



## NEWS RELEASE

Polydex Reports Second Quarter Financial Results  
 Sales continue to grow, up 3% from 2016 2<sup>nd</sup> Quarter  
 43% increase in Gross Profits over same period last year

### Toronto, Ontario, September 15, 2016 – Polydex Pharmaceuticals Limited

(OTC PINK:POLXF) (the “Company”) today announced financial results for the second quarter of fiscal 2017. The three-month and six-month periods ending July 31, 2016 (together with comparative figures from the same periods in the previous fiscal year) are reported in U.S. dollars.

	3 months ended July 31, 2016	3 months ended July 31, 2015	6 months ended July 31, 2016	6 months ended July 31, 2015
<b>Sales</b>	<b>\$ 1,737,376</b>	<b>\$ 1,679,801</b>	<b>\$ 3,195,351</b>	<b>\$ 3,240,978</b>
<b>Net Income</b>	<b>280,936</b>	<b>414,973</b>	<b>356,744</b>	<b>734,693</b>
<b>Income per Common Share</b>				
<b>Basic</b>	<b>0.08</b>	<b>0.13</b>	<b>0.11</b>	<b>0.22</b>
<b>Diluted</b>	<b>0.08</b>	<b>0.12</b>	<b>0.10</b>	<b>0.21</b>
<b>Weighted average # Common Shares</b>				
<b>Basic</b>	<b>3,380,478</b>	<b>3,305,478</b>	<b>3,380,478</b>	<b>3,305,478</b>
<b>Diluted</b>	<b>3,517,388</b>	<b>3,490,857</b>	<b>3,535,363</b>	<b>3,468,699</b>

Management is gratified by the second quarter and year to date results. Sales were consistent with the prior year, and margins increased. However net income was impacted by higher expenses, most notably a foreign exchange loss of \$111,500 compared to a gain of \$55,596 in the prior year to date, resulting in a negative swing of \$167,096. The Company does not engage in formal foreign exchange management and is subject to fluctuations in the currency markets, though current rates are expected to be fairly consistent for the foreseeable near future. Net income also incurred a non-cash charge of \$111,325 for deferred income taxes, however EBITDA remained strong at \$455,486 for the quarter and \$597,890 for the year to date. Earnings per share on EBITDA are: basic: \$0.13 for Q2 and \$0.18 for year to date (diluted: Q2 \$0.13; YTD \$0.17).

“We made significant investments into equipment assets this past quarter. In particular we’ve added a new air compressor, a vital component of our production process” said George Usher, President and CEO of the Company. “Continuing to make necessary investments into key

equipment is contributing to efficiency, and is keeping us on track with our cost-reduction initiatives. Most recently we have been focusing on reducing utility costs related to water consumption, a large part of our production costs.”

The Company shares continue to be quoted on the Pink Sheet platform ([www.pinksheets.com](http://www.pinksheets.com)).

Polydex Pharmaceuticals Limited, based in Toronto, Ontario, Canada, is engaged in the manufacture of bulk pharmaceutical intermediates for the worldwide veterinary pharmaceutical industry and also the development, manufacture and marketing of biotechnology-based products for the human pharmaceutical market. Company website: [www.Polydex.com](http://www.Polydex.com)

Note: This press release may contain forward-looking statements, within the meaning of the United States Securities Act of 1933, as amended, and the United States Securities Exchange Act of 1934, as amended, regarding Polydex Pharmaceuticals Limited, including, without limitation, statements regarding expectations about future revenues or business opportunities or potential research projects. These statements are typically identified by use of words like “may”, “could”, “might”, “expect”, “anticipate”, “believe”, or similar words. Actual events or results may differ materially from the Company’s expectations, which are subject to a number of known and unknown risks and uncertainties including but not limited to changing market conditions, future actions by the United States Food and Drug Administration or equivalent foreign regulatory authorities as results of pending or future clinical trials. Other risk factors discussed in the Company’s financial reports may also affect the actual results achieved by the Company.

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