



KNIGHT THERAPEUTICS INC.

ANNUAL INFORMATION FORM
Fiscal year ended December 31, 2024

March 19, 2025

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Cautionary Note Regarding Forward Looking Statements

Any statements made in this annual information form (“AIF”) that are not statements of historical fact or that refer to estimated or anticipated future events are forward-looking statements. The Corporation has based its forward-looking statements on management’s beliefs and assumptions based on information available to its management at the time these statements are made. Such forward-looking statements reflect the Corporation’s current perspective of our business, future performance, existing trends and information as of the date of this AIF. These include, but are not limited to, the Corporation’s beliefs about future revenue and expense levels and growth rates, prospects related to its strategic initiatives and business strategies, including the integration of, and synergies associated with, strategic acquisitions, express or implied assumptions about government regulatory action or inaction, anticipated product approvals and launches, business initiatives and product development activities, assessments related to clinical trial results, product performance and competitive environment, and anticipated financial performance. Without limiting the generality of the foregoing, words such as “*may*”, “*will*”, “*expect*”, “*believe*”, “*anticipate*”, “*intend*”, “*could*”, “*would*”, “*estimate*”, “*preliminary*”, “*continue*”, or “*pursue*”, or the negative or other variations thereof or comparable terminology, are intended to identify forward-looking statements. The statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict, including but not limited to cross-border trade risks including the impositions of tariffs and other trade restrictions measures, the ongoing conflicts between Ukraine and Russia, as well as in the Middle East, inflation and interest rates, currency exchange fluctuations, volatility in financial markets and banking system, disruptions in the global supply chain, changes in laws and regulations, and the climate change. The Corporation cautions the reader that these statements are based on certain assumptions, risks and uncertainties, many of which are beyond the Corporation’s control, including but not limited to the ongoing conflicts between Ukraine and Russia, as well as in the Middle East, inflation and interest rates, currency exchange fluctuations, volatility in financial markets and banking system, disruptions in the global supply chain, changes in laws and regulations, and the climate change on the business operations, financial results and on the supply chain. In addition, certain important factors may affect the Corporation’s actual operating results and could cause such results to differ materially from those expressed or implied by forward-looking statements. The Corporation believes the risks and uncertainties discussed under the section entitled “Risks Related to Knight’s Business” and other risks and uncertainties detailed herein and from time to time in the Corporation’s SEDAR+ filings, may cause its actual results to vary materially from those anticipated in any forward-looking statement. The Corporation disclaims any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

GLOSSARY OF ABBREVIATIONS

In this AIF, unless the context otherwise requires, the following terms shall have the meanings set forth below:

Abbreviation	Entity
60P	60° Pharmaceuticals, LLC
Abir	Abir Therapeutics Ltd.
Antibe	Antibe Therapeutics Inc.
Ardelyx	Ardelyx, Inc.
BMS	Bristol-Myers Squibb
Crescita	Crescita Therapeutics Inc.
Forbion	Forbion Capital Partners
KTE or GBT	Knight Therapeutics Europe S.A. (former Biotoscana Investments Inc.)
Genesys	Genesys Capital Management Inc.
HarbourVest	HarbourVest Partners LLC
Knight, the Corporation or the Company	Knight Therapeutics Inc.
Knight International	Knight Therapeutics International S.A.
Knight USA	Knight Therapeutics (USA) Inc.
Medimetriks	Medimetriks Pharmaceuticals, Inc.
M8	M8 Pharmaceuticals, Inc.
NEMO II	New Emerging Medical Opportunities Fund II Ltd.
NEMO III	New Emerging Medical Opportunities Fund III Ltd.
NeurAxon	NeurAxon Inc.
Origin	Origin BioMed Inc.
Paladin	Paladin Labs Inc.
Profound	Profound Medical Inc.
Puma	Puma Biotechnology, Inc.
Sanderling	Sanderling Ventures, LLC
Sectoral	Sectoral Asset Management Inc.
Synergy	Synergy CHC Corp.
Teralys	Teralys Capital
Triumvira	Triumvira Immunologics Inc.
TVM	TVM Capital GmbH
TXMD	TherapeuticsMD, Inc

Abbreviation	Currency
ARS	Argentine Peso
BOB	Bolivian Boliviano
BRL	Brazilian Real
C\$ or \$	Canadian Dollar
CHF	Swiss Franc
CLP	Chilean Peso
COP	Colombian Peso
EUR	Euro
MXN	Mexican Peso
PEN	Peruvian Sol
PYG	Paraguayan Guarani
US\$ or USD	U.S. Dollar
UYU	Uruguayan Peso

