances and Chargebacks

The Company will from time to time establish reserves based on the best estimate of the impact of returns, allowances and chargebacks may have on the financial results of the Company. The Company cannot ensure that such reserves will be adequate or that the Company's estimates will be matched by actual observed amounts. Any difference in this regard could have a material adverse impact on the business, results of operations or financial condition of the Company.

Inability to Maintain Effective Internal Controls Over Financial Reporting

Medexus' management, with the participation of its Chief Executive Officer and its Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Medexus' internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives due to its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is therefore subject to error, collusion, or improper override. Due to such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis, and although it is possible to incorporate into the financial reporting process safeguards to reduce this risk, they cannot be guaranteed to entirely eliminate it. If Medexus fails to maintain effective internal control over financial reporting, then there is an increased risk of an error in its financial statements that could result in Medexus being required to restate previously issued financial statements at a later date.

Risks Relating to Ownership of Common Shares

Unpredictability and Volatility of Common Share Price

Publicly-traded securities such as the Common Shares do not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Common Shares trade cannot be

predicted. The market price of the Common Shares could be subject to significant fluctuations in response to a variety of factors, including the factors described in this “Risk Factors” section or otherwise, and other factors beyond the Company’s control, such as fluctuations in the valuations of companies perceived by investors to be comparable.

In addition, the securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Common Shares. In addition, in the past, following periods of volatility in the overall market and the market price of a company’s securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against Medexus, could result in substantial costs and diversion of management’s attention and resources.

Dilution

Issuances of additional securities will result in a dilution of the equity interests of any Person who is or may become a holder of Common Shares. Medexus may require additional funding for future development programs and potential acquisitions. Medexus may issue additional Common Shares in the future if further capital is required and on the exercise of outstanding Convertible Debentures, warrants or stock options. Sales or issuances of substantial amounts of Common Shares, or the inability to find purchasers of Common Shares, could adversely affect the market prices for the Common Shares. A decline in the market prices of Common Shares could impair the Company’s ability to raise additional capital through the sale of new Common Shares should it desire to do so. If additional Common Shares or securities convertible into Common Shares are sold or issued, such sales or issuances may substantially dilute the interests of holders of Common Shares.

Global Financial Conditions

Global financial conditions have always been subject to volatility. This volatility may impact the ability of Medexus to obtain equity or debt financing in the future and, if obtained, on terms favourable to Medexus. Increase levels of volatility and market turmoil can adversely affect the Company’s operations and the value and the price of the Common Shares could be adversely affected. Medexus may also be negatively impacted by volatility in the equity markets as a result of a number of catastrophic events that are beyond the Company’s control, including infectious diseases, pandemics or similar health threats, such as the COVID-19 pandemic, or fear of any of the foregoing.

Catastrophic Events, Natural Disasters, Severe Weather and Disease

The Company’s business may be negatively impacted to varying degrees by a number of events which are beyond its control, including cyber-attacks, unauthorized access, energy blackouts, pandemics, terrorist attacks, acts of war, earthquakes, hurricanes, tornados, fires, floods, ice storms or other natural or manmade catastrophes. While Medexus engages in emergency preparedness, including business continuity planning, to mitigate risks, such events can evolve very rapidly and their impacts can be difficult to predict. As such, there can be no assurance that in the event of such a catastrophe that the Company’s operations and ability to carry on business will not be disrupted. The occurrence of such events may not release the Company from performing its obligations to third parties.

A catastrophic event, including an outbreak of infectious disease, a pandemic or a similar health threat, such as the COVID-19 pandemic, or fear of any of the foregoing, could adversely impact Medexus by causing operating or supply chain delays and disruptions, such as meaningful delays for the enrollment of the pediatric trial for IXINITY® as hospitals around the world close their doors to all non-critical patients,

labour shortages, expansion project delays, facility shutdowns and other business disruptions, each of which could have a negative impact on its ability to conduct its business and increase its costs. In addition, liquidity and volatility, credit availability and market and financial conditions generally could change at any time as a result. Specifically, third parties on which the Company relies, including its manufacturers, suppliers, licensors and/or distributors, have operations around the world and are exposed to a number of global and regional risks outside of the Company's control, including but not limited to those related to COVID-19.

The Company's business may be negatively impacted by the COVID-19 pandemic, which has created, and continues to create, significant societal and economic disruptions. The COVID-19 pandemic has had, and will continue to have, a broad impact across industries and the economy, including by affecting consumer confidence, global financial markets (with global equity markets having experienced significant volatility and weakness), regional and international travel, supply chain distribution of various products for many industries, government and private sector operations, the price of consumer goods, countrywide lockdowns in various regions of the world, and numerous other impacts on daily life and commerce. Additionally, the COVID-19 pandemic has led, and may continue to lead, governments around the world to enact measures to combat the spread of the COVID-19 virus, including, but not limited to, the implementation of travel bans, border closings, mandated closure of non-essential services, self-imposed quarantine periods and social and physical distancing policies, which have contributed to the material disruption to businesses globally.

