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Management's Discussion & Analysis

For the three- and six-month periods ended September 30, 2024

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## PRELIMINARY NOTES

This management's discussion and analysis of financial position and results of operations (**MD&A**) of Medexus Pharmaceuticals Inc. and its subsidiaries (collectively **Medexus** or **Company**) relates to the three- and six-month periods ended September 30, 2024. It was approved by Medexus's board of directors (**Board**) on November 7, 2024.

The unaudited condensed interim consolidated financial statements of Medexus for the three- and six-month periods ended September 30, 2024 were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (**IFRS Accounting Standards**). This MD&A should be read in conjunction with those unaudited condensed interim consolidated financial statements and Medexus's most recently filed audited consolidated financial statements and most recently filed annual information form (**AIF**).

Throughout this MD&A, 12-month periods (ended March 31) are sometimes referred to as "financial years" or "fiscal years" and three-month periods within each fiscal year are sometimes referred to as sequentially-numbered "financial quarters", "fiscal quarters", or "fiscal QXs" (with fiscal Q4s ended on March 31).

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

### **Forward-looking statements**

Certain statements in this MD&A contain forward-looking information within the meaning of applicable securities laws, also known and/or referred to as "forward-looking information" or "forward-looking statements". Such forward-looking statements include statements that express or involve discussions as to expectations, beliefs, plans, targets, objectives, assumptions, or future events or performance, and which are not historical facts. Forward-looking statements are often, but not always, indicated by words, phrases, or expressions such as "anticipates", "believes", "budget", "potential", "targets", "could", "estimates", "expects", "forecasts", "goals", "intends", "may", "might", "objective", "outlook", "plans", "projects", "schedule", "should", "will", "would", and "vision", or similar words, phrases, or expressions. All forward-looking statements in this MD&A are expressly qualified by the cautionary statements in this section.

Specific forward-looking statements in this MD&A include, but are not limited to, information contained in statements regarding any of the following: Medexus's business strategy, outlook, and other expectations regarding financial or operational performance; anticipated trends and challenges in Medexus's business and the markets in which it operates, including the Company's competitive position in and demographics of those markets; Medexus's expectations and plans regarding future growth, revenues, and expenses (including in respect of IXINITY, the IXINITY manufacturing process improvement initiative (including the occurrence or timing of any future investments in that initiative), the commercialization of treosulfan and the product-level revenue to be generated from its commercialization in the United States, and Medexus's other leading products); Medexus's ability to pay dividends, distributions, and other cash amounts in respect of Medexus's outstanding securities; Medexus's expectations regarding the business strategies of its competitors, pricing of products, and product opportunities; Medexus's overall capital allocation strategy, including expectations regarding availability of funds from operations, cash flow generation, and capital allocation and anticipated cash needs, capital requirements, and

needs for and ability to secure additional financing (in particular any milestone payments that may become due under the US Treosulfan Agreement (defined below) as discussed below, and including any statements regarding Medexus's intent to file one or more prospectuses, including the potential filing of an unallocated base shelf prospectus, with relevant securities authorities and any related financing initiatives); the stabilization of gross margin, selling and administrative expenses, and net income (among other measures) in each case pending investments to prepare for a commercial launch of treosulfan; Medexus's ability to secure and fund commercialization rights to promising products and the performance of those products against expectations; the ability of Medexus and its business partners to secure regulatory approvals from the US Food and Drug Administration, or FDA, Health Canada, and other agencies when required, and the legislative, regulatory, and policy environment in the United States (including in light of the November 2024 federal elections) and Canada (including in respect of potential expanded prescribing authority for pharmacists in Ontario); and the impact of Medexus's balance-sheet and cost management strategies (including the cost reduction initiative implemented in January 2024) and any benefits from those strategies. In addition, forward-looking statements in this MD&A also include statements regarding the potential benefits of treosulfan and terbinafine hydrochloride; the occurrence, timing, and expected outcome of the FDA review process for treosulfan and the Health Canada review process for terbinafine hydrochloride; the occurrence, timing, and expected outcome of the Company's ongoing negotiations with medac to further amend the US Treosulfan Agreement, including expectations regarding milestone and royalty payments that may become payable under that agreement; and, if approved by the FDA (in the case of treosulfan) and Health Canada (in the case of terbinafine hydrochloride), and if the Company's ongoing negotiations with medac are successful (in the case of treosulfan), the expected timing of any commercial launch of the product in the relevant market and related expectations regarding the product's prospects, and the potential competitive position of the product and anticipated trends and potential challenges in the market in which the product is expected to compete. Finally, forward-looking statements in this MD&A include statements regarding the occurrence, timing, and expected outcome, and any related consequences for the product and the Company, of the Company's ongoing negotiations with the licensor of Medexus's commercialization rights to Gleolan with respect to the US Gleolan Agreement (defined below), and otherwise regarding the business relationship of the parties in the United States and Canada.

The forward-looking statements and information included in this MD&A are based on Medexus's current expectations and assumptions, including factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, and including assumptions based on regulatory guidelines, historical trends, current conditions, and expected future developments. In particular, and without limiting the generality of the foregoing, Medexus's estimate of product-level revenue from commercialization of treosulfan in the United States, if approved by the FDA, is based on assumptions regarding the following, among others: current and potential eligible patient populations and numbers of associated medical procedures (including related treatment, dosage, and other medical practices) in the United States; the current US treatment landscape and current US competitive dynamics, including potential future changes to each; market access dynamics and the level and speed of product uptake, including any consequences of the delay in securing potential FDA approval; Medexus's planned product pricing and reimbursement strategies, including the share of utilization in outpatient settings, in particular under government programs such as the "340B Drug Pricing Program", and trends in hospital and other institutional management of "340B" and other government program mechanisms, which can introduce and

affect exposure to pricing risk; the nature, occurrence, timing, and outcome of Medexus's planned investments in personnel and infrastructure to support its commercialization initiatives in support of treosulfan in the United States and the nature and success of those initiatives; and the relevance and applicability of Medexus's experience commercializing the product in the Canadian market to commercialization of treosulfan in the United States. See also "Risk Factors and Risk Management—Possible failure to realize benefits of the US Treosulfan Agreement".

Forward-looking statements are provided in this MD&A for the purposes of presenting information about management's current expectations and assumptions relating to the future, and the reader is cautioned that information may not be appropriate for other purposes and to not place undue reliance on these forward-looking statements because of their inherent uncertainty and to appreciate the limited purposes for which they are being used by management. Although Medexus believes that the expectations and assumptions upon which the forward-looking statements are based are reasonable in the circumstances based on information currently available to management, readers of this MD&A should not place undue reliance on the forward-looking statements and information in this MD&A as Medexus can give no assurance that they, or the expectations and assumptions on which they are based, will prove to be correct. Forward-looking statements and information involve inherent risks and uncertainties because they address or relate to future events and conditions. For example, in respect of Medexus's estimate of product-level revenue from commercialization of treosulfan in the United States, if approved by the FDA, see "Risk Factors and Risk Management—Possible failure to realize benefits of the US Treosulfan Agreement" in this MD&A and "Risk Factors—Risks relating to the business—Business plan execution" in the AIF. Actual results could differ, and could differ materially, from those currently anticipated by Medexus and contemplated by the forward-looking statements, whether as a result of one or more of a number of factors, risks, and uncertainties or otherwise. Relevant risks and uncertainties include, among other things, the uncertainties inherent in research and development conducted by Medexus or, more frequently, its business partners, including the ability to meet anticipated clinical endpoints, commencement and/or completion dates for clinical trials, regulatory submission dates, regulatory approval dates, and/or launch dates, as well as the possibility of unfavorable new clinical data and further analyses of existing clinical data; the risk that clinical trial data relating to products or product candidates are subject to differing interpretations and assessments by regulatory authorities or other third parties; whether regulatory authorities or other third parties will be satisfied with the design of and results from clinical studies of a given product or product candidate; whether and when drug applications may be filed in a given market for the relevant product; whether and when any such applications may be approved by regulatory authorities, which will depend on many factors, including determinations as to whether the product candidate's benefits outweigh its known risks and determinations of the product candidate's efficacy; decisions by regulatory authorities impacting labeling, manufacturing processes, safety, and/or other matters that could affect the availability or commercial potential of the product; and, if approved, whether the product will be commercially successful, including as a result of competitive developments; and the outcome of any court decisions. A further description of material risk factors that could cause actual results or events to differ materially from those expressed in Medexus's forward-looking statements can be found under the heading "Risk Factors and Risk Management" in this MD&A and the Company's most recent annual MD&A and "Risk Factors" in Medexus's most recent AIF. In addition, new factors, risks, and uncertainties that affect Medexus can emerge from time to time. It is not possible for management to predict all such factors, risks, and uncertainties nor to assess in advance the

impact of each such factor, risk, or uncertainty on Medexus's business, or the extent to which any factor, risk, or uncertainty, or combination of factors, risks, or uncertainties, may cause actual results to differ materially from those contained in any of Medexus's forward-looking statements.

Unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A. Except as expressly required by applicable law, Medexus does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which that forward-looking statement is made or to reflect the occurrence of unanticipated subsequent events.

### **Non-GAAP measures**

Company management uses, and this MD&A refers to, financial measures that are not recognized under IFRS Accounting Standards and do not have a standard meaning prescribed by generally accepted accounting principles (**GAAP**) in accordance with IFRS Accounting Standards or other financial or accounting authorities (**non-GAAP measures**) as contemplated by National Instrument 52-112, *Non-GAAP and Other Financial Measures Disclosure*. These non-GAAP measures may include "non-GAAP financial measures", such as EBITDA (or earnings before interest, taxes, depreciation, and amortization), Adjusted EBITDA, Adjusted Gross Profit (Loss), and Net Debt, and previously Adjusted Net Income (Loss); "supplementary financial measures", such as gross margin, Equity Market Capitalization, and Enterprise Value; and "non-GAAP ratios", such as Adjusted EBITDA Margin, Net Debt to Adjusted EBITDA, Adjusted Gross Margin, and Enterprise Value to Adjusted EBITDA, and previously Adjusted Net Income (Loss) per Medexus common share (**Common Shares**).

Medexus's method for calculating these measures may differ from methods used by other companies and therefore these measures are unlikely to be comparable to similarly-designated measures used or presented by other companies. Medexus believes that these non-GAAP measures complement its IFRS Accounting Standards measures and provide additional insight into, and allow for a more complete understanding of, the Company's financial and operational results and management's perspective on Medexus's business and operations.

Medexus considers these non-GAAP measures to be key metrics in assessing business performance and an important measure of operating performance and cash flow. However, Medexus's non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of Medexus's financial information as reported under IFRS Accounting Standards.

A further explanation and discussion of each of these non-GAAP measures, including their limitations, is set out below. A reconciliation of Adjusted EBITDA to the most directly comparable IFRS Accounting Standards measure can be found under the heading "Reconciliation of Adjusted EBITDA to Net Income (Loss)". A reconciliation of Net Debt to the most directly comparable IFRS Accounting Standards measure can be found under the heading "—Net Debt" below.