Abbreviation	Territory
CAN	Canada
LATAM	Latin America
U.S.	United States of America

Abbreviation	Other
ACEMI	Colombian Association of HMOs
ADHD	Attention-Deficit Hyperactivity Disorder
AI	Artificial Intelligence
API	Active pharmaceutical ingredient
ANMAT	Administración Nacional de Medicamentos, Alimentos y Tecnología Médica (Argentina's health authority regulatory agency)
ANS	National Health Agency in Brazil
ANVISA	Agencia Nacional de Vigilância Sanitária (Brazil's health authority regulatory agency)
ARCSA	Ministry of Health in Ecuador
ASCT	Autologous stem cell transplantation
B3	B3 S.A. – Brasil, Bolsa, Balcão
CADTH	Canadian Agency for Drugs and Technologies in Health
CAGR	Compound Annual Growth Rate
CBCA	Canada Business Corporations Act
CEO	Chief Executive Officer
COFEPRIS	Comisión Federal para la Protección contra Riesgos Sanitarios (Mexico's health authority regulatory agency)
Common Share	Common share of Knight Therapeutics Inc.
CMED	Câmara de Regulação do Mercado de Medicamentos
CMO	Contract manufacturing organization
CNFP	Ecuador's National Council for setting and Review of Prices for Medicines for Human Use
CNS	Central nervous system
CRA	Canada Revenue Agency
CTD	Common Technical Document
DIGEMID	Directorate General of Medicines, Supplies and Drugs in Peru

DLBCL	Diffuse large B-cell lymphoma
eCTD	Electronic Common Technical Document
EMA	European Medicines Agency
ESG	Environmental, social and governance
FDA	U.S. Food and Drug Administration
FGFR2	Fibroblast growth factor receptor 2
Financial Statements	Annual audited consolidated financial statements
Formulary	An official list of drugs established by a provincial government or a private insurance plan, the cost of which will be reimbursed by them for the benefit of eligible patients
Generic Drug/ Gx	A drug that, in comparison with an Innovative Drug, contains identical amounts of the identical medicinal ingredients, in comparable dosage forms, but does not necessarily contain the same non-medicinal ingredients and which is interchangeable with the said Innovative Drug
GMP	Good Manufacturing Practices, which are the standards established by health authorities under which drugs can be developed, manufactured, packaged, analyzed, stored and shipped
HER2	Human epidermal growth factor receptor 2
HIV	Human immunodeficiency virus infection
HMO	Health Maintenance Organization
HTA	Health Technology Assessment
IBS-C	Irritable Bowel Syndrome with Constipation
IFRS	International Financial Reporting Standards
IFC	International Finance Corporation
IMC	Innovative Medicines Canada
IMPI	Mexican Intellectual Property Office
IMSS	Mexican Social Security Institute
INESSS	Institut national d'excellence en santé et services sociaux
Innovative Drug	A drug that usually enjoys proprietary barriers to entry, including regulatory or patent derived market exclusivity, novelty or brand differentiation
INSABI	Institute of Health for the Wellbeing
INVIMA	Instituto Nacional de Vigilancia de Medicamentos y Alimentos (Colombia's health authority regulatory agency)
IQVIA	IQVIA Holdings, Inc. a leading pharmaceutical market research organization
IRP	International Reference Pricing
ISP	Instituto de Salud Publica de Chile (Public Health Institute of Chile)
MD&A	Management Discussion and Analysis
NAV	Net Asset Value
NCIB	Normal Course Issuer Bid
NCPMMD	National Price Commission of Pharmaceuticals and Medical Devices
OTC	Over-the-counter medicines sold directly to a consumer without a prescription from a healthcare professional
PAMI	Public health insurance agency in Argentina
PBS	Colombian Formulary of Drugs
pCODR	Pan-Canadian Oncology Review
pCPA	Pan-Canadian Pharmaceutical Alliance
PFIC	Passive Foreign Investment Company
PMPRB	Patented Medicine Prices Review Board, an independent quasi-judicial body that oversees pricing of patented pharmaceuticals in Canada
PhRMA	Pharmaceutical Research and Manufacturers of America association
PRV	Priority Review Voucher
QRA	Quebec Revenue Agency
sNDA	Supplemental New Drug Application
TPD	Health Canada's Therapeutic Products Directorate
TSX	Toronto Stock Exchange, a Canadian senior equities market
TSX-V	TSX Venture Exchange, a Canadian equities market