The rapidly-evolving effects of the COVID-19 pandemic – the duration, extent and severity of which are currently unknown – on investors, businesses, the economy, society and the financial markets could, among other things, add volatility to the global stock markets and change interest rate environments. The COVID-19 pandemic and measures to prevent its spread may negatively impact the Company, its customers, counterparties, employees, third-party service providers and other stakeholders, as applicable, in a number of ways, including, but not limited to, by: (i) adversely affecting the business operations of the Company, including access to its products and customers and the Company's planned sales and marketing processes for its approved products; (ii) disrupting the Company's supply chain, including the manufacturing, supplying, licensing and/or distributing of its products by third-parties on which the Company relies; (iii) adversely affecting local, national or international economies and employment levels; (iv) causing business interruptions as a result of the strain on existing resources, including information technology systems resulting from senior management and other employees working remotely; (v) disrupting health care delivery; and (vi) negatively impacting operations at Health Canada and the FDA, which may result in delays in reviews and approvals. Any of these events in isolation or in combination, could have a material negative impact on the Company's financial condition, operating results and cash flows.

Active Trading Market for Common Shares

The Company's Common Shares are listed for trading on the TSXV and the OTCQB. There can be no assurance that an active trading market in the Company's Common Shares on the TSXV and the OTCQB will be sustained.

Securities Industry Analyst Research Reports

The trading market for the Common Shares relies in part on the research and reports that securities analysts and other third parties choose to publish about Medexus. The Company does not control these analysis or other third parties. The price of the Common Shares could decline if one or more securities analysts downgrade the Common Shares or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about Medexus or cease publishing reports about Medexus. If one or more analysts cease coverage of Medexus or fail to regularly publish reports on Medexus, the Company could lose visibility in the financial markets, which in turn could cause the Common Share price or trading volume to decline.

Absence of dividends

Medexus has not paid dividends on its Common Shares and does not anticipate declaring any dividends in the foreseeable future. Thus, the return on an investment in Common Shares will depend upon any future appreciation in value. There is no guarantee that the Company will declare dividends in the future or that the Common Shares will appreciate in value or even maintain the price at which they were purchased.

DESCRIPTION OF SHARE CAPITAL

Medexus' authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at the conclusion of the financial year ended March 31, 2020, Medexus had 14,452,154 Common Shares and nil Preferred Shares issued and outstanding. In addition, as at the conclusion of the financial year ended March 31, 2020, there were: (i) 2,688,084 Common Shares issuable upon exercise of the 2018 Warrants; (ii) 9,999,999 Common Shares issuable upon conversion of the Convertible Debentures; (iii) 246,351 Common Shares issuable upon exercise of stock options; (iv) 1,289,407 Common Shares issuable upon exercise of the Restricted Share Units ("RSUs"); (v) 191,154 Common Shares issuable upon exercise of the warrants initially issued to Cormark Securities Inc. and Mackie Research Capital Corporation as compensation in connection with the Offering in October 2018 and subsequently adjusted in connection with the Consolidation on December 12, 2018, and (vi) 134,290 Common Shares issuable upon exercise of the MidCap Warrants.

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 such meeting. The holders of the Common Shares are entitled to receive, as and when declared by the Board, dividends in such amounts as shall be determined by the Board. The holders of Common Shares have the right to receive the remaining property of Medexus in the event of liquidation, dissolution or winding-up of Medexus, whether voluntary or involuntary.

For more information on the securities of company convertible or exchangeable into Common Shares refer to Medexus' Annual MD&A under the heading "*Description of the Company's Securities*" available on Medexus' SEDAR profile at www.sedar.com.

MARKET FOR SECURITIES

Price Range and Trading Volume

The following table sets forth, for the periods indicated, closing price ranges and volume of trading of the Common Shares on the TSXV under ticker symbol “TSXV: MDP” and the Convertible Debentures on the TSXV under ticker symbol “TSXV: MDP.DB”.

Common Shares

	Price Range (\$)		Trading Volume
	High	Low	
2019			
April	4.45	3.90	63,920
May	5.00	4.03	176,031
June	4.96	4.30	156,950
July	4.60	3.99	146,830
August	4.40	3.54	221,203
September	4.40	3.50	179,592
October	4.20	3.90	210,982
November	4.29	3.76	137,080
December	4.08	3.81	133,692
2020			
January	3.82	3.46	155,446
February	4.05	3.32	166,714
March	3.95	1.50	106,712

Source: TMX Money

Convertible Debentures

	Price Range (\$)		
	High	Low	Trading Volume
2019			
April	N/A	N/A	nil
May	105.00	105.00	25,000
June	106.00	99.00	26,000
July	105.50	100.00	321,000
August	N/A	N/A	nil
September	105.50	100.00	100,000
October	101.50	100.00	53,000
November	101.50	99.99	116,000
December	100.00	80.00	298,000
2020			
January	95.00	90.00	30,000
February	100.00	90.00	166,000
March	92.00	60.00	372,000

Source: TMX Money

Prior Sales

During the financial year ended March 31, 2020, and through to the date of this Annual Information Form, Medexus issued the following securities which are outstanding but are not listed or quoted on a marketplace.

<u>Date of Issuance</u>	<u>Number and Type of Securities</u>	<u>Issue/ Exercise Price Per Security</u>
February 28, 2020 ⁽¹⁾	134,290 MidCap Warrants	\$4.00

Note:

(1) On February 28, 2020, 134,290 MidCap Warrants were issued to an affiliate of MidCap Financial Trust pursuant to the Term Loan Credit Agreement. See "General Development of the Company's Business."

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information regarding each individual who is currently a director or executive officer of the Company, including each such individual's province or state and country of residence and principal occupation during the five preceding years. Each director was elected at the annual general meeting of shareholders of the Company held on September 18, 2019. Each director will hold office until the close of the next annual meeting of shareholders or until their successors are elected or appointed, unless such office is earlier vacated in accordance with the Company's by-laws.