### ***Adjusted Net Income (Loss)***

Medexus defined **Adjusted Net Income (Loss)** as net income (loss), determined under IFRS Accounting Standards, before unrealized loss (gain) on the change in fair value of the embedded derivatives in Medexus's now-repaid 6% unsecured convertible debentures (**Convertible**

**Debentures**) which matured on October 16, 2023. In light of the maturity of the Convertible Debentures during fiscal year 2024, Medexus ceased using Adjusted Net Income (Loss) in periods ending after March 31, 2024. The following discussion is included for reference.

The Convertible Debentures were a compound financial instrument under IAS 32, *Financial Instruments: Presentation*, and had both a liability and an embedded derivative component. The fair value of the consideration for a compound instrument must be split into its liability and derivative components. The derivative is measured at fair value through profit or loss, and its fair value must be measured at each reporting period with subsequent changes in fair value recorded in the consolidated statement of loss. In the case of the Convertible Debentures, this non-cash value was sensitive to, among other things, fluctuations in Medexus's share price, which is largely outside management's control and subject to external factors. In addition, several key assumptions affect the results of this calculation, including estimated share price volatility. Medexus uses a derivative valuation model to estimate the fair value of the derivative at the inception date and again at subsequent reporting dates. The most significant assumption used in this model is the discount rate to fair value for the liability component of the Convertible Debentures. Several other assumptions affect the results of this calculation, including estimated share price volatility.

Adjusted Net Income (Loss) previously adjusted the most directly comparable IFRS Accounting Standards measure, being net income (loss), to exclude these non-cash unrealized losses (gains). Medexus believes that Adjusted Net Income (Loss) provided a better representation of Medexus's performance in periods before the maturity of the Convertible Debentures because it excluded these non-cash fair value adjustments on unrealized liabilities that were largely outside management's control.

Medexus also previously presented Adjusted Net Income (Loss) on a per share basis. Adjusted Net Income (Loss) per Common Share was calculated by dividing Adjusted Net Income (Loss) by the weighted average number of Common Shares outstanding during the applicable period.

#### ***Adjusted EBITDA***

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

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

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

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

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

Key limitations to using Adjusted EBITDA include the following –

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

#### ***Adjusted Gross Profit (Loss) and Adjusted Gross Margin***

Medexus defines **Adjusted Gross Profit (Loss)** and **Adjusted Gross Margin** as gross profit (loss), as determined under IFRS Accounting Standards, and **gross margin** (which Medexus defines as gross profit (loss) divided by total revenue, expressed as a percentage), each before amortization of intangible assets (for example, product licenses), which is a component of cost of sales as determined under IFRS Accounting Standards. Adjusted Gross Profit (Loss) and Adjusted Gross Margin adjust cost of sales, and therefore gross profit (loss) and gross margin, to exclude these non-cash amounts.

Medexus believes that Adjusted Gross Profit (Loss) and Adjusted Gross Margin, when used in conjunction with IFRS Accounting Standards measures, are a useful supplemental measure of operating performance because Medexus believes that Adjusted Gross Profit (Loss) and Adjusted Gross Margin correspond more closely over time to the performance of the Company's underlying

business assets. In particular, Medexus believes that Adjusted Gross Profit (Loss) and Adjusted Gross Margin facilitate comparisons of historical performance because amortization of intangible assets (for example, product licenses) are non-cash amounts that are not directly attributable to the Company's primary operations.

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

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

The following table is derived from and should be read together with Medexus's condensed interim consolidated financial statements for the most recently completed financial period. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted Gross Profit (Loss) and Adjusted Gross Margin and provides additional information related to Medexus's financial position.

(Amounts in \$ '000s)

<b>Three-month periods ended September 30,</b>	<b>2024</b>	<b>2023</b>
Revenue	26,303	30,326
Cost of sales	12,177	14,048
Gross profit	14,126	16,278
Gross margin	53.7%	53.7%
Add back: Amortization of intangible assets	1,519	1,391
Adjusted Gross Profit	<b>15,645</b>	<b>17,669</b>
Adjusted Gross Margin	<b>59.5%</b>	<b>58.3%</b>

(Amounts in \$ '000s)

<b>Six-month periods ended September 30,</b>	<b>2024</b>	<b>2023</b>
Revenue	53,586	61,881
Cost of sales	24,625	28,365
Gross profit	28,961	33,516
Gross margin	54.0%	54.2%
Add back: Amortization of intangible assets	2,870	2,779
Adjusted Gross Profit	<b>31,831</b>	<b>36,295</b>
Adjusted Gross Margin	<b>59.4%</b>	<b>58.7%</b>

### ***Net Debt***

Medexus defines **Net Debt** as the sum of long-term debt (which includes the current and non-current portions of the facilities under the BMO Credit Agreement (defined below)) less cash and

cash equivalents, in each case as shown on Medexus's consolidated statements of financial position (or balance sheet) as of a given date.

Medexus believes that Net Debt, when used in conjunction with IFRS Accounting Standards measures, provides useful supplemental information about Medexus's financial position, in particular about the Company's level of indebtedness as of a given date. Key limitations to using Net Debt include the fact that it is a schematic representation of the amount of outstanding indebtedness and cash and cash equivalents that would be available to repay that outstanding indebtedness and that it does not include all debt-like contractual obligations of the Company.

The following table is derived from and should be read together with Medexus's condensed interim consolidated financial statements for the most recently completed financial period. This supplementary disclosure is intended to more fully explain disclosures related to Net Debt and provides additional information related to Medexus's financial position.

(Amounts in \$ '000s)

<b>As at:</b>	<b>September 30, 2024</b>	<b>March 31, 2024</b>
Current portion of long-term debt	17,759	15,743
Long-term debt	25,215	34,153
	42,974	49,896
Less: Cash and cash equivalents	6,973	5,255
Net debt	<b>36,001</b>	<b>44,641</b>

### ***Equity Market Capitalization***

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

### ***Enterprise Value***

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

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

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

**Protected names and marks**

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

**Website addresses**

Uniform resource locators, or website addresses, that may appear in this MD&A are intended to be provided as inactive textual references only. Information contained on or accessible through these website addresses is not a part of this MD&A and is not incorporated by reference into this MD&A or any of Medexus's public filings.

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## COMPANY OVERVIEW

Medexus is a leading specialty pharmaceutical company with a strong North American commercial platform and a growing portfolio of innovative and rare disease treatment solutions. Medexus's experienced management team has a long and proven track record of successfully sourcing, developing, and commercializing pharmaceutical products in a variety of therapeutic areas at all stages of their life cycle throughout the United States and Canada. Medexus's current focus is on the therapeutic areas of oncology, hematology, rheumatology, auto-immune diseases, allergy, and dermatology. Medexus continues to build a highly differentiated company with a growing portfolio of products.

Medexus's leading products, which have primarily driven Medexus's performance to date, are –

- **IXINITY** (US), an intravenous recombinant factor IX therapeutic for use in patients with hemophilia B, a hereditary bleeding disorder characterized by a deficiency of clotting factor IX in the blood which is necessary to control bleeding;
- **Rupall** (Canada), an innovative prescription allergy medication with a unique mode of action;
- **Rasuvo** (US) and **Metobject** (Canada), a unique formulation of methotrexate (auto-pen and pre-filled syringe) designed to treat rheumatoid arthritis and other auto-immune diseases;
- **Gleolan** (US), an optical imaging agent currently indicated in patients with glioma (suspected World Health Organization Grades III or IV on preoperative imaging) as an adjunct for the visualization of malignant tissue during surgery; and
- **Trecondyv** (treosulfan) (Canada), part of a preparative regimen for allogeneic hematopoietic stem cell transplantation, or allo-HSCT, to be used in combination with fludarabine, used in treating eligible patients with acute myeloid leukemia, or AML, and myelodysplastic syndromes, or MDS.

Medexus also actively pursues opportunities to complement its existing product portfolio by licensing and acquiring new products. For example, in 2021, Medexus acquired exclusive US and Canadian rights to commercialize treosulfan. Treosulfan is approved by Health Canada, remains the subject of an ongoing regulatory review process with the FDA, and is orphan drug designated in the United States. Most recently, in March 2023, Medexus secured exclusive Canadian rights to commercialize terbinafine hydrochloride nail lacquer supplied by Polichem, an Almirall group company focused on medical dermatological treatments for skin health. Topical terbinafine is currently the subject of an ongoing regulatory review process with Health Canada.

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

Medexus believes that it offers a scalable commercial platform that can provide significant revenue and earnings potential. Medexus continues striving to increase revenue, optimize and leverage the Company's commercialization infrastructure across products, realize efficiencies across the Company's US and Canadian business units, and maintain strict financial discipline. Medexus regularly explores additional complementary product opportunities in both current and planned therapeutic areas in both the United States and Canada, and regularly evaluates various transaction opportunities based on the Company's strategic plan.

## SELECTED FINANCIAL INFORMATION

(Amounts in \$ '000s)

Three-month periods ended September 30,	2024	2023	2022
Revenue	26,303	30,326	27,686
Cost of sales	12,177	14,048	11,542
Gross profit	14,126	16,278	16,144
Selling and administrative expenses	9,688	11,911	12,861
Research and development expenses	281	741	856
Transaction-related fees and expenses	–	–	144
Termination benefits	–	–	238
Operating income	1,637	3,554	1,947
Net income (loss)	110	(1,093)	(2,730)
Adjusted EBITDA*	5,983	5,325	4,197
Basic net income (loss) per Common Share	0.00	(0.05)	(0.14)
Diluted net income (loss) per Common Share	0.00	(0.05)	(0.14)
Total assets	145,367	166,178	142,308
Cash provided by operating activities	6,855	7,351	912
Cash used by investing activities	(2,982)	(592)	(323)
Cash provided (used) by financing activities	(5,414)	(2,962)	1,867

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\* See "Preliminary Notes—Non-GAAP measures" and "Reconciliation of Adjusted EBITDA to Net Income (Loss)".

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## SELECTED FINANCIAL INFORMATION

(Amounts in \$ '000s)

Six-Month Periods Ended September 30	2024	2023	2022
Revenue	53,586	61,881	50,732
Cost of sales	24,625	28,365	21,644
Gross profit	28,961	33,516	29,088
Selling and administrative expenses	20,037	23,810	24,986
Research and development expenses	378	1,182	1,517
Transaction-related fees and expenses	–	–	172
Termination benefits	356	–	238
Operating income	5,611	8,394	1,980
Net income (loss)	2,067	(442)	(4,128)
Adjusted EBITDA*	12,071	11,906	6,103
Basic net income (loss) per Common Share	0.08	(0.02)	(0.21)
Diluted net income (loss) per Common Share	0.08	(0.02)	(0.21)
Total assets	145,367	166,178	142,308
Cash provided (used) by operating activities	15,048	11,566	(3,103)
Cash used by investing activities	(3,459)	(1,189)	(488)
Cash provided (used) by financing activities	(9,909)	(3,930)	3,391

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\* See "Preliminary Notes—Non-GAAP measures" and "Reconciliation of Adjusted EBITDA to Net Income (Loss)".

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### **Note regarding period-to-period variations**

Medexus acquired the exclusive right to commercialize Gleolan in the United States in March 2022 and successfully completed the full transition of US commercial responsibility to Medexus in August 2022. Although Medexus has recognized at least a portion of Gleolan sales in the United States since March 2022, September 2022 was the first full month, and the three-month period ended December 31, 2022 was the first full fiscal quarter, in which Medexus recognized 100% of Gleolan net sales in the Company's total revenue. See also "Discussion of Operations—Gross profit and gross margin" and "Highlights for the Three- and Six-Month Periods Ended September 30, 2024—Operational highlights—Product highlights—Leading products—Gleolan (US)".