CORPORATE STRUCTURE

Knight Therapeutics Inc. (“Knight”, the “Company” or the “Corporation”) was incorporated under the CBCA on November 1, 2013. On February 28, 2014, the Corporation ceased to be a wholly-owned subsidiary of Paladin immediately following a court approved plan of arrangement under Section 192 of the CBCA, and its Common Shares were listed on the TSX-V the same day. On April 29, 2014, the Corporation’s Common Shares were up-listed from the TSX-V to the TSX. The articles of the Corporation have been amended several times, and most recently the Corporation amalgamated with NeurAxon Inc. on January 1, 2015. The Corporation’s registered offices are located at 3400 De Maisonneuve Blvd. W., Suite 1055, Montreal, Québec H3Z 3B8.

On November 29, 2019, Knight completed the acquisition of a 51.2% interest in Biotoscana Investments S.A. (renamed Knight Therapeutics Europe S.A. and hereinafter referred as “KTE”) from a controlling shareholder group that included Advent International and Essex Woodlands, among others. The remaining 48.8% of GBT, which was publicly-held and traded on B3 S.A. – Brasil, Bolsa, Balcão (“B3”), Brazil’s main stock exchange through Brazilian Depository Receipts and on the Luxembourg Stock Exchange, was acquired in August 2020.

Please see below an organizational chart showing the intercorporate relationships of Knight as at December 31, 2024. Knight wholly-owns Knight International, Knight USA, KTE and its subsidiaries.

Subsidiary	Jurisdiction of Incorporation	Percent ownership
Biotoscana Farma S.A.	Argentina	100%
Laboratorio LKM S.A.	Argentina	100%
Laboratorio LKM Bolivia S.A.	Bolivia	100%
UM - Industria e Distribuidora de Medicamentos Ltda.	Brazil	100%
United Medical Ltda.	Brazil	100%
11718991 Canada Inc.	Canada	100%
Laboratorio Biotoscana Farma S.p.A.	Chile	100%
Laboratorio LKM Chile S.p.A.	Chile	100%
Biotoscana Farma S.A.	Colombia	100%
Biotoscana Colveh 1 S.A.S	Colombia	100%
Biotoscana Colveh 2 S.A.S	Colombia	100%
Biotoscana Colveh 3 S.A.S	Colombia	100%
Biotoscana Colveh 4 S.A.S	Colombia	100%
Knight Therapeutics USA Inc.	Delaware	100%
Biotoscana Ecuador S.A.	Ecuador	100%
LKM Laboratorios Ecuador S.A.	Ecuador	100%
Knight Therapeutics Europe S.A.	Grand Dutchy of Luxembourg	100%
Grupo Biotoscana de Especialidad S.A. de C.V.	México	100%
Grupo Biotoscana Panamá S.A.	Panamá	100%
Laboratorio LKM Paraguay S.A.	Paraguay	100%
Biotoscana Farma de Perú S.A.C.	Perú	100%
Grupo Biotoscana S.L.U.	Spain	100%
Latin American Pharma Company ETVE S.L.U.	Spain	100%
Knight Therapeutics International S.A.	Uruguay	100%
Biotoscana Uruguay S.A.	Uruguay	100%
GBT - Grupo Biotoscana S.A.	Uruguay	100%

All dollar amounts herein are expressed in thousands of Canadian dollars (unless otherwise indicated) except for share and per share amounts. All other currencies are in thousands (unless otherwise indicated).

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Knight was founded in 2014 to become a leading rest of world specialty pharmaceutical company focused on acquiring, in licensing, out-licensing, marketing, and commercializing pharmaceuticals products in Canada, Latin America and select international markets. Since founding, Knight has been focused on building a portfolio of innovative products through in-licensing or acquiring product rights. Knight operates in the fast-growing Latin American countries, through its wholly-owned subsidiaries - United Medical, Biotoscana Farma and Laboratorio LKM, in market segments such as oncology and hematology, infectious diseases, and other specialty therapeutic areas. Knight is currently present in Canada and 10 Latin American countries.