Name and province/state of residence	Position(s) with Medexus	Director/Officer since	Principal occupation during the last five (5) years
<p>Peter van der Velden⁽¹⁾ Ontario, Canada</p>	Chairman of the Board	October 16, 2018	Chairman of the Board of the Company since 2018; Managing General Partner of Lumira Capital Investment Management Inc. since March 2007; Director of Edesa Biotech Inc. since September 2017; Director of Exact Imaging Inc. since January 2015; Director of AmacaThera since October 2019; Director of the Venture Capital and Private Equity Association for ten years and was President and/or Chairman from May 2012 to May 2015.
<p>Ken d'Entremont Ontario, Canada</p>	Chief Executive Officer and Director	October 16, 2018	Founder, Chief Executive Officer and Director of Medexus Inc. from inception in 2000 until present; Chief Executive Officer of the Company since December 2018.
<p>Michael Mueller^{(1) (2)} Ontario, Canada</p>	Director	May 31, 2014	Chair of the Board of Laurentian Bank of Canada since April 2019 (Director since December 2018); Director of Gensource Potash Corporation since August 2018; Chair of the Board of Revera, Inc. since February 2018; Director of PSP Investments (Public Sector Pension Investment Board) between 2006 and January 2018; Chairman of the Board of PSP Investments between January 2015 and January 2018.
<p>Benoit Gravel^{(1) (2)} Québec, Canada</p>	Director	September 22, 2017	Healthcare Council Member, Gerson Lehman Group (GLP) since April 2016; Vice-President, Global Portfolio Management & Strategic Development, Sanofi Generics – Zentiva Group Czech Republic between February 2014 and February 2016; Vice-President, Diabetes & Specialized Care Unit, Sanofi Canada Inc. from March 2012 to January 2014.

Name and province/state of residence	Position(s) with Medexus	Director/Officer since	Principal occupation during the last five (5) years
<p>Stephen Nelson⁽²⁾ Ontario, Canada</p>	<p>Director</p>	<p>October 16, 2018</p>	<p>Senior Vice-President, Portfolio Manager and Investment Advisor with TD Wealth Private Investment Advice; Director of Medexus Inc. from April 2013 to present; Director of AMP Solar Group Inc. from January 2011 to April 2020 (Chair of Compensation Committee of the AMP Solar Group Inc. Board until February 2020, member of Compensation Committee of the AMP Solar Group Inc. Board until April 2020).</p>
<p>Adele M. Gulfo⁽²⁾ New York, United States of America</p>	<p>Director</p>	<p>June 25, 2019</p>	<p>Chief Business and Commercial Development Officer, Sumitovant Biopharma from December 2019 to present; Chief of Commercial Development, Roivant Sciences Ltd. from May 2018 to December 2019. Director of EnPro Industries, Inc. since October 2018; Director of Bemis Company, Inc. from June 2015 to June 2018; EVP & Head of Global Commercial Development and Chief Strategy Officer, Mylan N.V. between January 2014 and January 2018; President and General Manager, Pfizer U.S. Primary Care Business from 2009 to 2012 and President, General Manager Latin America from 2012 to 2014; Director of Volunteers of America – Greater New York from 2012 to 2018. Director of Committee of 200 from 2012 to 2015.</p>
<p>Roland Boivin Québec, Canada</p>	<p>Chief Financial Officer</p>	<p>December 10, 2013</p>	<p>CFO of Medexus Pharmaceuticals Inc.</p>
<p>Mike Adelman Pennsylvania, United States of America</p>	<p>General Manager, US Operations</p>	<p>May 7, 2020</p>	<p>General Manager, U.S. Operations at Medexus Pharmaceuticals Inc. from May 2020 – Present; SVP, Commercial at Aptevo Therapeutics Inc. from September 2018 to February 2020; VP, Commercial at Aptevo Therapeutics Inc. from inception in 2016 to September 2018, VP Commercial at Emergent BioSolutions 2014 to 2016.</p>
<p>Richard Labelle Québec, Canada</p>	<p>Vice-President, Medical & Non-RX Portfolios, Canada</p>	<p>February 18, 2014</p>	<p>Vice-President, Sales & Marketing at Medexus Pharmaceuticals Inc.</p>

Name and province/state of residence	Position(s) with Medexus	Director/Officer since	Principal occupation during the last five (5) years
Brian Peters Illinois, United States of America	Vice-President, Sales & Marketing, United States	October 16, 2018	Vice-President, Sales & Marketing, United States at Medexus Pharmaceuticals Inc. from October 2018 – Present; VP, Sales & Marketing at Medac Pharma from April 2018 to October 2018; VP, Marketing at Medac Pharma from April 2015 to April 2018
Bill Poncy Illinois, United States of America	Senior Vice-President, Commercial Operations, United States	October 16, 2018	Senior Vice-President Commercial Operations, United States at Medexus Pharmaceuticals Inc.

Notes:

- (1) Member of the Audit Committee, of which Mr. Mueller is the Chair as at the date hereof.
- (2) Member of the Compensation, Corporate Governance and Nominating Committee, of which Mr. Gravel is the Chair as at the date hereof.

As at the date hereof, the directors and executive officers of Medexus as a group, beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 1,715,577 Common Shares, representing 12% of the issued and outstanding Common Shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Cease Trade Orders

To the knowledge of management of Medexus, no director or executive officer of Medexus is, as of the date of this Annual Information Form, or was, within the 10 years prior to the date hereof, a director, chief executive officer or chief financial officer of any company (including Medexus) that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied such company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued (i) while such Person was acting in that capacity, or (ii) after such Person was acting in such capacity and which resulted from an event that occurred while that Person was acting in such capacity.