The timing and commercial terms of orders, particularly large orders, can cause variability in Medexus's revenue quarter-to-quarter. Revenue for the first two quarters of fiscal year 2024 demonstrated some such variability, including because Medexus received and filled a number of orders of Rupall in fiscal Q1 2024 that were originally expected to be received in fiscal Q2 2024. In addition, pharmacy and wholesale customers of IXINITY exhibit varying buying patterns relative to patient unit demand, which is difficult to forecast with precision and has been influenced by developments in the broader hemophilia B treatment solutions market. This variance can result in those customers building up and subsequently working through inventory on hand, resulting in quarterly sales of IXINITY that do not directly correspond to short-term changes in patient unit demand. Since fiscal Q3 2024, the Company's largest pharmacy customer of IXINITY has reduced its purchases of IXINITY relative to past practice, largely due to trends in IXINITY demand as observed by both parties. Medexus expects that, over time, this customer's buying patterns will better align with patient unit demand as this customer works through inventory on hand built up over previous quarters, which Medexus believes will potentially allow the Company over time to reduce the discounts offered to this large customer intended in part to ensure continuity of supply. Similar dynamics have also affected Rasuvo, with recent reductions in non-statutory discounts offered to customers, together with effective unit-level price reductions, in particular in fiscal Q2 2025, contributing to a meaningful adverse impact on Rasuvo net sales in each of the first two quarters of fiscal year 2025.

The Covid-19 pandemic created significant disruptions in the selling environment that moderately affected Medexus's total revenue in fiscal year 2022 and continued to create moderate disruptions through early fiscal year 2023.

Medexus's selling and administrative expense has varied in large part due to the net effect of the Company's investments in personnel and infrastructure to support commercialization initiatives for new products and product candidates, in particular Gleolan and treosulfan in the United States, partially offset by cost reduction initiatives, including those implemented in October 2022 and January 2024.

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

Medexus paid termination benefits to a former member of senior management who departed the Company in June 2024.

Net income (loss) for periods ended on or before December 31, 2023 included unrealized loss (gain) on the change in fair value of the embedded derivatives in the now-repaid Convertible Debentures, which matured on October 16, 2023. This non-cash value was estimated at each reporting date and was sensitive to, among other things, fluctuations in Medexus's share price. In addition, net income (loss) can be impacted by fluctuations in currency exchange rates.

Assets as of September 30, 2024 were affected by an impairment loss primarily relating to a reduction in the carrying value of Gleolan. See "Highlights for the Three- and Six-Month Periods Ended September 30, 2024—Operational highlights—Product highlights—Leading products—Gleolan (US)".

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## HIGHLIGHTS FOR THREE- AND SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2024

The following describes highlights in Medexus's financial and operating performance for the three- and six-month periods ended September 30, 2024 (the Company's fiscal Q2 2025).

### Financial highlights

- Revenue of \$26.3 million and \$53.6 million for the three- and six-month periods ended September 30, 2024, a decrease of \$4.0 million and \$8.3 million, or 13.2% and 13.4%, compared to \$30.3 million and \$61.9 million for the three- and six-month periods ended September 30, 2023. The \$4.0 million and \$8.3 million year-over-year revenue decreases were primarily attributable to reduced year-to-date net sales of Rasuvo in fiscal year 2025 and continuing declines in net sales of IXINITY since fiscal Q3 2024.
- Adjusted EBITDA of \$6.0 million and \$12.1 million for the three- and six-month periods ended September 30, 2024, an increase of \$0.7 million and \$0.2 million, or 13.2% and 1.7%, compared to \$5.3 million and \$11.9 million for the three- and six-month periods ended September 30, 2023. See "Preliminary Notes—Non-GAAP measures" and "Reconciliation of Adjusted EBITDA to Net Income (Loss)". The \$0.7 million and \$0.2 million year-over-year Adjusted EBITDA increases were primarily attributable to the effects of the Company's ongoing financial discipline efforts and improvements in IXINITY cost of sales of products attributable to Medexus's investments in its IXINITY manufacturing process improvement initiative. See also "Discussion of Operations—Selling and administrative expenses" and "Discussion of Operations—Gross profit and gross margin".
- Available liquidity of \$7.0 million (September 30, 2024), consisting of cash and cash equivalents, compared to \$5.3 million (March 31, 2024), an increase of \$1.7 million. See "Liquidity and Capital Resources", including "—Cash flows".
- Operating income of \$1.6 million and \$5.6 million for the three- and six-month periods ended September 30, 2024, a decrease of \$2.0 million and \$2.8 million, or 55.6% and 33.3%, compared to \$3.6 million and \$8.4 million for the three- and six-month periods ended September 30, 2023.
- Net income of \$0.1 million and \$2.1 million for the three- and six-month periods ended September 30, 2024, an increase of \$1.2 million and \$2.5 million compared to net loss of \$1.1 million and \$0.4 million for the three- and six-month periods ended September 30, 2023. The \$1.2 million and \$2.5 million year-over-year net income increases were primarily attributable to the effects of the Company's ongoing financial discipline efforts, partially offset by the changes in revenue mentioned above and a \$2.5 million impairment of intangible assets.

## Operational highlights

### *Product highlights*

#### *Leading products*

##### *IXINITY (US)*

Unit demand in the United States decreased by 4% over the trailing 12-month period ended September 30, 2024. (Source: customer-reported dispensing data.) Demand continues to reflect the effects of lower observed average quantities of IXINITY consumed by newer patients and a greater than expected impact of other developments in the broader hemophilia B treatment solutions market specifically relating to greater availability and use of extended half-life products that compete with IXINITY. Medexus believes that these trends are likely to persist. Medexus expects that this challenging demand environment, together with the anticipated impact of additional statutory discounts and rebates under the Inflation Reduction Act of 2022, will have a moderately adverse effect on product-level revenue going forward. See also “Selected Financial Information—Note regarding period-to-period variations” and “Discussion of Operations—Revenue”. Medexus will continue seeking to maintain existing demand, and to improve management of product supply to the market primarily by means of an August 2024 agreement with a national operator of specialty pharmacies. Medexus’s investments in its IXINITY manufacturing process improvement initiative have had a positive impact on batch yield and manufacturing costs over fiscal year 2024 and now extending into fiscal year 2025.

##### *Rupall (Canada)*

Unit demand in Canada remained strong during the 12-month period ended September 30, 2024, which is reflected in the unit demand growth of 17% over the trailing 12-month period ended September 30, 2024. (Source: IQVIA CDH units – Drugstores and hospitals purchases, MAT September 2024.) This strong performance reflects successful execution of the Company’s sales and marketing initiatives to sustain the product’s strong performance since its January 2017 commercial launch, together with the product’s typical seasonality, particularly in the three-month period ended June 30, 2024. Rupall’s market exclusivity, granted by Health Canada, will expire at the end of January 2025. Medexus expects that Rupall will thereafter face generic competition in Canada, which will likely result in effective unit-level price reductions at that time.

##### *Rasuvo (US)*

Unit demand in the United States remained strong during the three-month period ended September 30, 2024. However, competition has adversely affected Rasuvo product-level revenue. In addition, the share of product-level revenue attributable to government-sponsored programs, which benefit from statutory discounts and rebates, has and will continue to adversely affect total product-level revenue, despite contributing to the product’s strong market position in the US branded methotrexate autoinjector market. Medexus continues to evaluate its unit-level pricing strategies, intended to defend the product’s strong market position, in light of these evolving market dynamics. As part of this ongoing evaluation, Medexus implemented an effective unit-level price reduction in fiscal Q2 2025 and continued to reduce investments in non-statutory discounts offered to large customers, which together contributed to a meaningful adverse impact on Rasuvo net sales in each of the first two quarters of fiscal year 2025, and which the Company believes may have a continuing near-term adverse impact on product-level revenue. See also

“Selected Financial Information—Note regarding period-to-period variations” and “Discussion of Operations—Revenue”.

*Gleolan (US)*

Unit demand in the United States grew 7% over the trailing 12 months ended September 30, 2024, as Medexus’s commercialization efforts continued to result in new customers adopting the product. While the product has continued to respond to Medexus’s commercial plan, Medexus has continued to evaluate its focus on Gleolan in the context of the Company’s evolving US product portfolio. Medexus continues to discuss the future of the Company’s involvement in commercializing Gleolan with the licensor of Medexus’s rights to the product in the United States under the parties’ existing agreement (**US Gleolan Agreement**). In the meantime, Medexus continues to commercialize Gleolan in the United States and, in addition, continues to work with the licensor on the parties’ successful business relationship commercializing the product in Canada.

*Metoject (Canada)*

Unit demand in Canada increased by 10% in the trailing 12-month period ended September 30, 2024 in spite of direct generic competition. (Source: IQVIA – TSA database.) Product-level performance continues to experience moderate disruption from the launch of generic products in the Canadian methotrexate market. Medexus has implemented unit-level pricing strategies to defend the product’s strong market position.

*Trecondyv (treosulfan) (Canada)*

Unit demand in Canada remained strong during the 12-month period ended September 30, 2024, which is reflected in the unit demand growth of 49% over the trailing 12-month period ended September 30, 2024. This strong performance reflects successful execution of the Company’s initiatives to sustain the product’s strong performance since its September 2021 commercial launch. In addition, in November 2024, following a March 2024 reimbursement recommendation from Canada’s Drug Agency (formerly CADTH), Medexus successfully completed a negotiation process with the pan-Canadian Pharmaceutical Alliance, an independent organization whose membership includes the provincial, territorial, and federal governments, seeking to make Trecondyv accessible to publicly funded drug programs and patients in Canada. Now that these negotiations are successfully completed, the next step will be for participating government organizations to make their respective final decisions on public reimbursement for their regions. Medexus sees these developments in the Canadian market as important indicators of the product’s prospects and potential in both the Canadian and US markets.

*Pipeline opportunities*

*Treosulfan (US)*

In September 2024, Medexus was informed by medac, licensor of Medexus’s commercialization rights to treosulfan, that the FDA had extended the review period for the now-accepted New Drug Application, or NDA, for treosulfan by three months. The FDA has set a new target action date of January 30, 2025, which is the date by which Medexus now expects that the FDA will complete its review of the treosulfan NDA and issue a decision. The treosulfan NDA seeks approval of treosulfan in combination with fludarabine as a preparative regimen for allogeneic hematopoietic stem cell transplantation in adult and pediatric patients with AML and MDS. medac is the party

responsible for regulatory matters under Medexus's February 2021 exclusive license agreement relating to commercialization of treosulfan in the United States (**US Treosulfan Agreement**).