Since inception, the Corporation has raised gross proceeds of \$685,128 through issuance of 109,298,800 Common Shares at prices ranging from \$3.50 to \$10.00. As at March 10, 2025, the Corporation has acquired under its NCIB programs a total of 44,318,873 Common Shares at an average price of \$5.69 for total cash proceeds of \$252,116. The details of the NCIB programs are as follows:

Launch Date	Status	Common Shares Acquired	Average Price (\$)	Total Cash Consideration (\$)
July 11, 2019	Completed	12,053,693	7.14	86,094
July 14, 2020	Completed	6,193,169	5.33	32,991
July 14, 2021	Completed	10,267,956	5.25	53,869
July 14, 2022	Completed	7,785,625	4.99	38,871
July 14, 2023	Completed	5,999,524	4.87	29,231
July 15, 2024	Active	2,018,906	5.48	11,059
Total		44,318,873	5.69	252,116

Knight has committed to invest over \$126,000 with nine life sciences debt or equity fund managers all of which can leverage their broad life sciences industry experience and existing relationships with key life science companies to help secure product rights for the Corporation. During 2019, Knight determined that while the fund strategy has been financially successful, the strategy has not been successful from a business development perspective as it led to only two product license agreements. Consequently, Knight has no plans to invest in any new venture capital funds. Since the inception and up to December 31, 2024, the Corporation has invested \$160,192 in strategic funds and received distributions of \$144,117. Furthermore, as at December 31, 2024, the fund investments were recorded at their fair value of \$92,024 and Knight has approximately \$5,936¹ of unfunded commitments that may be called over the life of the funds. The maximum remaining life of the funds varies between one to six years.

Knight has also invested over \$170,000 through strategic debt financing to over a dozen companies with the objective of deploying capital in low risk, fair return opportunities while helping to secure Canadian and select international product rights. As at December 31, 2024, Knight has advanced a cumulative total amount of \$13,910 (US\$10,091) and has a loan receivable balance of \$21,116 (US\$13,862) from two strategic loans outstanding.

During 2024, Knight continued to advance its pipeline and build its product portfolio. The Corporation launched Minjuvi® (tafasitamab) in Brazil as well as Imvexxy® (estradiol vaginal inserts) and Bijuva® (estradiol and progesterone) in Canada. The Company also in-licensed Crexont® (carbidopa and levodopa extended-release capsules) and Jornay PM™ (methylphenidate HCl extended-release capsules) for Canada and Latin America. Furthermore, in 2024, Knight obtained regulatory approval for Jornay PM™ (methylphenidate HCl extended-

¹ Based on December 31, 2024 closing foreign exchange rate

release capsules) in Canada, Karfib® (carfilzomib) in Colombia, Minjuvi® (tafasitamab) & Tavalisse® (fostamatinib disodium hexahydrate) in Mexico, Pemazyre® (pemigatinib) in Brazil, and submitted Qelbree™ (viloxazine extended-release capsules) for Health Canada and fostamatinib for regulatory approval in Brazil.

Subsequent to year-end, in March 2025, Knight entered into a definitive Asset Purchase Agreement with Endo Operations Limited ("Endo") and Paladin Pharma Inc. ("Paladin" and, together with Endo, the "Sellers"), to acquire the assets used by the Sellers to conduct their international pharmaceuticals business, which is primarily operated through Canada-based specialty pharmaceutical company Paladin. Upon closing, Knight will make an upfront payment of \$120,000 in cash, including inventory valued at \$20,000. In addition, Knight may pay future contingent payments of up to US\$15,000 upon achieving certain sales milestones. The closing of the transaction is subject to the satisfaction of customary regulatory approvals including anti-trust clearance in Canada and is expected to occur in the middle of 2025. The acquisition of Paladin's assets adds critical mass and expands the size of the Company's business in Canada while adding a portfolio of cash flow generating products that will help fund Knights' growth in Canada and Latin America.

Three Year History

Fiscal 2022

Corporate development

In Q3 2022, Knight executed a settlement agreement and general release ("Settlement Agreement") with the former shareholders of GBT. The Company made certain claims ("Claims") with respect to its indemnification rights under the purchase agreement for the acquisition of GBT. Under the Settlement Agreement, Knight received \$6,030 (US\$4,600) as settlement for the Claims.

Products

In January 2022, Knight announced that it obtained regulatory approval in Colombia from INVIMA for Halaven® and Lenvima®. Halaven® was approved for the treatment of adult patients with locally advanced or metastatic breast cancer which has continued to spread after at least two previous treatments for advanced cancer while Lenvima® was approved for the treatment of radioiodine refractory differentiated thyroid cancer and unresectable hepatocellular carcinoma. Knight launched Halaven® and Lenvima® in Colombia in Q1 2022.

