



NEWS RELEASE

Polydex Pharmaceuticals Ltd. Reports 3rd Quarter Financial Results With Continued Strong Sales And Increased Gross Profit

Toronto, Ontario, December 15, 2016 – Polydex Pharmaceuticals Limited

(OTC/Pink:POLXF) is pleased to provide 3rd quarter financial results. Sales remain strong, and continued attention to cost control leads to increased gross profit in the quarter and year to date.

Financial results for the third quarter of fiscal 2017, including the three-month and nine-month periods ended October 31, 2016, are shown together with comparative figures from the same periods in the previous fiscal year, and reported in U.S. dollars. The full quarterly report is available on the Company website. www.Polydex.com

	3 months ended October 31, 2016	3 months ended October 31, 2015	9 months ended October 31, 2016	9 months ended October 31, 2015
Sales	\$ 1,447,510	\$ 1,422,392	\$ 4,642,861	\$ 4,663,370
Net Income	244,256	408,105	601,000	1,142,791
Income per Common Share				
Basic	0.07	0.12	0.18	0.34
Diluted	0.07	0.12	0.17	0.33
Weighted average # Common Shares				
Basic	3,380,478	3,317,978	3,380,478	3,315,478
Diluted	3,518,681	3,524,117	3,530,419	3,486,897

Management continues to be encouraged by the third quarter and year to date results. Sales were consistent with the prior year, and gross margin for the third quarter increased significantly from \$229,421 to \$412,705 as a result of increased US dollar sales replacing Canadian dollar sales, as well as the impact of the lowered Canadian dollar on costs of production. However net income was impacted by several factors compared to the prior year. Most significant in the nine month comparison from the prior year were the impact of supply agreement fee income of \$389,275 that occurred in the year to date of fiscal 2016, and the deferred income tax expense of \$167,327 that occurred in the year to date of fiscal 2017.

EBITDA remained strong at \$963,885 which has allowed management to double investment in production equipment to \$260,214 compared to \$128,876 in the prior year and maintain the strong overall financial position of the Company.

“Maintaining profitability while upgrading equipment and our production facility to become more cost efficient has long been an important mandate for our management team” said George Usher, President and CEO of Polydex. “With customer demand for our products remaining high, and our ongoing commitment to cost controls, I’m optimistic that we can continue the trend for some time.”

The Company’s publicly traded shares continue to be quoted on the OTC Pink platform (www.otcmarkets.com/stock/POLXF/quote)

Polydex Pharmaceuticals Limited, based in Toronto, Ontario, Canada, is engaged in the development, manufacture and marketing of biotechnology-based products for the human pharmaceutical market, and also manufactures bulk pharmaceutical intermediates for the worldwide veterinary pharmaceutical industry. Company website: 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. Other risk factors discussed in the Company’s financial reports may also affect the actual results achieved by the Company.

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