Medexus continues to believe that treosulfan would make a substantial contribution to this therapeutic space, as it has in Europe and Canada. The FDA's commitment to review the treosulfan NDA brings Medexus a step closer to making the product a viable treatment option in the United States and is consistent with Medexus's plan to target a commercial launch in the first half of calendar year 2025. Given this positive development, and the revenue opportunity this product represents, Medexus has therefore begun making investments in personnel and infrastructure to prepare for a potential positive FDA decision by January 2025. These investments totaled \$0.4 million and \$0.5 million for the three- and six-month periods ended September 30, 2024, and are expected to increase meaningfully in fiscal Q3 2025 and thereafter. Medexus would not expect to begin recognizing significant US revenue from treosulfan until early fiscal year 2026 (or second calendar quarter 2025) at the earliest. Medexus currently expects that commercialization of treosulfan, if approved by the FDA, would have a materially positive impact on total revenue, among other key financial performance indicators. Based on internal estimates and research, Medexus currently believes that annual product-level revenue in the United States has the potential to exceed \$100 million within five years after commercial launch, and the specific nature and level of success of Medexus's commercialization initiatives in support of treosulfan, among others, will determine the extent to which the Company realizes this potential. See also "Risk Factors and Risk Management—Possible failure to realize benefits of the US Treosulfan Agreement" and "Preliminary Notes—Forward-looking statements".

Under the terms of a September 2023 amendment to the US Treosulfan Agreement, Medexus and medac now have a specified negotiation period, which is currently underway, to agree to a further amendment with respect to any adjustments to the value of unpaid regulatory and sales-based milestone payments that the parties may agree are appropriate in the prevailing circumstances. While Medexus expects that the parties will arrive at a commercially reasonable outcome and that certain milestone and royalty payments will need to be made to medac from time to time under the US Treosulfan Agreement, Medexus will have no obligation to make any milestone payments before the effective date of any such further amendment to the US Treosulfan Agreement. See also "Risk Factors and Risk Management—Possible failure to realize benefits of the US Treosulfan Agreement".

#### *Topical terbinafine (Canada)*

In December 2023, Health Canada accepted for review Medexus's New Drug Submission, or NDS, for terbinafine hydrochloride nail lacquer to treat fungal nail infections. The topical terbinafine NDS seeks Health Canada approval for a distinctive once-a week treatment regimen. Topical terbinafine is currently the subject of an ongoing regulatory review process with Health Canada. Medexus currently expects that Health Canada will complete its review of the topical terbinafine NDS and issue a decision in fiscal Q4 2025, which is consistent with Medexus's plan to target a commercial launch in the first half of calendar year 2025, subject to Health Canada approval.

Topical terbinafine has been widely used in other markets to treat fungal nail infections. If and when approved, the product will enter the Canadian topical fungicides market that is estimated to be C\$88 million on an annual basis. (Source: IQVIA Canadian drugstore and hospital purchases, September 2023 MAT.) Medexus is monitoring potential regulatory changes in Ontario regarding expanded prescribing authority for pharmacists for common ailments, including fungal nail

infections. If adopted, Medexus believes that these regulatory changes could enhance availability and accessibility of topical terbinafine, if and when approved, which could increase unit demand.

*Selected additional products*

Medexus remains focused on delivering strong overall performance across the rest of the Company's portfolio of products, which is currently centered within the Company's Canadian operations. Medexus saw continued overall strength and stability in this group of products, which includes specialty products such as Gleolan and over-the-counter products such as NYDA and Relaxa – each of which Medexus commercializes in Canada. Each of these three products demonstrated improvements in year-to-date net sales performance in fiscal year 2025 relative to fiscal year 2024, largely reflecting successful execution of the Company's sales and marketing initiatives, together with NYDA's typical seasonality. Medexus is monitoring potential regulatory changes in Ontario regarding expanded prescribing authority for pharmacists for common ailments, including head lice. If adopted, Medexus believes that these regulatory changes could enhance availability and accessibility of NYDA, a treatment for head lice – as did similar changes in Quebec that came into effect in June 2015 – which could increase unit demand and prompt Medexus to make additional investments in the product's growth in the Ontario market.

*Other highlights*

*Annual meeting of shareholders*

In September 2024, Medexus held its virtual annual meeting of shareholders. Medexus shareholders elected all nominees listed in Medexus's proxy circular dated August 7, 2024 as directors through the next annual meeting. Shareholders also voted in favor of the appointment of PricewaterhouseCoopers LLP as the Company's auditors.

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## DISCUSSION OF OPERATIONS

The following section discusses Medexus’s results of operations for the three- and six-month periods ended September 30, 2024 compared to the corresponding prior financial year periods.

### Revenue

(Amounts in millions)	Three-month periods ended September 30,			Six-month periods ended September 30,		
	2024	2023	Change	2024	2023	Change
Revenue	\$26.3	\$30.3	(13.2)%	\$53.6	\$61.9	(13.4)%

The \$4.0 million and \$8.3 million year-over-year revenue decreases were primarily attributable to reduced year-to-date net sales of Rasuvo in fiscal year 2025 and continuing declines in net sales of IXINITY since fiscal Q3 2024 corresponding to a decline in observed patient demand. The decreases were partially offset by continuing growth in Rupall net sales, a slight year-over-year increase in year-to-date net sales of Gleolan, and a slight net year-over-year increase in year-to-date net sales across the rest of the Company’s portfolio of products (including those discussed under “Highlights for the Three and Six-Month Periods Ended September 30, 2024—Operational highlights—Product highlights—Selected additional products”). See also “Selected Financial Information—Note regarding period-to-period variations” and “Highlights for the Three and Six-Month Periods Ended September 30, 2024—Operational highlights—Product highlights—Leading products—IXINITY (US)” and “—Rasuvo (US)”.

### Gross profit and gross margin

(Amounts in millions)	Three-month periods ended September 30,			Six-month periods ended September 30,		
	2024	2023	Change	2024	2023	Change
Gross profit	\$14.1	\$16.3	(13.5)%	\$29.0	\$33.5	(13.4)%
Gross margin	53.7%	53.7%	0.0 ppt	54.0%	54.2%	(0.2) ppt

The \$2.2 million and \$4.5 million year-over-year decrease in gross profit and 0.0 ppt and (0.2) ppt year-over-year decrease in gross margin primarily reflect changes in the relative contribution of product-level net sales reflected in the changes in revenue discussed above, including effective unit-level price reductions included in IXINITY net sales and the accumulating effect of continued effective unit-level price reductions for Rasuvo, including an additional such reduction in fiscal Q2 2025, and, in fiscal Q2 2025, increased packaging and logistics costs for Rasuvo. The decreases were partially offset by improvements in IXINITY cost of sales of products over fiscal year 2024 and extending into fiscal Q2 2025 attributable to Medexus’s investments in, and phasing of planned investments in, the Company’s IXINITY manufacturing process improvement initiative, the treatment of Gleolan cost of sales of products in accordance with IFRS Accounting Standards in light of the terms of the US Gleolan Agreement, and the effect of the Company’s inventory

management strategies for Rupall. Medexus expects that gross margin has largely stabilized for the near term.

In general, gross profit and gross margin are primarily affected by Medexus’s supply and distribution costs. These costs include the supply prices and royalties paid to third parties, warehouse and logistics expenses for product inventory, and allowances for potential product returns and other provisions. In the case of IXINITY, these costs include manufacturing costs charged by third-party contract manufacturers, which are subject to periodic increases in accordance with the terms of Medexus’s contracts; costs associated with manufacturing events such as low-yield or failed batches, as the manufacturing process is highly sensitive to deviations from product specifications; and royalty payment obligations assumed in connection with the February 2020 acquisition of Aptevo BioTherapeutics LLC, which are expected to constitute a low double-digit percentage of IXINITY net sales through the remaining life of the IXINITY patent portfolio.

In respect of Gleolan in the United States, gross profit and gross margin in fiscal year 2024 were adversely affected by a higher effective royalty component of cost of sales of products as a result of the minimum royalty thresholds under the US Gleolan Agreement, which the Company did not meet for fiscal year 2024, commensurate with revised estimates of product-level revenue potential and adoption in the United States based on the Company’s evolving insights regarding market dynamics and actual sales performance to date. Medexus does not currently expect to meet the minimum royalty threshold for fiscal year 2025, nor, in light of the Company’s ongoing negotiations regarding the terms of the US Gleolan Agreement, and, in any event, the existing terms of that agreement, to continue commercializing the product after fiscal year 2025. In light of the treatment of related terms of the US Gleolan Agreement in accordance with IFRS Accounting Standards, these expectations have had and will continue to have a positive impact on gross profit and gross margin in fiscal year 2025.

Medexus also includes amortization of product licenses as a component of cost of sales of products. This amortization was \$1.5 million and \$2.9 million for the three- and six-month periods ended September 30, 2024, compared to \$1.4 million and \$2.8 million for the three- and six-month periods ended September 30, 2023. See also “Preliminary Notes—Non-GAAP measures—Adjusted Gross Profit (Loss) and Adjusted Gross Margin”.

### Selling and administrative expenses

(Amounts in millions)	Three-month periods ended September 30,			Six-month periods ended September 30,		
	2024	2023	Change	2024	2023	Change
Selling and administrative expenses	\$9.7	\$11.9	(18.5)%	\$20.0	\$23.8	(16.0)%

The \$2.2 million and \$3.8 million year-over-year decreases in selling and administrative expenses were primarily attributable to the effects of the Company’s ongoing financial discipline efforts, including reductions in operating expenses.

Medexus expects the moderately positive impact from a January 2024 cost reduction initiative to continue to persist over the coming fiscal quarters, subject to the Company's ongoing efforts to maintain strict financial discipline and before investments in the Company's pipeline opportunities. In particular, given the FDA's commitment to review the treosulfan NDA and the revenue opportunity that product represents, Medexus has begun making investments in personnel and infrastructure to prepare for a potential positive FDA decision by January 2025 and a potential commercial launch of treosulfan in the United States thereafter. These investments totaled \$0.4 million and \$0.5 million for the three- and six-month periods ended September 30, 2024, and are expected to increase meaningfully in fiscal Q3 2025 and thereafter. Medexus expects that selling and administrative expenses have largely stabilized for the near term, pending any such preparatory investments among other factors.

The following table provides additional detail on the primary components of Medexus's selling and administrative expenses discussed above.

(Amounts in millions)	Three-month periods ended September 30,			Six-month periods ended September 30,		
	2024	2023	Change	2024	2023	Change
Employee benefits	\$5.0	\$5.9	(15.3)%	\$10.2	\$11.7	(12.8)%
Sales and marketing	\$1.6	\$2.9	(44.8)%	\$3.7	\$5.8	(36.2)%
Regulatory, business development	\$1.7	\$1.6	6.2%	\$3.4	\$3.1	9.7%
General and administrative	\$1.3	\$1.5	(13.3)%	\$2.7	\$3.1	(12.9)%

#### Research and development expenses

(Amounts in millions)	Three-month periods ended September 30,			Six-month periods ended September 30,		
	2024	2023	Change	2024	2023	Change
Research and development expenses	\$0.3	\$0.7	(57.1)%	\$0.4	\$1.2	(66.7)%

The \$0.4 million and \$0.8 million year-over-year decreases in research and development expenses were primarily attributable to reductions in investments in the Company's now-completed phase 4 clinical trial of IXINITY and phasing of planned investment in its IXINITY manufacturing process improvement initiative. Medexus continues to invest a moderate amount of additional capital in connection with its IXINITY manufacturing process improvement initiative, which has had a positive impact on batch yield and manufacturing costs.

### **Operating income**

As a result of the factors described above, operating income was \$1.6 million and \$5.6 million for the three- and six-month periods ended September 30, 2024, a decrease of \$2.0 million and \$2.8 million compared to operating income of \$3.6 million and \$8.4 million for the three- and six-month periods ended September 30, 2023.