On May 12, 2022, Knight announced that it entered into an agreement with Helsinn for the exclusive rights to commercialize Akynzeo® oral/IV (netupitant/palonosetron/fosnetupitant/palonosetron) in Canada, Brazil, Argentina, Uruguay and Paraguay, and Aloxi® oral/IV (palonosetron) in Canada.

Akynzeo® is the first and only 5-HT3 and NK1 receptor antagonist fixed combination approved for the prevention of chemotherapy-induced acute and delayed nausea and vomiting. Akynzeo® oral is approved and marketed in Canada, Brazil and Argentina. According to IQVIA, sales of Akynzeo® in Canada and Brazil were approximately \$7 million in 2021. Aloxi® is a second generation 5-HT3 receptor antagonist with high receptor binding affinity and a duration of action up to 5 days after chemotherapy administration^{1,2}. Aloxi® oral is approved in Canada for use in adults for the prevention of acute nausea and vomiting associated with moderately and highly emetogenic cancer chemotherapy. Aloxi® injection is approved in Canada for use in adults and pediatric patients aged 2 to 17 years for the prevention of acute and delayed nausea and vomiting associated with emetogenic cancer chemotherapy. Knight assumed commercial activities and re-launched Akynzeo® in Brazil and Argentina in July 2022 and in

¹ Rojas C, Slusher BS. *Eur J Pharmacol* 2012;684(1-3):1-7; 6.

² Navari RM and Aapro M. *N Engl J Med* 2016;374:1356-67.

Canada in Q4 2022.

On May 24, 2022, Knight announced that it entered into an agreement with Rigel for the exclusive rights to commercialize fostamatinib, an oral spleen tyrosine kinase inhibitor, in Latin America. Fostamatinib is commercially available in the U.S. under the brand name Tavalisse® and in Europe under the brand name Tavlesse® for the treatment of chronic immune thrombocytopenia.

Knight obtained the marketing authorization transfer of Exelon® from Novartis to Knight in Colombia, Brazil, and Mexico, and transferred Exelon®'s commercial activities from Novartis to Knight's affiliate in Colombia, Brazil, Argentina, Chile, Mexico, Peru, Ecuador and Canada.

Knight submitted the marketing authorization application for tafasitamab in combination with lenalidomide for the treatment of adult patients with relapsed or refractory DLBCL who are not eligible for ASCT to ANVISA in Brazil in October 2022, INVIMA in Colombia in December 2022 and ANMAT in Argentina in January 2023. The Company submitted pemigatinib to INVIMA in Colombia in December 2022.

In December 2022, Knight obtained the regulatory approval for Palbocil® (palbociclib) in Argentina and filed for regulatory approval for Bapocil® (palbociclib) in Colombia and Chile in Q4-2022. Palbocil® is indicated for the treatment of patients with hormone receptor positive, human epidermal growth factor receptor 2 ("HER2")-negative locally advanced or metastatic breast cancer in combination with: an aromatase inhibitor as initial endocrine-based therapy in post-menopausal women; or fulvestrant in patients with disease progression after prior endocrine therapy.

In addition, during 2022, Knight also submitted a branded generic of products (pomalidomide) for regulatory approval in Chile and Colombia. Furthermore, up to December 2022, the Company in-licensed three branded generic products for our key markets in Latin America.

Bank loans

In December 2022, Knight obtained a five-year secured loan of \$52,416 (USD 38,500) denominated in select LATAM currencies as follows: 104,800 BRL, 41,274,700 COP, 6,679,260 CLP, 48,346 MXN. The loan is secured by the shares of certain Knight's subsidiaries as well as a restricted cash collateral of 35% of the principal balance outstanding. The IFC loan matures on October 15, 2027, with principal repayments commencing on October 15, 2023. The principal and interest repayments are due on a semi-annual basis, except for the MXN tranche that is due on a monthly basis. The Company has the right to prepay the IFC Loan in exchange for a prepayment fee. The IFC loan include customary representations, warranties, affirmative and restrictive covenants as well as financial covenants. Refer to note 17 of the Financial Statements for further details.

Fiscal 2023

Products

Minjuvi® (tafasitamab)

Minjuvi® was submitted for regulatory approval in Colombia in Q4 2022, in Argentina in Q1 2023 and Mexico Q2 2023. In July 2023, Knight obtained ANVISA approval for Minjuvi®, under their rare disease designation according to Resolution RDC 205/2017 in combination with lenalidomide followed by Minjuvi® monotherapy for the treatment of adult patients with relapsed or refractory DLBCL, including DLBCL arising from low grade lymphoma, and who are not eligible for ASCT. In addition, on October 16, 2023, Knight received Brazilian pricing approval for Minjuvi® from the Drugs Market Regulation Chamber ("CMED").