Bankruptcies

To the knowledge of management of Medexus, other than as set forth below, no director or executive officer of Medexus, or shareholder holding a sufficient number of securities to affect materially the control of Medexus is, as of the date of this Annual Information Form, or has been, within 10 years prior to the date hereof, a director or executive officer of any company (including Medexus) that, while such Person was acting in that capacity, or within a year of that Person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted

any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Between March 2013 and November 18, 2016, Michael Mueller was a director of Magor Corporation (“**Magor**”), a company listed on the TSXV. On November 30, 2016, Magor announced it had proactively filed a Notice of Intention to Make a Proposal (the “**Magor Notice of Intention**”) pursuant to the provisions of Part III of the *Bankruptcy and Insolvency Act* (Canada). As a result, Magor was transferred to NEX, a separate board of the TSXV. Pursuant to the Magor Notice of Intention, Ernst & Young Inc. was appointed as the trustee in Magor’s proposal proceedings. Magor completed its restructuring transaction on July 11, 2017.

Between April 2019 and August 16, 2019, Michael Mueller was a director of Eureka 93 Inc. (“**Eureka 93**”), a public company trading on the Canadian Securities Exchange (the “**CSE**”). On February 14, 2020, Eureka 93 filed a Notice of Intention to Make a Proposal pursuant to the provisions of Part III of the *Bankruptcy and Insolvency Act* (Canada) (the “**Eureka Notice of Intention**”). As a result, Eureka 93’s trading on the CSE has been suspended and a cease trader order is in place. Pursuant to the Eureka Notice of Intention, Deloitte Restructuring Inc. was appointed as the trustee in Eureka 93’s proposal proceedings. As of the date of this Circular, Eureka 93’s proposal proceedings remain ongoing.

To the knowledge of management of Medexus, no director or executive officer of Medexus, or shareholder holding a sufficient number of securities to affect materially the control of Medexus has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of management of Medexus, no director or executive officer of Medexus, or shareholder holding a sufficient number of securities to affect materially the control of Medexus has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has had any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

AUDIT COMMITTEE

Charter and Composition of the Audit Committee

The Audit Committee’s charter is attached hereto as Schedule “A”. The current members of the Audit Committee are Peter van der Velden, Michael P. Mueller and Benoit Gravel. Such members are all independent and are all financially literate, as such terms are defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). The Audit Committee held four meetings during the financial year ended March 31, 2020 and has held one meeting thus far, as of the date hereof, during the financial year ending March 31, 2021.

The Audit Committee’s main function is to oversee the Company’s accounting and financial reporting processes, internal systems of control, independent auditor relationships and the audits of the Company’s financial statements. The Audit Committee’s responsibilities include:

- reviewing and pre-approving the engagement of the Company's independent auditors to perform audit services and any permissible non-audit services;
- evaluating the performance of the Company's independent auditors and deciding whether to retain their services;
- reviewing the Company's annual and quarterly financial statements and reports and discussing the statements and reports with the Company's independent auditors and management;
- reviewing with the Company's independent auditors and management significant issues that may arise regarding accounting principles and financial statement presentation, as well as matters concerning the scope, adequacy and effectiveness of the Company's financial controls; and
- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding financial controls, accounting or auditing matters.

Relevant Training and Experience

The three members of the Audit Committee have, as a group, the relevant education and a vast experience as directors and officers of public companies in order to perform their responsibilities. All three members are financially literate, meaning that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be reasonably expected to be raised by the Company's financial statements.

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee are set out below.

Mr. van der Velden has over 30 years of experience in the banking, venture capital and private equity investment industries. He is currently the Managing General Partner of Lumira Capital Investment Management Inc., a prominent North American life sciences venture capital investor. He is currently a director of Edesa Biotech Inc., Exact Imaging Inc, and AmacaThera. In addition, he was previously the President and/or Chairman of the Canadian Venture Capital and Private Equity Association from May 2012 to May 2015. Prior to joining Lumira he founded a boutique merchant bank focused on public technology companies, was a partner in a buyout partnership targeting retail and consumer-centric businesses, was vice president of business development for a venture capital-backed drug delivery company, and was associate at a large venture capital firm. Mr. van der Velden holds degrees from the Schulich School of Business, York University (MBA Finance and Policy) and Queen's University (M.Sc. (Pathology), B.Sc. (Honours Life Sciences)).

Mr. Mueller is currently Chair of the Board of Laurentian Bank of Canada. Mr. Mueller is also Chair of the Board of Revera Inc. and serves on the Board of Directors of Gensource Potash Corporation, and was the Chair of PSP Investments (Public Sector Pension Investment Board) until January 2018. Mr. Mueller also serves on the Board of Directors of Smarter Alloys Inc. and Emily's House. From 2003 to 2005, he was President and Chief Executive Officer of MDS Capital Corporation. Prior to that, Mr. Mueller held a series of senior positions at TD Bank Financial Group, including Senior Vice President and Country Head of its USA Division, Executive Vice President of Global Credit and Vice Chairman and head of Global Investment Banking. Mr. Mueller is a former director of MDS Capital Corporation, the Canadian Medical

Discoveries Funds I and II, the British Columbia Medical Innovations Fund, Medical Discoveries Management Corporation and Health Ventures Inc.

