

November 14, 2017



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL and INTERNATIONAL Manuals and will be included in the bound November 2017 Monthly News Reports and is published on our Website.

PEDIAPHARM INC (NEW)

Company Website: www.pedia-pharm.com

History: Incorporated as Goldhold Corporation in Canada under the Business Corporations Act (Alberta) on July 22, 2011. Name changed to Chelsea Acquisition Corp. on Sept. 20, 2011. Present name adopted on Dec. 27, 2013.

Business Summary: PediaPharm is a specialty pharmaceutical corporation in Canada that exclusively distributes and licenses medicines used to treat pathological conditions that mainly affect children from infancy to eighteen (18) years of age. Co.'s product portfolio includes NYDA[®], EpiCeram[®]; naproxen suspension, Rupall[™], Otixal[™], and Cuvposa[™], for severe drooling, which is under review with Health Canada.

Property: Co. maintains its head office in Verdun, Quebec. Co.' subsidiary, PediaPharm Licensing Inc., maintains its registered office in Dundas, Ontario.

Subsidiary

PediaPharm Licensing Inc.

Officers

Pierre Lapalme, Chairman
Sylvain Chretien, President; Chief Executive Officer
Roland Boivin, Chief Financial Officer
Benoit Hebert, Ph.D., Vice President - Business Development;
Vice President - Licensing
Richard Labelle, Vice President - Sales; Vice President - Marketing

Directors

Pierre Lapalme, Chairman; Director
Normand Chartrand, Director
Sylvain Chretien, Director
Benoit Gravel, Director
Michael P. Mueller, Director
Douglas M. Stuve, Director

Auditors: PricewaterhouseCoopers LLP

Transfer Agent: Computershare Trust Company of Canada

Annual Meeting: In September

Shareholder Relations: Roland Boivin, Chief Financial Officer

Tel: 514-796-2640

No. of Stockholders: Nov. 1, 2017, 1,248

No. of Employees: Nov. 1, 2017, 24

Address: 1 Place du Commerce Suite 225, Verdun, Quebec H3E 1A2, Canada

Tel: 514 762-2626

Fax: 514 762-2336

Web: www.pedia-pharm.com

Email: roland.boivin@pedia-pharm.com

Consolidated Income Statement, Years Ended Mar. 31 (Can\$):			
	2017	2016 (revised)	2015 (revised)
Products	5,951,474	3,504,696	2,496,828
Commissions	255,665	245,540	571,855
Revenue	6,207,139	3,750,236	3,068,683
Cost of sales	(2,778,393)	(1,295,999)	(962,821)
Gross profit	3,428,746	2,454,237	2,105,862
Selling & administrative expenses	(6,803,665)	(6,750,581)	(7,063,517)
Depreciation & amortization	(23,994)	(105,721)	(75,496)
Foreign exchange (losses) gains	39,168	(71,901)	(15,025)
Other income	2,570,200	3,134,249	...
Operating income (loss)	(789,545)	(1,339,717)	(5,048,176)
Financing costs	(1,082,294)	(1,001,046)	...
Interest income	39,952	41,469	49,227
Income (loss) & comprehensive income (loss), for the period	(1,831,887)	(2,299,294)	(4,998,949)
Weighted average ordinary shares outstanding - basic	72,634,209	72,381,586	72,055,856
Weighted average ordinary shares outstanding - diluted	72,634,209	72,381,586	72,055,856
Year end shares outstanding	72,709,103	72,512,438	72,055,856
Net earnings (loss) per share - basic	Can\$(0.03)	Can\$(0.03)	Can\$(0.07)
Net earnings (loss) per share - diluted	Can\$(0.03)	Can\$(0.03)	Can\$(0.07)
Number of employees	24
Number of common stockholders	1,248

Cash & cash equivalents	3,241,097	4,941,494
Trade accounts receivable, net	631,396	269,610
Sales taxes receivable	7,045	30,498
Prepaid expenses	17,681	52,808
Inventories	1,704,540	609,458
Total current assets	5,601,759	5,903,868
Property & equipment, cost	164,668	161,223
Accumulated depreciation - Property & equipment, net	(141,863)	(121,598)
Intangible assets	22,805	39,625
Total assets	2,103,077	1,709,701
Liabilities:	7,727,641	7,653,194
Accounts payable - trade	1,298,114	350,568
Accrued liabilities	645,070	417,867
Accounts payable & accrued liabilities	1,943,184	768,435
Interest payable	165,000	167,213
Total current liabilities	2,108,184	935,648
Convertible debentures	4,323,821	3,910,695
Total liabilities	6,432,005	4,846,343
Common shares	21,025,018	20,966,018
Share capital	21,025,018	20,966,018
Contributed surplus	3,862,379	3,600,707
Retained earnings (accumulated deficit)	(23,591,761)	(21,759,874)
Total equity	1,295,636	2,806,851
Total liabilities & shareholders' equity	7,727,641	7,653,194

Reclassified to conform with 2017 presentation

Long-term Debt: Mar. 31, 2017, C\$4,323,821 12% convertible debentures.

Capital Stock: 1. PediaPharm Inc (New) common; no par.

OUTSTANDING—Mar. 31, 2017, 72,709,103 shs; no par.

WARRANTS—3,333,000 shs.

STOCK SPLITS—No par shares split 1-for-3 on Dec. 27, 2013.

OPTIONS—Mar. 31, 2017, outstanding, 7,096,029.

PRIMARY EXCHANGE—Venture Exchange (TVX): PDP.

SECONDARY EXCHANGES—National Bulletin Board (NBB):

PDDP F.

PRIVATE PLACEMENTS—(14,705,883 units) at C\$0.34 per

unit privately placed on May 15, 2017 for gross proceeds of

C\$5,000,000. Each Unit is comprised of one (1) common share

in the capital of Co. (a "Common Share") and one - half (1/2) of

one common share purchase warrant of Co. (a "Warrant").

Consolidated Balance Sheet, Years Ended Mar. 31 (Can\$):			
	2017	2016 (revised)	
Assets:			

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