Reductions in operating expenses resulting from a January 2024 cost reduction initiative have continued to have a moderately positive impact on operating income, and Medexus expects this positive impact to persist over the coming fiscal quarters, before any investments to prepare for a potential commercial launch of treosulfan in the United States, which have been moderately increasing over fiscal year 2025 to date.

### **Net income (loss)**

As a result of the factors described above, net income was \$0.1 million and \$2.1 million for the three and six-month periods ended September 30, 2024, representing a year-over-year increases of \$1.2 million and \$2.5 million compared to net loss of \$1.1 million and \$0.4 million for the three- and six-month periods ended September 30, 2023. The \$1.2 million and \$2.5 million year-over-year net income increases were primarily attributable to the effects of the Company's ongoing financial discipline efforts, partially offset by the changes in revenue mentioned above and a \$2.5 million impairment of intangible assets primarily relating to a reduction in the carrying value of Gleolan. Medexus expects that net income has largely stabilized for the near term, pending any investments to prepare for a potential commercial launch of treosulfan in the United States among other factors.

### **Adjusted EBITDA**

Adjusted EBITDA was \$6.0 million and \$12.1 million for the three- and six-month periods ended September 30, 2024, representing a year-over-year increase of \$0.7 million and \$0.2 million compared to \$5.3 million and \$11.9 million for the three- and six-month periods ended September 30, 2023. The \$0.7 million and \$0.2 million increases in Adjusted EBITDA were primarily attributable to the effects of the Company's ongoing financial discipline efforts and improvements in IXINITY cost of sales of products attributable to Medexus's investments in its IXINITY manufacturing process improvement initiative, partially offset by the changes in revenue discussed above.

Adjusted EBITDA is adjusted for a number of non-cash charges that are included in net income (loss). See "Preliminary Notes—Non-GAAP measures" and "Reconciliation of Adjusted EBITDA to Net Income (Loss)".

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## SUMMARY OF QUARTERLY RESULTS

The following table sets out summary unaudited quarterly financial information for each of the eight fiscal quarters through and including the fiscal quarter ended September 30, 2024.

Three-months ended	30-Sept-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sept-23	30-Jun-23	31-Mar-23	31-Dec-22
Revenue—Products	26,303	27,283	25,962	25,211	30,326	31,555	28,633	28,731
Gross Profit	14,126	14,835	13,305	12,693	16,278	17,238	15,017	15,933
Selling and Administrative Expenses	9,688	10,349	10,367	10,692	11,911	11,899	11,389	11,878
Research and Development Expenses	281	97	53	372	741	441	733	693
Transaction-Related Fees and Expenses	—	—	282	—	—	—	93	—
Termination Benefits	—	356	823	—	—	—	—	372
Operating Income	1,637	3,974	832	1,568	3,554	4,840	2,734	2,900
Net Income (Loss)	110	1,957	762	(534)	(1,093)	651	6,856	(1,507)
Net Income (Loss) per Common Share – Basic	0.0	0.08	0.03	(0.02)	(0.05)	0.03	0.34	(0.07)
Net Income (Loss) per Common Share – Diluted	0.0	0.08	0.03	(0.02)	(0.05)	0.03	0.34	(0.07)
Adjusted EBITDA*	5,969	6,102	4,399	3,227	5,325	6,581	4,823	5,223
Cash provided (used) by operations	6,855	8,193	1,607	5,541	7,351	4,215	3,863	(2,204)
Cash & cash equivalents, end of period	6,973	8,454	5,255	8,213	19,501	15,782	13,069	9,273
Assets	145,367	147,262	155,733	160,377	166,178	166,874	161,329	146,320
Dividends	—	—	—	—	—	—	—	—

\* See “Preliminary Notes—Non-GAAP measures” and “Reconciliation of Adjusted EBITDA to Net Income (Loss)”.

### Note regarding period-to-period variations

Medexus acquired the exclusive right to commercialize Gleolan in the United States in March 2022 and successfully completed the full transition of US commercial responsibility to Medexus in August 2022. Although Medexus has recognized at least a portion of Gleolan sales in the United

States since March 2022, September 2022 was the first full month, and the three-month period ended December 31, 2022 was the first full fiscal quarter, in which Medexus recognized 100% of Gleolan net sales in the Company's total revenue. See also "Discussion of Operations—Gross profit and gross margin" and "Highlights for the Three- and Six-Month Periods Ended September 30, 2024—Operational highlights—Product highlights—Leading products—Gleolan (US)".

Medexus's total revenue is affected by seasonality in net sales of some of Medexus's leading products, such as Rupall, largely depending on the severity and timing of allergy seasons across Canada, and Rasuvo, which typically reflects an annual, temporary increase in demand as some US patients order additional product, likely to prepare for temporary relocation in winter months.

In the twelve-month period ended March 31, 2024, unit demand for Rasuvo and Metoject benefited from their comparatively steady supply relative to ongoing shortages of competing product inventory, which Medexus believes to be the indirect result of a global shortage of methotrexate.

The timing and commercial terms of orders, particularly large orders, can cause variability in Medexus's revenue quarter-to-quarter. Revenue for the first two quarters of fiscal year 2024 demonstrated some such variability, including because Medexus received and filled a number of orders of Rupall in fiscal Q1 2024 that were originally expected to be received in fiscal Q2 2024. In addition, pharmacy and wholesale customers of IXINITY exhibit varying buying patterns relative to patient unit demand, which is difficult to forecast with precision and has been influenced by developments in the broader hemophilia B treatment solutions market. This variance can result in those customers building up and subsequently working through inventory on hand, resulting in quarterly sales of IXINITY that do not directly correspond to short-term changes in patient unit demand. Since fiscal Q3 2024, the Company's largest pharmacy customer of IXINITY has reduced its purchases of IXINITY relative to past practice, largely due to trends in IXINITY demand as observed by both parties. Medexus expects that, over time, this customer's buying patterns will better align with patient unit demand as this customer works through inventory on hand built up over previous quarters, which Medexus believes will potentially allow the Company over time to reduce the discounts offered to this large customer intended in part to ensure continuity of supply. Similar dynamics have also affected Rasuvo, with recent reductions in non-statutory discounts offered to customers, together with effective unit-level price reductions, in particular in fiscal Q2 2025, contributing to a meaningful adverse impact on Rasuvo net sales in each of the first two quarters of fiscal year 2025.

In January 2024, Medexus formulated and implemented a cost reduction initiative, which primarily affected selling and administrative expenses beginning fiscal Q4 2024 and termination benefits in fiscal Q4 2024. Medexus also paid termination benefits in fiscal Q2 2025 to a former member of senior management who departed the Company in June 2024.

Medexus's selling and administrative expenses have varied in large part due to the net effect of the Company's investments in personnel and infrastructure to support commercialization initiatives for new products and product candidates, in particular Gleolan and treosulfan in the United States, partially offset by cost reduction initiatives, including those implemented in October 2022 and January 2024.

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

Net income (loss) for periods ended on or before December 31, 2023 included unrealized loss (gain) on the change in fair value of the embedded derivatives in the now-repaid Convertible Debentures, which matured on October 16, 2023. This non-cash value was estimated at each reporting date and was sensitive to, among other things, fluctuations in Medexus's share price. In addition, net income (loss) can be impacted by fluctuations in currency exchange rates.

Assets as of September 30, 2024 were affected by an impairment loss primarily relating to a reduction in the carrying value of Gleolan. See "Highlights for the Three- and Six-Month Periods Ended September 30, 2024—Operational highlights—Product highlights—Leading products—Gleolan (US)".

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## COMPANY STRATEGY AND OUTLOOK

### **Business strategy**

Medexus focuses on commercialization of an existing portfolio of pharmaceutical products previously licensed or acquired from third parties. These existing products have primarily driven Medexus's performance to date. Medexus also focuses on opportunities to complement its existing product portfolio by licensing and acquiring new products at various stages of the commercial lifecycle. Medexus therefore does not make significant investments in research and development. Medexus generally purchases finished products manufactured by third-party licensors located outside North America and distributes them in the United States or Canada. Medexus uses third-party contract manufacturers, primarily one located in the United States, to manufacture IXINITY.

### **Corporate organizational structure**

Medexus Pharmaceuticals Inc., a Canada corporation, operates Medexus's business activities in Canada directly. It also owns 100% of the issued and outstanding shares of MI Acquisitions, Inc., a Delaware corporation.

MI Acquisitions, Inc. is an intermediate holding company that does not engage in any operating activities. MI Acquisitions, Inc. owns 100% of the issued and outstanding shares of Medexus Pharma, Inc., a Delaware corporation.

Medexus Pharma, Inc. operates Medexus's business activities in the United States. It is also the sole member (owning 100% of the membership interests) of Aptevo BioTherapeutics LLC, a Delaware limited liability company.

Aptevo BioTherapeutics LLC owns Medexus's rights to IXINITY. It otherwise does not engage in operating activities.

### **Industry trends**

Select key trends in the pharmaceutical industry affecting Medexus's business are set out in the paragraphs below. Medexus believes that a number of industry trends create a favorable environment for the licensing or acquisition and distribution of commercial-stage assets.

#### *Demographics*

Growth of the population in general and aging of the population in particular will continue to drive demand for pharmaceutical products and therapies. Favorable perception of branded products will result in sustained opportunities for select established branded assets and promotional stage products, including those within Medexus's product portfolio.

#### *Commercial pricing pressures*

Pricing and access pressures in the commercial sector continue to be significant. Overall, there is increasing pressure on US providers to deliver healthcare at a lower cost and to ensure that those expenditures deliver demonstrated value in terms of health outcomes. Many employers

have adopted high deductible health plans, which can increase out-of-pocket costs for medicines. This trend is likely to continue. Private third-party payers, such as health plans, increasingly challenge pharmaceutical product pricing, which could result in lower prices, lower reimbursement rates, and a reduction in demand for Medexus's products. Pricing pressures also occur as a result of highly competitive insurance markets. Healthcare provider purchasers, directly or through group purchasing organizations, are seeking enhanced discounts or implementing more rigorous bidding or purchasing review processes.

#### *Managed care organizations (MCOs)*

The evolution of managed care in the United States has been a major factor in the competitiveness of the healthcare marketplace. A significant percentage of the US population now have some form of health insurance coverage, and the marketing of prescription drugs to both consumers and the entities that manage coverage in the United States continues to grow in importance. In particular, the influence of MCOs has increased in recent years due to the growing number of patients receiving coverage through MCOs. At the same time, consolidation in the MCO industry has resulted in fewer, even larger MCOs, which enhances those MCOs' ability to negotiate pricing and increases their importance to Medexus's business. Since MCOs seek to contain and reduce healthcare expenditures, their growing influence has increased pressure on drug prices as well as revenues.

#### *Government programs*

The share of Medicare and Medicaid funding of pharmaceutical products in outpatient settings has increased significantly since 2000. Often, established branded pharmaceutical products, such as Rasuvo, that are subject to Medicare or Medicaid, or that fall under the Federal Supply Schedule, may still be competitive in price to alternatives due to mandatory rebates and average manufacturer price calculation rules prescribed by US law. The Federal Supply Schedule is a list of contractors that have been awarded a contract by the US General Services Administration, an independent agency of the US government, and those contractors can be used by all US federal agencies.