Mr. Gravel began his career as an economist in the energy and transportation industries in Canada with Hydro-Québec and VIA Rail. He joined the pharmaceutical industry 30 years ago at Rhône-Poulenc in Montreal as Director, Corporate Planning & Business Development. Mr. Gravel spent three years in Paris in global business development and returned to Canada as Vice-President, External Affairs, VicePresident Finance and President of Rhône Poulenc. Upon the creation of Aventis in 2000, he was appointed VicePresident, Commercial Affairs. Upon the completion of the merger between Aventis and Sanofi in 2005, Mr. Gravel held several commercial executive positions in Canada with Sanofi, his most recent Canadian position being VicePresident Diabetes & Specialized Care Patient Centered Unit. His final assignment with Sanofi prior to retirement was Vice-President, Global Portfolio Management & Strategic Development based in Prague, Czech Republic in the Global Generics division. Mr. Gravel has a Bachelor and Master degree in Economics from University of Montréal.

Audit Committee Oversight

At no time during the Company’s financial year ended March 31, 2020 was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, PricewaterhouseCoopers LLP) not adopted by the Board.

Reliance on Certain Exemptions

At no time during the Company’s financial year ended March 31, 2020 has the Company relied on the various exemptions provided under NI 52-110. However, the Company is not required to comply with Parts 3 and 5 of NI 52-110 given that it is a “venture issuer” as defined in NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, as further described in the Audit Committee’s charter, which is attached hereto as Schedule “A”.

AUDIT FEES

The aggregate fees billed by the Company’s external auditors in each of the last two most recently completed financial years for audit fees are as follows:

Financial Year Ending	Audit Fees (\$) ⁽¹⁾	Audit-Related Fees (\$) ⁽²⁾	Tax Fees (\$) ⁽³⁾	All Other Fees (\$) ⁽⁴⁾
March 31, 2020	205,000	57,000	53,000	5,000
March 31, 2019	219,000	50,400	38,200	7,400

Notes:

- (1) *Audit Fees* consist of the aggregate fees billed by the external auditors of the Company for audit services.
- (2) *Audited Related Fees* consist of the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements of the Company and are not reported under “Audit Fees” above and include the provision of comfort letters and consents, consultations concerning financial accounting and reporting of specific issues and the review of documents filed with regulatory authorities.

- (3) *Tax Fees* consist of the aggregate fees billed for tax compliance, tax advice and tax planning services, including the preparation of tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities; tax planning services; and consultation and planning services.
- (4) *All Other Fees* include the aggregate fees billed for products and services provided by the auditors, other than the services reported above.

CONFLICTS OF INTEREST

To the best of Medexus' knowledge, other than as disclosed below, there are no known existing, or potential, material conflicts of interest among Medexus and a director or officer of Medexus as of the date hereof.

The Company pays warehouse fees to a company 50% owned by a key member of management of the Company for storage and distribution services in respect of certain of the Company's products. Warehouse fees paid totaled approximately \$345,000 for the year ended March 31, 2020 (2019 - approximately \$147,000). The year-over-year increase is due to the timing of the 2018 Acquisitions, which were completed in October 2018. Therefore, the year ended March 31, 2019 includes less than six months of warehouse fees.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of Medexus is not aware of any existing or contemplated legal proceedings material to Medexus, to which Medexus is, or during the financial year ended March 31, 2020 was, a party or of which any of its property is, or during the financial year ended March 31, 2020 was, subject, nor are any such proceedings known to be contemplated, other than the Statement of Claim.

During the financial year ended March 31, 2020 (i) there have been no sanctions imposed by a court against Medexus relating to securities legislation or by a securities regulatory authority; (ii) there have been no other penalties or sanctions imposed by a court or regulatory body against Medexus that would likely be considered important to a reasonable investor in making an investment decision; and (iii) Medexus has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of Medexus, except as otherwise disclosed elsewhere in this Annual Information Form, no director or executive officer of Medexus, no Person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares of Medexus, and no associate or affiliate of any of the foregoing Persons or companies, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years that has materially affected or is expected to materially affect Medexus.

REGISTRAR AND TRANSFER AGENT

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada, at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the material contracts that are material to Medexus entered into within the last financial year or before the last financial year but still in effect:

- IXINITY® Purchase Agreement;
- Term Loan Credit Agreement;
- Revolver Credit Agreement;
- Convertible Debenture Indenture;
- Warrant Indenture;
- Medac Pharma Purchase Agreement;
- Medexus US Supply Agreement;
- Global Exclusive Licensing Agreement for Relaxa™ dated September 14, 2016 between the Company and 9346-4626 Quebec Inc. (the “**Relaxa License Agreement**”), a private company operating as Transican and owned by Mr. Gerald Leduc, a globally known pharmaceutical executive for the drug product Relaxa™. Under the terms of the Relaxa License Agreement, the Company has the exclusive right to manufacture, promote, market, sell and distribute Relaxa™ globally. In return, the Company pays Transican royalties based on annual net sales of Relaxa™. Pursuant to the terms of the Relaxa License Agreement, the Company has the right to acquire Relaxa™ at any time until September 14, 2023 for a purchase price equal to five million dollars (\$5,000,000) plus a two percent (2%) royalty on the annual net sales of Relaxa™ up to a maximum of one million five hundred thousand dollars (\$1,500,000). In addition, during the period from September 14, 2021 until September 14, 2023, Transican will have the right to sell (and the Company will be obligated to purchase) Relaxa™ to the Company for the same option exercise price;
- Canadian distribution agreement for NYDA® and the extension thereto, dated June 8, 2015, between the Company providing for the Company’s exclusive Canadian distribution of NYDA® until at least 2021; and
- License and supply agreement dated December 2014 between the Company and J. Uriach y Compania S.A. Ltd. whereby the Company was granted the exclusive Canadian rights to rupatadine, a novel second generation antihistamine with a broad profile of anti-inflammatory products.

Copies of the foregoing agreements are available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

The Company's external auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have prepared an independent auditors' report dated June 22, 2020 in respect of the Company's consolidated financial statements with accompanying notes as at and for the year ended March 31, 2020 and have advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants.

None of the aforementioned Persons or companies, nor any director, officer or employee of any of the aforementioned Persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of Medexus or of any associate or affiliate of Medexus.

ADDITIONAL INFORMATION

Additional information relating to Medexus may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Medexus' securities and securities authorized for issuance under the Company's Omnibus Equity Incentive Compensation Plan is, where applicable, contained in Medexus' information circular prepared in connection with the annual meeting of shareholders that was held on September 18, 2019.

Additional financial information is provided in Medexus' consolidated financial statements as at and for the year ended March 31, 2020, together with the independent auditor's report thereon and management's discussion & analysis dated June 22, 2020, for the year ended March 31, 2020, which have been filed on SEDAR.

**SCHEDULE “A”
AUDIT COMMITTEE CHARTER**

The following charter is adopted in compliance with *Regulation 52-110 respecting Audit Committees*.

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

1. Assist the Board of Directors of the Company (the “**Board**”) in its oversight role with respect to:
 - (a) the quality and integrity of financial information;
 - (b) the independent auditor’s performance, qualifications and independence;
 - (c) the performance of the Company’s internal audit function, if applicable;
 - (d) the Company’s compliance with legal and regulatory requirements; and
2. Prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Company in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three (3) or more Directors appointed by the Board, the majority of whom shall not be officers or employees of the Company or any of the Company’s affiliates. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Company, and applicable securities regulatory authorities.

The Board shall designate one (1) member of the Audit Committee as the Chair of the Audit Committee. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board in its business judgment. The Board shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Audit Committee shall report to the Board on its activities after each of its meetings at which time minutes of the prior Audit Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the Board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including: (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Company; and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Company to be included in the Company's annual information/proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every five years).

Financial Reporting

- Review and discuss with management and the independent auditor, as applicable:
- prior to the annual audit the scope, planning and staffing of the annual audit;
- the annual audited financial statements;
- review the financial statements, prospectuses, management's discussion and analysis, annual information form and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's disclosure of all other financial information. The Audit Committee will periodically assess the accuracy of those procedures;
- approve any reports for inclusion in the Company's Annual Report, if any, as required by applicable legislation;
- the Company's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards;

- significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements;
- any significant changes in the Company's selection or application of accounting principles;
- any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies; and
- other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

Other Responsibilities

- Review the appointment of the Chief Financial Officer and key financial executives and formulate clear hiring policies for partners, employees, former partners and former employees of the Company's present and former external auditors.
- Establish, and review periodically, as the Audit Committee deems appropriate, a procedure for:
- the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters and resolution of such concerns, if any.
- To comply with the procedure above, the Audit Committee shall ensure that the Company advises all employees, by way of a written code of business conduct and ethics, that any employee who reasonably believes that questionable accounting, internal accounting controls, or auditing matters have been employed by the Company or their external auditors is strongly encouraged to report such concerns by way of communication directly to the Chair of the Audit Committee of the Company.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Company's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Company in accordance with Canadian generally accepted accounting principles.

FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may, from time to time, deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Company.

APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Company or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The Chief Financial Officer shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Chair of the Audit Committee will then inform the Audit Committee of any approvals granted at the next scheduled meeting.

SCHEDULE “B” GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used throughout this Annual Information Form and in the Schedules hereto.

“**2018 Acquisitions**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**2018 Warrant**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**2020 Acquisition**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Accord**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Accord Product**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Annual Information Form**” means this annual information form of the Company for the year ended March 31, 2020 dated August 31, 2020.

“**Audit Committee**” means the audit committee of the Company, currently comprised of Peter van der Velden, Michael P. Mueller and Benoit Gravel.

“**Board**” means the board of directors of the Company.

“**CBCA**” means the *Canada Business Corporations Act*, as from time to time amended or re-enacted, and includes any regulations hereto or hereafter made pursuant to the CBCA.

“**Common Shares**” means the common shares in the capital of the Company.

“**Company**” or “**Medexus**” means Medexus Pharmaceuticals Inc. (formerly Pediapharm Inc.).

“**Consolidation**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Conversion Units**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Convertible Debenture Indenture**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Convertible Debentures**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**COVID-19**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Credit Agreements**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**CROs**” has the meaning set out under the heading “*Risk Factors*”.

“**CSU**” has the meaning set out under the heading “*Narrative Description of the Business – Core Products and Programs*”.

“**Debenture Subscription Receipts**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**DTC**” means the Depository Trust Company.

“**FDA**” means the United States Food and Drug Administration.

“**Good Clinical Practices**” and “**Good Laboratory Practices**” are standards for the conduct of clinical trials (including laboratory studies), the data from which are expected to be submitted to a regulatory agency such as the FDA. In the case of Good Laboratory Practices, these practices are defined by regulation. Good Clinical Practices have arisen from general accepted clinical practices within the industry.