The share of utilization of leading products in outpatient settings, in particular under government programs such as the "340B Drug Pricing Program", can introduce pricing risk for Medexus's products. Trends in hospital and other institutional management of "340B" program mechanisms may affect Medexus's exposure to pricing risk under this and other government programs.

#### *Inflation Reduction Act of 2022*

Medexus has continued to evaluate the impact of the Inflation Reduction Act of 2022 since the law became effective in August 2022. Based on the Company's ongoing assessments, together with recent related regulatory developments and pharmaceutical industry practice, Medexus now expects that the near- to mid-term adverse impact of the law on Medexus's net revenue and gross profit and gross margin will be moderate. Medexus expects that this impact will be primarily attributable to increases in the Company's contractual payment obligations in respect of Rasuvo and IXINITY usage under Medicare (which benefits from mandatory discounts and rebates), the impact of ongoing Medicare redesign initiatives authorized under the law, and the indirect impact

of the law on distribution costs. Medexus continues to evaluate the impact of these developments on its revenue and cost structure.

#### *Product opportunities*

Medexus expects that drug development companies without commercial infrastructure in the United States and Canada will continue seeking commercialization partners to promote their products in those markets.

Medexus also believes that large pharmaceutical companies will continue to focus on their core therapeutic areas, meaning that these companies will divest non-core or non-strategic products, many of which could fall into the product lifecycle stages on which Medexus focuses its business development activities.

#### **Customers**

Medexus has a limited number of direct customers, and the majority of Medexus's sales are to large national distributors, wholesalers, pharmacy chains and specialty pharmacies, healthcare institutions, and other large customers. For fiscal year 2024, three customers (all of which were large national wholesalers) each individually accounted for more than 10% of Medexus's total revenue, together accounting for approximately 62% of Medexus's total revenue, and four customers (all of which similarly were large national wholesalers) each individually accounted for more than 10% of Medexus's trade accounts receivable, together accounting for approximately 82% of Medexus's trade accounts receivable. See "Risk Factors—Risks relating to the business—Dependence on a small number of customers" in the AIF.

#### **Manufacturing, supply, and distribution**

Medexus focuses on managing the production and distribution of pharmaceutical products that the Company commercializes. Medexus generally purchases finished products manufactured by third-party licensors and distributes them in the United States or Canada. Medexus uses third-party contract manufacturers for IXINITY. Medexus relies on third-party logistics providers to administer distribution logistics processes in both the United States and Canada. This includes warehousing, order processing, shipping, and invoicing and collections.

Medexus and its third-party partners are, and will continue to be, subject to extensive government regulation in connection with the manufacture, supply, and distribution of pharmaceutical products. Products that Medexus commercializes must be manufactured in facilities and using processes, methods, and equipment that comply with the requirements of the FDA (for products commercialized in the United States) or Health Canada (for products commercialized in Canada). See "Risk Factors—Risks relating to the business—Reliance on third parties for the manufacture and supply of products" in the AIF.

## LIQUIDITY AND CAPITAL RESOURCES

### Overview

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

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

- make interest and principal payments in respect of the Company's debt financing arrangements, in particular the Company's senior secured credit agreement (**BMO Credit Agreement**) with Bank of Montreal (**BMO**) as agent and lender;
- make regulatory and other milestone payments to the Company's third-party licensors if and when they become due, in particular any milestone payments that may become due under the US Treosulfan Agreement (if any), as discussed below;
- carry on the continued development and commercialization of existing products;
- secure new business opportunities and product registrations, including funding any associated clinical or product development programs;
- prevent or mitigate delays or challenges in supply of the Company's products; and
- comply with regulatory requirements, including those relating to manufacturing and distribution of the Company's products.

Under the terms of a September 2023 amendment to the US Treosulfan Agreement, Medexus and medac now have a specified negotiation period, which is currently underway, to agree to a further amendment with respect to any adjustments to the value of unpaid regulatory and sales-based milestone payments that the parties may agree are appropriate in the prevailing circumstances. While Medexus expects that the parties will arrive at a commercially reasonable outcome and that certain milestone and royalty payments will need to be made to medac from time to time under the US Treosulfan Agreement, Medexus will have no obligation to make any milestone payments before the effective date of any such further amendment to the US Treosulfan Agreement. Medexus is evaluating options with respect to funding any milestone payments that Medexus may become obligated to pay to medac upon an FDA approval of treosulfan, which could include third-party financing. While Medexus has been successful in securing third-party financing in the past, there can be no assurance that Medexus will be able to secure similar third-party financing in the future, or that these sources of capital will be available to Medexus on terms acceptable to the Company. See also "Risk Factors and Risk Management—Possible failure to realize benefits of the US Treosulfan Agreement" and "Risk Factors and Risk Management—Need for additional financing".

Given the FDA's commitment to review the treosulfan NDA and the revenue opportunity that product represents, Medexus has begun making investments in personnel and infrastructure to prepare for a potential positive FDA decision by January 2025 and a potential commercial launch of treosulfan in the United States thereafter. See "Highlights for Three and Six-Month Periods Ended September 30, 2024—Operational highlights—Product highlights—Pipeline opportunities—Treosulfan (US)".

See also note 23 (including the table in that note regarding the Company's financial liabilities) and note 19 (including the table in that note regarding the Company's anticipated future cash flow requirements) to Medexus's consolidated financial statements for the year ended March 31, 2024, which are available on Medexus's issuer profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com), for additional information about liquidity and other risks that Medexus faces. Medexus believes that there have been no material changes to the information set out in those notes and related tables except as and to the extent set out in Medexus's unaudited condensed interim consolidated financial statements for the three- and six-month periods ended September 30, 2024 (including note 15 to those financial statements), which are also available on Medexus's issuer profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

## Sources of liquidity

### *Overview*

As of September 30, 2024, Medexus had \$7.0 million of available liquidity consisting of cash and cash equivalents (March 31, 2024 – \$5.3 million).

### *BMO Credit Agreement*

In March 2023, Medexus entered into a new senior secured credit agreement (**BMO Credit Agreement**) agented by Bank of Montreal (**BMO**). Following a September 2023 amendment, the BMO Credit Agreement provides for a \$53 million term loan facility (**Term Facility**) and a \$3.5 million revolving loan facility (**Revolving Facility**). As of the date of this MD&A, Medexus had drawn all amounts under the Term Facility and the Revolving Facility. The Term Facility and the Revolving Facility will mature in March 2026.

Borrowings under the Term Facility bear interest at a rate of adjusted term SOFR plus a tiered margin determined quarterly based on Medexus's consolidated leverage ratio. Borrowings under the Revolving Facility similarly bear interest at a base rate plus a tiered margin. The base rate under the Revolving Facility is adjusted term SOFR or BMO's base rates for similar commercial loans, depending on the type of borrowing. The margin is determined in the same manner as the margin applicable to borrowings under the Term Facility. Medexus also pays customary tiered standby fee on available but undrawn amounts under the Revolving Facility. At September 30, 2024, the weighted average interest rate on borrowings under the Term Facility and the Revolving Facility was 7.82%.

The Term Facility is subject to an amortization schedule requiring that the remaining principal amount be repaid on the last business day of each calendar quarter during the remainder of the term, on the basis of 25% per annum calculated with reference to the total aggregate principal amount borrowed, with any remaining balance due at maturity of the BMO Credit Agreement.

Following an amendment to the BMO Credit Agreement, the Term Facility also requires payment of additional amounts in July 2024 and July 2025 that are applied to reduce the principal amount then outstanding.

Amounts outstanding under the Revolving Facility appear in the current portion of long-term debt in Medexus's consolidated statement of financial position because Medexus may repay (and reborrow) those amounts at any time.

The BMO Credit Agreement includes customary terms, including leverage and fixed charge coverage ratios, and provides for a first-priority security interest in all Medexus's assets.

### Cash flows

(Amounts in \$ '000s)

<b>Three-month periods ended September 30,</b>	<b>2024</b>	<b>2023</b>
Cash provided by operating activities	6,855	7,351
Cash used by investing activities	(2,982)	(592)
Cash used by financing activities	(5,414)	(2,962)
Increase (decrease) in cash position during the period	(1,541)	3,797
Impact of foreign exchange	60	(78)
Cash and cash equivalents, beginning of period	8,454	15,782
Cash and cash equivalents, end of period	6,973	19,501

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(Amounts in \$ '000s)

<b>Six-month periods ended September 30,</b>	<b>2024</b>	<b>2023</b>
Cash provided by operating activities	15,048	11,566
Cash used by investing activities	(3,459)	(1,189)
Cash used by financing activities	(9,909)	(3,930)
Increase in cash position during the period	1,680	6,447
Impact of foreign exchange	38	(15)
Cash and cash equivalents, beginning of period	5,255	13,069
Cash and cash equivalents, end of period	6,973	19,501

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### ***Operating activities***

Cash provided by operating activities was \$6.9 million for the three-month period ended September 30, 2024 compared to cash provided by operating activities of \$7.4 million for the three-month period ended September 30, 2023. Cash provided by operating activities for the three-month period ended September 30, 2024 comprised a net income, adjusted for non-cash and certain non-operating expenditures, of \$5.3 million (2023 – \$4.6 million) and a change in working capital of \$1.5 million (2023 – \$2.8 million).

Cash provided by operating activities was \$15.0 million for the six-month period ended September 30, 2024 compared to cash provided by operating activities of \$11.6 million for the six-month period ended September 30, 2023. Cash provided by operating activities for the six-month period ended September 30, 2024 comprised a net income, adjusted for non-cash and certain non-operating expenditures, of \$11.1 million (2023 – \$11.1 million) and a change in working capital of \$3.9 million (2023 – \$0.5 million).

Medexus's working capital balance has continued to change in connection with the Company's growth. Significant factors in contributing to the \$1.5 million and \$3.9 million net change in working capital for the three- and six-month periods ended September 30, 2024 were a decrease in prepaid expenses (largely due to the movement between prepaid inventory and finished goods) and in accounts receivable (largely due to an ongoing initiative to improve customers' net payment terms) partially offset by continued increases in inventory (primarily IXINITY finished goods) and changes in accounts payable and accrued liabilities (due to timing of payment for large accrued-for items). Medexus continues to monitor changing business conditions and related cash flow and working capital needs, in particular with respect to the Company's US operations.

### ***Investing activities***

Cash used by investing activities was \$3.0 million and \$3.5 million for the three- and six-month periods ended September 30, 2024 compared to \$0.6 million and \$1.2 million for the three- and six-month periods ended September 30, 2023. The \$2.4 million and \$2.3 million year-over-year increase in cash used were primarily attributable to a \$2.5 million time-based milestone payment under the US Gleolan Agreement in July 2024.

### ***Financing activities***

Cash used by financing activities was \$5.4 million and \$9.9 million for the three- and six-month periods ended September 30, 2024 compared to cash used by financing activities of \$3.0 million and \$3.9 million for the three- and six-month periods ended September 30, 2023. The \$2.4 million and \$6.0 million year-over-year increase in cash used was primarily attributable to changes in interest and principal payments on Medexus's debt under the BMO Credit Agreement since March 2023, partially offset by Medexus's repurchases of Convertible Debentures under a normal-course issuer bid during the three-month period ended September 30, 2023. Principal repayment amounts in respect of the Term Facility will amount to \$3.3 million per calendar quarter through the remainder of the term, plus additional scheduled principal payments of \$0.8 million and \$2.0 million paid in fiscal Q2 2025 and expected in fiscal Q2 2026.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

Medexus had no off-balance sheet arrangements as of September 30, 2024.