“**Health Canada**” means the Federal department responsible for assessing healthcare products, including drugs, for their safety, efficacy and quality.

“**IXINITY Purchase Agreement**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**JIA**” has the meaning set out under the heading “*General Development of the Company’s Business*.”

“**Lenders**” has the meaning set out under the heading “*General Development of the Company’s Business*.”

“**MD&A**” means management’s discussion and analysis.

“**medac**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Medac Pharma Purchase Agreement**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Medexus US**” has the meaning set out under the heading “*The Company*”.

“**Medexus US Supply Agreement**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Metobject® Patent**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**MidCap Warrants**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**NCIB**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**NI 52-110**” has the meaning set out under the heading “*Audit Committee – Charter and Composition of the Audit Committee*”.

“**Offering**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**OTCQB**” is an over-the-counter U.S.-based exchange provided and operated by the OTC Markets Group.

“**PAR**” has the meaning set out under the heading “*Narrative Description of the Business – Core Products and Programs*”.

“**Pediapharm**” means the Company, as existing under its former name, Pediapharm Inc.

“**Person**” means a company, individual or partnership, as applicable.

“**PMPRB**” has the meaning set out under the heading “*Risk Factors*”.

“**Preferred Shares**” means the preferred shares in the capital of the Company.

“**Relaxa License Agreement**” has the meaning set out under the heading “*Material Contracts*”.

“**Revolver Credit Agreement**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Revolver Lenders**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Revolving Credit Facility**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**RSU**” means Restricted Share Unit.

“**SAR**” has the meaning set out under the heading “*Narrative Description of the Business – Core Products and Programs*”.

“**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval accessible at www.sedar.com.

“**Special Access Programme**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Statement of Claim**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Subscription Receipts**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Term Loan**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Term Loan Credit Agreement**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Term Loan Lenders**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**TH**” has the meaning set out under the heading “*General Development of the Company’s Business.*”

“**Transican Warrant**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**TSXV**” means the TSX Venture Exchange.

“**Unit Subscription Receipts**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**Units**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

“**Unregistered Copyrights**” has the meaning set out under the heading “*Narrative Description of the Company’s Business – Competitive Strengths*”.

“**Unregistered Trademarks**” has the meaning set out under the heading “*Narrative Description of the Company’s Business – Competitive Strengths*”.

“**Warrant Indenture**” has the meaning set out under the heading “*General Development of the Company’s Business*”.

**SCHEDULE “C”
INTELLECTUAL PROPERTY**

Trademarks

Trade-mark	Type	Country of Registration	Date Filed	Application No.	Status	Registration	Registered Date
Owned by Medexus							
PEDIAPHARM	Word	Canada	2004-03-03	1,208,290	REGISTERED	TMA 684,690	2007-03-27
PEDIAPHARM Logo “P”	Design	Canada	2012-03-23	1,570,184	REGISTERED	TMA 967,692	2017-04-07
PEDIAPHARM	Word	Canada	2012-03-23	1,570,182	REGISTERED	TMA 967,693	2017-04-07
PEDIAPHARM	Word	Canada	2014-12-08	1,706,168	REGISTERED	TMA 995,237	2018-04-25
PEDIAPHARM Logo “P”	Design	USA	2015-04-01	86,584,173	REGISTERED	TMA 5288489	2017-09-19
PEDIAPHARM	Word	USA	2015-04-01	86,584,159	REGISTERED	TMA 5288488	2017-09-19
IXINITY	Word	USA	2011-01-19	85,220,714	REGISTERED	4597459	2014-09-02
IXPERIENCE	Word	USA	2014-06-27	86,322,313	REGISTERED	4923507	2016-03-22
 IXINITY	Design	USA	2014-06-27	86,322,323	REGISTERED	4788624	2015-08-11
Licensed by partner							
Cuvposa	Word	Canada	2011-03-30	1,521,542	REGISTERED	TMA 1,005,819	2018-09-28
Otixal	Word	Canada	2015-09-30	1,748,459	REGISTERED	TMA 978,899	2017-08-18
Relaxa	Word	Canada	2008-09-25	1,412,775	REGISTERED	TMA 764030	2010-04-12
Rupafin	Word	Canada	2007-05-03	1,345,981	REGISTERED	TMA 725,585	2008-10-08
Rupall	Word	Canada	2016-11-02	1,807,543	REGISTERED	TMA 994,117	2018-04-10
Rupall Stylized “R”	Word	Canada	2015-07-17	1,737,883	REGISTERED	TMA 962,966	2017-02-15

Canadian Web Domains

Domain Name	Expiration Date
CALCIA.COM	2021-08-08
CUVPOSA.CA	2022-05-22
EASYHALER.CA	2020-10-16
ironone.co	2022-09-26
ironone.net	2022-09-27
ironone.org	2022-09-27
MEDEXUS.CA	2022-12-13
MEDEXUS.NET	2021-08-05
medexusinc.ca	2023-04-26
medexusinc.com	2023-04-26
medexuspharma.ca	2020-11-05
METOJECT.CA	2021-01-17
multigyn.ca	2021-06-26
multi-gyn.ca	2021-02-27
multimam.ca	2021-06-26
multi-mam.ca	2021-06-26
MYMELASMA.CA	2022-07-25
MYMELASMA.COM	2022-07-25
nutrigyn.ca	2021-06-26
nutri-gyn.ca	2021-06-26
NYDA.CA	2021-01-27
NYDACOMB.CA	2020-10-16
NYDACOMB.COM	2020-10-16
ORALVISC.CA	2025-05-12
otixal.ca	2020-09-29
otixal.com	2020-09-29
otixal.info	2020-09-29
otixal.net	2020-09-29
otixal.org	2020-09-29
PEDIAPHARM.BIZ	2020-10-27
PEDIAPHARM.CA	2020-10-19
PEDIA-PHARM.CA	2020-10-19
pediapharm.com	2022-07-19
PEDIA-PHARM.COM	2022-05-04
PEDIAPHARM.INFO	2020-10-22
PEDIAPHARM.MOBI	2020-10-28
PEDIAPHARM.NET	2020-10-28