#### **TRANSACTIONS WITH RELATED PARTIES**

Below is a summary of transactions during the three- and six-month periods ended September 30, 2024 in which Medexus participated and in which any related party as determined under IFRS Accounting Standards had a direct or indirect material interest. Medexus views the following transactions with related parties as having occurred in the normal course of the Company's operations.

Medexus pays warehouse and other fees to a company in which a named executive officer holds a 50% equity interest for customary storage, distribution, and other related services in respect of certain of Medexus's products in Canada. These fees totaled \$74,000 and \$140,000 for the three- and six-month periods ended September 30, 2024 compared to \$60,000 and \$123,000 for the three- and six-month periods ended September 30, 2023.

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## RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME (LOSS)

The following table is derived from and should be read together with Medexus's consolidated statement of operations for the three- and six-month periods ended September 30, 2024. This supplementary disclosure is intended to more fully explain disclosures related to Adjusted EBITDA and provides additional information related to Medexus's operating performance. See "Preliminary Notes—Non-GAAP measures".

	Three-month periods ended September 30,		Six-month periods ended September 30,	
	2024	2023	2024	2023
(Amounts in \$ '000s)				
Net income (loss)	110	(1,093)	2,067	(442)
Add back:				
Depreciation and amortization (property, equipment, intangible assets)	1,576	1,463	2,986	2,909
Interest expense	2,163	4,229	4,194	8,484
Income tax expense	(691)	120	(748)	353
EBITDA	3,158	4,719	8,499	11,304
Add back:				
Share-based compensation	293	308	655	603
Transaction-related fees and expenses	–	–	–	–
Termination benefits	–	–	356	–
Foreign exchange loss	55	373	98	81
Unrealized gain on fair value of derivatives	–	(75)	–	(82)
Impairment loss	2,463	–	2,463	–
Adjusted EBITDA	<b>5,969</b>	<b>5,325</b>	<b>12,071</b>	<b>11,906</b>

## CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS, AND ASSUMPTIONS

The preparation of Medexus's unaudited condensed interim consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting principles and policies and the reported amounts of assets, liabilities, revenues, and expenses during the relevant periods covered by those financial statements. These estimates and assumptions are based on historical experience, expectations of the future, and other relevant factors. Medexus reviews its estimates and assumptions regularly. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Actual results may differ from these estimates. A description of Medexus's significant accounting estimates, judgements, and assumptions is included in note 2 to Medexus's consolidated financial statements for the year ended March 31, 2024 and note 2 to Medexus's unaudited condensed interim consolidated financial statements for the three- and six-month periods ended September 30, 2024.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

See also note 23 to Medexus's consolidated financial statements for the year ended March 31, 2024 and note 15 to Medexus's unaudited condensed interim consolidated financial statements for the three- and six-month periods ended September 30, 2024, which are available on Medexus's issuer profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com), for additional information.

## DISCLOSURE OF OUTSTANDING SHARE DATA

### Summary

Medexus's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of November 7, 2024, Medexus had 24,652,493 Common Shares and no preferred shares issued and outstanding.

In addition, as of November 7, 2024, the following number of Common Shares were issuable in accordance with the terms of convertible securities (including equity incentive compensation awards) issued by Medexus –

- 1,949,192 Common Shares issuable upon exercise of the 2023 Warrants, none of which were in the money;
- 233,903 Common Shares issuable upon exercise of warrants issued to the sole underwriter of an October 2023 bought-deal public offering, none of which were in the money;
- 1,017,963 Common Shares issuable upon settlement of RSUs and PSUs (each defined below), assuming vesting at 100%; and
- 673,046 Common Shares issuable upon exercise of Options (defined below), 227,364 of which were in the money.

### Description of securities

The following sections set out a description of the material characteristics of each class of security that is issued and outstanding as of the date of this MD&A.

#### *Common Shares*

Each Common Share entitles the holder to one vote per share. The holders of Common Shares are entitled to receive notice of meetings of shareholders of Medexus and to vote at the meeting. Holders of Common Shares are entitled to receive, as and when declared by the Board, dividends in such amounts as may be determined by the Board. Holders of Common Shares have the right to receive any remaining residual asset value of Medexus in the event of a liquidation, dissolution, or winding-up of Medexus, whether voluntary or involuntary.

#### *2023 Warrants*

In October 2023, Medexus issued common share purchase warrants to purchase up to 1,949,192 Common Shares (**2023 Warrants**) through the issuance of an aggregate of 3,898,384 units in a bought-deal public offering. Each unit issued in the offering included one-half of one 2023 Warrant. Each 2023 Warrant entitles the holder to purchase one Common Share at an exercise price of C\$3.65 at any time through April 6, 2026. The 2023 Warrants are issued under a common share purchase warrant indenture with Odyssey Trust Company as warrant agent.

In connection with the offering, Medexus also issued to the sole underwriter, as partial consideration for its services in connection with the offering, warrants to purchase up to 233,903 Common Shares at an exercise price of C\$2.95 at any time through April 6, 2026.

### *Securities issued under the Equity Plans*

Medexus issues equity incentive compensation awards to eligible participants under the Company's equity incentive compensation plans (**Equity Plans**): the Medexus Long Term Incentive Plan, which was adopted at the Company's annual meeting of shareholders in September 2022, and, previously, the Company's 2018 Omnibus Equity Incentive Plan, which continues to govern only equity incentive compensation awards issued to participants before September 2022.

#### *Share units*

Medexus issues share units to participants under the Equity Plans in the form of restricted share units (**RSUs**) or performance share units (**PSUs**).

- RSUs generally vest in one or more installments based on a participant's continued service and tenure over a period of time. For example, RSUs issued annually to directors since Fall 2020 vest on the date of the following annual general meeting of shareholders, and RSUs issued to employees, including members of senior management, since Fall 2023 generally, but not always, vest in equal annual installments over three-year periods from the relevant vesting start-date.
- PSUs vest in the event Medexus achieves one or more of a number of predetermined objectives during performance periods that generally, but not always, extend over multiple fiscal years. For example, PSUs issued to members of senior management through Fall 2021 vest upon Medexus's achievement and public disclosure of Company-level financial objectives, the vast majority of which PSUs have vested and the small remainder of which are, based on their terms, unlikely to vest before March 31, 2025.

Each vested share unit represents an obligation of Medexus to deliver the value of one Common Share in accordance with the Equity Plans and the terms of the holder's award agreement.

#### *Options*

Medexus issues options to purchase Common Shares (**Options**) to participants under the Equity Plans. Options generally vest in one or more installments based on a participant's continued service and tenure over a period of time. For example, Options issued to date to newly hired employees since Fall 2020 vest in equal amounts on or about the grant date and the first, second, third, and fourth anniversaries of the grant date, and Options issued to directors since Fall 2020 vest on the date of the following annual general meeting of shareholders.

Each vested Option represents an obligation of Medexus to deliver the value of one Common Share upon the holder's delivery of an exercise notice and value equal to the exercise price in accordance with the Equity Plans and the terms of the holder's award agreement.

## RISK FACTORS AND RISK MANAGEMENT

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

This section describes certain of the risks and uncertainties relating to financial matters that Medexus faces. A comprehensive discussion of the principal risks and uncertainties that Medexus faces is set out under the heading "Risk Factors" in Medexus's most recent AIF, which is available on Medexus's issuer profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). See also note 23 to Medexus's consolidated financial statements for the year ended March 31, 2024 and note 15 to Medexus's unaudited condensed interim consolidated financial statements for the three- and six-month periods ended September 30, 2024, which are also available on Medexus's issuer profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com), for additional information about Medexus's liquidity risk, credit risk, market risk, currency risk, interest rate risk, and capital risk management. However, those risks and uncertainties referenced in the preceding sentences are not the only risks facing Medexus, its business, and the pharmaceutical industry as a whole. Additional risks not currently known to Medexus, or that the Company currently deems immaterial, may also adversely affect Medexus's operations.

### **Possible failure to realize benefits of the US Treosulfan Agreement**

Medexus continues to believe that the US Treosulfan Agreement will provide benefits to the Company. However, achieving the benefits of the US Treosulfan Agreement will depend in part on Medexus being able to successfully commercialize treosulfan in the United States in line with current expectations, including in respect of (and subject to satisfactory conclusion of) the Company's ongoing negotiations with medac regarding the economic terms of the US Treosulfan Agreement. A variety of factors could also adversely affect the likelihood of the anticipated benefits of the US Treosulfan Agreement materializing or of occurring within the time periods anticipated by Medexus, including the occurrence, timing, and outcome of the FDA review process for treosulfan (including any impact of the November 2024 federal elections in the United States) and any related launch of the product in the United States and expectations regarding the product's prospects if approved by the FDA. Medexus's financial and operational assumptions with respect to the US Treosulfan Agreement, including those set out elsewhere in this MD&A, could be, or could prove to be, inaccurate.

The US Treosulfan Agreement, as amended to date, provides that the amount of the milestone payments payable by Medexus, including future sales-based milestones, are currently subject to renegotiation and adjustment to reflect changes in the perceived value of the product, including as a result of increases or decreases in patient population, changes in treatment landscape, changes in competition, and changes in market access as a result of the delay in securing FDA approval of the NDA. However, following an agreed negotiation period, which is currently underway, Medexus or medac may elect to terminate the US Treosulfan Agreement in the event the parties cannot agree on adjustments that Medexus believes to be appropriate in the circumstances.

While Medexus expects that the parties will arrive at a commercially reasonable outcome and that certain milestone and royalty payments will need to be made to medac from time to time under the US Treosulfan Agreement, the precise amount and timing of any such milestones are difficult to estimate at this time, and the agreed negotiation period, which is currently underway, may expire in the event the parties do not arrive at a mutually acceptable outcome by December 2024. There can be no assurance that Medexus will be able to effectively finance any such milestone payments if and when they become due. Under the terms of the US Treosulfan Agreement, medac may terminate the US Treosulfan Agreement if, among other things, Medexus fails to pay certain milestone payments when due or cannot demonstrate its ability to pay the remaining milestone payments as and when required by the US Treosulfan Agreement.

The consideration paid and payable by Medexus under the US Treosulfan Agreement, including the milestone payments, is nonrefundable except in very limited circumstances, in which case a portion of the regulatory milestone payments may be refunded. If the US Treosulfan Agreement were to be terminated, then Medexus would no longer have exclusive rights to commercialize treosulfan in the United States, which could have a material adverse effect on the Company's business and prospects.

#### **Need for additional financing**

Medexus will, from time to time, require additional capital to, among other things, secure new business opportunities and product registrations, as well as clinical or product development programs that Medexus may decide to pursue, and otherwise to fund the Company's ongoing business and operations. For example, Medexus is evaluating options with respect to funding any milestone payments that Medexus may become obligated to pay to medac upon an FDA approval of treosulfan, which could include third-party financing. See also "Highlights for Three- and Six-Month Periods Ended September 30, 2024—Operational highlights—Product highlights—Pipeline opportunities—Treosulfan (US)" and "Liquidity and Capital Resources—Overview". In addition, growth in costs and expenses, changes in product and geographic mix, and the impact of corporate strategic initiatives (including licensing and acquisition transactions, divestitures, restructurings, internal reorganizations, or product-related events that could result from evolving business strategies or otherwise), as well as potential disruption of Medexus's ongoing business, could, in each case, adversely affect future results depending on Medexus's ability to realize the projected benefits of these cost management, product management, and other corporate strategic initiatives. Medexus had negative cash flow in certain quarters during the fiscal years ended March 31, 2023 and 2024 and during fiscal year 2024. Although cash flow during fiscal year 2025 to date was positive, and operating cash flow during fiscal year 2024 and fiscal year 2025 to date were each also positive, total cash flow during fiscal Q2 2025 was negative, and Medexus cannot guarantee that it will attain or maintain positive cash flow in future periods. To the extent that Medexus generates negative cash flow in any future periods, Medexus would likely require additional capital to fund its activities. See also "Liquidity and Capital Resources—Cash flows".

However, there can be no assurance that Medexus will be able to raise the additional funding that it will need to carry out its business objectives in a timely and satisfactory manner or at all. Medexus's success in these efforts will depend on prevailing capital market conditions, Medexus's business performance, and its ability to attract and retain investor interest in the Company and its business plan. There can be no assurance that Medexus will be successful in securing the capital

it requires as and when needed or at all. In addition, if Medexus raises additional equity capital by issuing Common Shares, or securities that are convertible into Common Shares, including in connection with financing the milestone payments that Medexus may become obligated to pay under the US Treosulfan Agreement, then existing holders of Common Shares could suffer dilution.

In addition, increases in interest rates, both domestically and internationally, negatively affect Medexus's cost of financing its operations and investments, whether by debt or equity. Adverse credit market conditions could limit Medexus's ability to raise future debt financing that the Company needs to fund its operations, including to refinance its debt arrangements at that time. Medexus's ability to maintain its current debt arrangements and its ability to issue or borrow long-term debt or raise other forms of debt or equity financing will be critical to Medexus's long-term prospects. Medexus's ability to conduct operations could be materially and adversely impacted if these or other adverse conditions affect the Company's sources of capital.

### **Risks associated with debt financing**

Medexus has incurred significant debt liabilities. Medexus entered into the BMO Credit Agreement in March 2023. Borrowings under the BMO Credit Agreement are subject to mandatory repayment provisions requiring that the principal amount of the Term Facility be repaid in amounts determined in accordance with the schedules set out in the BMO Credit Agreement, which amounts increase over time. See "Liquidity and Capital Resources—Sources of liquidity—BMO Credit Agreement" and "Liquidity and Capital Resources—Cash flows—Financing activities". Borrowings under the BMO Credit Agreement are secured by a first-priority security interest in all Medexus's assets. If Medexus defaults in payment under the BMO Credit Agreement, if payment is otherwise accelerated, or if the lenders under the BMO Credit Agreement otherwise exercise their available remedies, then Medexus would suffer a material adverse effect on its business, operations, prospects, financial condition, and financial performance. Medexus's failure to maintain one or more of the Company's material agreements in accordance with its terms, including any successful termination of the US Treosulfan Agreement and/or the US Gleolan Agreement by the relevant licensor based on Medexus's failure to perform its obligations under or otherwise comply with the terms of the relevant agreement, could constitute an event of default under the BMO Credit Agreement, which would permit the lenders under the BMO Credit Agreement to accelerate payment and otherwise exercise their available remedies.

Medexus's ability to satisfy its debt liabilities, including under the BMO Credit Agreement, and otherwise to make payments when due, largely depends on the Company's ability to achieve significant revenues from commercializing its products. This is in part because there can be no assurance that Medexus will be able to secure additional financing to satisfy its liabilities under its debt arrangements, including the BMO Credit Agreement. In any such event, Medexus could be compelled to adopt alternative liquidity management strategies, including actions such as reducing or delaying expenditures or selling assets, any of which could harm the Company's long-term prospects. There can be no assurance that Medexus will be able to repay the outstanding amount of any indebtedness at maturity. Medexus's inability to repay outstanding debt when due would have a material adverse effect on the Company's business, operations, prospects, financial condition, and financial performance.

### **Minimum payment obligations**

Medexus is and may in future become subject to contractual arrangements that require Medexus to pay minimum annual amounts to the relevant counterparty regardless of actual performance. These arrangements can relate to purchase of raw materials (which could be more than are necessary to sustain annual production requirements), finished goods (which could be more than are necessary to meet actual demand for the relevant product), or payments under licensing arrangements (which could be more than sales of the relevant product would otherwise merit). For example, under the US Gleolan Agreement, Medexus was obligated to make a minimum payment in respect of fiscal year 2023 and elected to make a similar payment in respect of fiscal year 2024, in each case that exceeded the royalty amount otherwise payable under that agreement. Although not so in the case of these minimum payments under the US Gleolan Agreement, these payments, without a corresponding revenue inflow, could have an adverse effect on Medexus's business, financial condition, and financial performance.

### **Foreign exchange and market rate fluctuations**

Currency exchange rate fluctuations can affect Medexus's results of operations to the extent that the Company's revenues and expenses are in different currencies. Medexus's US revenues, representing a significant portion of the total revenue earned by Medexus, are denominated in US dollars, and Medexus's presentation currency is US dollars. Medexus's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities when revenue or expenses are denominated in Canadian dollars, Euros, or other foreign currencies. For example, all revenues of Medexus's Canadian operations are denominated in Canadian dollars, and many of Medexus's payments to third-party licensors and suppliers are denominated in Euros. As a result, Medexus's competitiveness could be impacted by unfavorable fluctuations in currency exchange rates, and comparability of period-to-period results could be impacted by any such fluctuations.

### **Commercial contract disputes**

From time to time in the ordinary course of its business, Medexus faces claims relating to the Company's contractual arrangements with third-party licensors or manufacturers or other collaborators, suppliers, service providers, or vendors, and otherwise engages in various forms of commercial dispute resolution processes. For example, in July 2024, Medexus received notice from the licensor of Medexus's commercialization rights to Gleolan seeking to conclude the business relationship of the parties in the United States, and, in connection with the Company's ongoing evaluation of Gleolan in the context of the Company's evolving US product portfolio (in particular relative to products and product candidates that present growth opportunities for the Company), Medexus responded by proposing to the licensor that the parties begin discussing a mutually acceptable and orderly resolution regarding responsibility for Gleolan in the United States, and these discussions are now underway. See "Highlights for the Three- and Six-Month Periods Ended September 30, 2024—Operational highlights—Product highlights—Leading products—Gleolan (US)".

Medexus seeks to implement appropriate contractual protections as part of the Company's overall management of the relevant business relationship. For example, Medexus is confident that it has successfully performed all obligations under the US Gleolan Agreement. However, Medexus's

contractual arrangements with any one or more of these third parties may not adequately protect Medexus from these claims and may not provide Medexus with adequate remedies in the case of claims against the relevant third party. In addition, any such matter could escalate to formal dispute resolution proceedings. The pursuit and/or outcome of any such matter could, depending on the nature of the claim or dispute, have a material adverse effect on Medexus's business, operations, prospects, financial condition, and financial performance. See also "Risk Factors—Risks relating to legal and regulatory matters—Negative impact from litigation" in the AIF.

This risk is heightened in the case of Medexus's contractual arrangements in respect of its leading products and its pipeline opportunities. Medexus currently derives a significant portion of its revenue from sales of its current leading products, and sales of Medexus's current leading products, together with current pipeline opportunities, are expected to continue to account for a significant portion of the Company's revenue in the near term. See "Risk Factors—Risks related to the business—Dependence on revenue from sales of leading products" in the AIF. As such, an adverse outcome in any such matter that relates to one or more of Medexus's leading products, such as Gleolan in the United States, or pipeline opportunities, such as treosulfan in the United States – either of which could involve early termination of the relevant agreement and/or unplanned loss of Medexus's commercialization rights to the relevant product – could have a material adverse effect on the Company, potentially including as a consequence of the terms of the BMO Credit Agreement. See also "—Risks associated with debt financing".

#### **November 2024 federal elections in the United States**

The outcome of the November 2024 federal elections in the United States, including the pending outcome for the US House of Representatives, as of November 7, 2024, has created uncertainty with respect to, among other things, the regulation of pharmaceutical products, the regulation of international trade involving the United States, and related legal and regulatory processes. There is also uncertainty regarding the extent of general changes in political, legal, regulatory, social, and economic conditions in the markets in which the Company's patients and/or third-party licensors, suppliers, and other business partners are located. At this time, it cannot be known what new legislation, regulation, and/or policies will be adopted, if any, following these elections or the effect that any such law, regulation, or policy may have on the US economy, other economies, and/or Medexus's current or prospective business and products or product candidates. For example, policy changes in light of the election outcome could affect the occurrence, timing, and outcome of the FDA review process for treosulfan or other product candidates that Medexus or its third-party partners may submit for FDA review. In addition, changes in legislation, regulation, and policies governing international trade involving the markets in which the Company's patients and/or licensors, suppliers, and other business partners are located could have a material adverse effect on the Company's revenues and expenses and, consequently, its business, operations, prospects, financial condition, and financial performance. See also "Risk Factors—Risks relating to legal and regulatory matters" in the AIF.

## **CONTROLS AND PROCEDURES**

### **Disclosure controls and procedures**

Medexus's management are together responsible for establishing and maintaining disclosure controls and procedures as defined in National Instrument 52-109 – Certification of Disclosure in

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

#### **Internal controls over financial reporting**

Medexus's management are together responsible for establishing and maintaining internal controls over financial reporting as defined in NI 52-109 (ICFR). Medexus's management have together designed such a system of ICFR to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with IFRS Accounting Standards. The control framework that Medexus's management used to design the Company's ICFR is set out in Internal Control–Integrated Framework (2013) as issued by the Committee of Sponsoring Organizations of the Treadway Commission. There have been no changes in Medexus's ICFR during the three- and six-month periods ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, Medexus's ICFR.

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

#### **Limitations of controls and procedures**

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

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

## ADDITIONAL INFORMATION

### SEDAR+

Additional information about Medexus may be found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

See Medexus's consolidated financial statements for the financial year ended March 31, 2024, together with the related independent auditor's report, and Medexus's unaudited condensed interim consolidated financial statements for the three- and six-month periods ended September 30, 2024 for additional financial information about Medexus.

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

Each of the above documents has been filed on SEDAR+.

### Other information

Medexus seeks to achieve broad non-exclusionary distribution of information to the public and comply with its fair disclosure obligations. In addition to its filings on the Company's SEDAR+ profile at [www.sedarplus.com](http://www.sedarplus.com), Medexus announces material information to the public through a variety of means, including press releases, public conference calls, and webcasts. Medexus also maintains a corporate website at [www.medexus.com](http://www.medexus.com) (a uniform resource locator, or website address, provided as an inactive textual reference only) and social media accounts on LinkedIn and X (formerly Twitter). Medexus uses these various means as channels of distribution of information about the Company. Information Medexus provides through these channels may be deemed material. Investors should monitor Medexus's corporate website, including press releases posted to the website, and social media accounts in addition to Medexus's public filings, conference calls, and webcasts. However, information contained on or accessible through Medexus's corporate website or social media accounts is not a part of this MD&A and is not incorporated by reference into this MD&A or any of Medexus's public filings.