PEDIAPHARM.ORG	2020-10-28
PEDIAPHARM.XXX	2021-12-01
PEDIAPHARMNAPROXEN.CA	2022-07-01
PEDIAPHARMNAPROXEN.COM	2022-07-01
PEDIAPHARMNAPROXEN.INFO	2021-07-01
PEDIAPHARMNAPROXEN.NET	2022-07-01
relaxa.ca	2021-12-08
SHOPMEDEXUS.COM	2021-06-20
STANDTALL.CA	2021-04-25
TRICOVAL.CA	2025-02-10
VAPOLYPTUS.CA	2020-10-19
VAPOLYPTUS.COM	2020-10-19
WELLMONT.CA	2022-11-25

US Web Domains

Domain Name	Expiration Date
ABOUTRASUVO.COM	2021-12-15
applygenerationixproject.com	2021-11-11
aptevocommunitysupport.com	2021-11-21
aptevohemophilia.com	2021-05-06
askaboutmethotrexate.com	2021-03-17
askaboutmethotrexate.us	2021-03-16
askaboutmtx.com	2021-03-17
askaboutmtx.us	2021-03-16
bmoresholarship.com	2021-01-07
CHOOSERASUVO.COM	2021-08-27
defineyourexperience.com	2021-01-05
defineyourixperience.com	2021-01-05
factoritforward.com	2021-09-25
factoritforwardfaces.com	2021-09-13
generationixproject.com	2021-09-25
GETRASUVO.COM	2021-08-27
hemophiliabcompany.com	2021-10-24
hemophiliabstories.com	2021-10-22
hemophiliastories.com	2021-10-23
hemophiliaterritorymanager.com	2021-10-18
ixinity.ca	2021-04-10
ixinity.co	2021-06-05
ixinity.com	2022-01-12

ixinity.info	2022-01-12
ixinity.mobi	2022-01-12
ixinity.net	2022-01-12
ixinity.org	2022-01-12
ixinity.us	2022-01-11
ixinitypro.com	2021-06-25
justbeheardchallenge.com	2021-01-05
justbexperience.com	2023-02-23
justbexperiences.com	2023-02-21
justbheardchallenge.com	2022-01-05
justbixperience.com	2023-02-23
justbixperiences.com	2023-02-21
maximizemethotrexate.com	2021-10-05
maximizemtx.com	2021-10-05
maximizingmethotrexate.com	2021-10-05
maximizingmtx.com	2021-10-05
MEDAC.US	2021-05-03
MEDACPHARMA.COM	2021-10-06
MEDACPHARMA.INFO	2021-05-04
MEDACPHARMA.NET	2021-05-04
MEDACPHARMA.ORG	2021-05-04
MEDACPHARMA.US	2021-05-03
medexpharmaceuticals.com	2021-11-26
medexus.co	2021-05-28
medexus.com	2021-02-12
medexus.info	2021-05-28
medexus.org	2021-05-28
medexuscommunitysupport.com	2021-03-23
medexushemophilia.com	2021-03-23
medexuspharm.com	2021-11-26
medexuspharma.co	2021-05-28
medexuspharma.com	2021-05-28
medexuspharma.info	2021-05-28
medexuspharma.net	2021-05-28
medexuspharma.org	2021-05-28
medexuspharmaceutical.com	2021-11-26
medexuspharmaceuticals.com	2021-11-26
medexuspharmaceuticals.net	2021-11-26
medexuspharmaceuticals.org	2021-11-26
medexuspharmaceuticalsinc.com	2021-11-26

myixinityrep.com	2021-10-18
mymedac.com	2021-09-24
myrasuvo.com	2021-06-13
optimizemethotrexate.com	2021-10-05
optimizingmethotrexate.com	2021-10-05
optimizingmtx.com	2021-10-05
patientixperiences.biz	2021-01-03
patientixperiences.com	2021-01-04
patientixperiences.net	2021-01-04
patientixperiences.org	2021-01-04
RA-OPTION.COM	2021-10-06
rasuvo.biz	2021-12-14
rasuvo.co	2021-12-14
RASUVO.COM	2021-12-15
RASUVO.INFO	2021-12-15
RASUVO.NET	2021-12-15
RASUVO.ORG	2021-12-15
RASUVO.US	2021-12-14
rasuvocares.com	2021-06-13
rasuvoconnection.com	2021-06-13
RASUVOHCP.COM	2021-08-27
RASUVOINFO.COM	2021-12-15
rasuvopatients.com	2021-06-13
rasuvoresourcehub.com	2021-08-17
RASUVORX.COM	2021-12-15
signthe9.com	2021-04-01
signthenine.com	2021-04-01
theixperience.com	2021-05-12
womenwithhemophiliab.com	2021-09-13
womenwithhemphiliab.com	2021-11-30