All dollar amounts herein are expressed in thousands of Canadian dollars (unless otherwise indicated) except for share and per share amounts. All other currencies are in thousands (unless otherwise indicated).

Pemazyre® (pemigatinib)

On October 10, 2023, Knight submitted a marketing authorization application for Pemazyre® to ANVISA, the Brazilian health regulatory agency, under the rare diseases approval pathway, for the treatment of adults with locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement that have progressed after at least one prior line of systemic therapy. In addition, Pemazyre® was submitted for regulatory approval in Argentina and Mexico in Q2 2023.

Tavalisse® (fostamatinib)

In July 2023, Knight submitted marketing authorization applications for Tavalisse® for the treatment of thrombocytopenia in adult patients with chronic immune thrombocytopenia (ITP) who have had an insufficient response to a previous treatment, for regulatory approval in Mexico and Colombia.

Karfib® (carfilzomib)

In Q2 2023, Knight submitted the marketing authorization application for Karfib® in Chile. Karfib® is indicated as a single agent for the treatment of patients with relapsed or refractory multiple myeloma who have received one or more previous lines of therapy. Karfib® in combination with dexamethasone or with lenalidomide plus dexamethasone is indicated for the treatment of patients with relapsed or refractory multiple myeloma who have received one to three previous lines of therapy.

Rembre® (dasatinib)

In Q2 2023, Knight submitted the marketing authorization application for Rembre® in Chile. Rembre® is indicated for treatment of chronic myeloid leukemia with positive Philadelphia chromosome.

Palbocil® and Bapocil® (palbociclib)

Palbocil® was launched in Argentina in March 2023 and Bapocil® was approved in Chile in March 2023. Palbocil® / Bapocil® is indicated for the treatment of patients with hormone receptor positive, human epidermal growth factor receptor 2 (HER2)-negative locally advanced or metastatic breast cancer in combination with: an aromatase inhibitor as initial endocrine-based therapy in post-menopausal women; or fulvestrant in patients with disease progression after prior endocrine therapy.

Xetrane® (polalidomide)

In Q2 2023, Knight obtained the regulatory approval for Xetrane® in Chile. Xetrane® is indicated in combination with dexamethasone, for the treatment of adult patients with multiple myeloma who have received at least two prior therapies including lenalidomide and a proteasome inhibitor and have demonstrated disease progression on or within 60 days of completion of the last therapy. Xetrane® is also indicated for the treatment of adults patients with AIDS-related Kaposi sarcoma after failure of highly active antiretroviral therapy or in patients with Kaposi sarcoma who are HIV-negative.

Expansion of Pipeline

Qelbree™ (viloxazine)

In Q4 2023, Knight in-licensed Qelbree™ (viloxazine) for Canada. Qelbree™ is an extended-release formulation of viloxazine, a multimodal serotonergic and norepinephrine modulating agent, a nonstimulant medication for the treatment of Attention-Deficit Hyperactivity Disorder ("ADHD"). Qelbree™ is commercially available in the United

States as a prescription medicine to treat ADHD in patients 6 years of age and older. Based on the results of 4 pivotal trials,¹⁻⁴ Qelbree™ was approved by the US Food and Drug Administration in 2021 for the treatment of children 6-17 years of age and in 2022 for the treatment of adults. Qelbree™ is also currently being studied in several phase 4 clinical trials², the first of which is in combination with psychostimulants for the treatment of children and adolescents with ADHD (positive topline results reported in September 2023³). A second phase 4 clinical trial⁴ in preschool age children with ADHD is planned to commence in January 2024. A third phase 4 clinical trial⁵ is studying the impact of Qelbree™ on co-morbid mood symptoms prevalent in patients with ADHD. Qelbree™ is the first new nonstimulant to enter the market in over 10 years and will represent a new option in a segment that is valued at over \$85 millions in 2024 according to IQVIA, and that continues to have a significant unmet medical need.

Strategic Loans

On February 15, 2019, the Company entered into a financing agreement with M8 for up to \$159,150 (US\$125,000), subject to certain conditions, of which \$13,134 (US\$10,000) was initially issued and recorded at fair value through profit or loss (FVTPL). The loan bears interest at 15% per annum and matures five years from the issuance date. On September 30, 2019, the Company loaned an additional \$1,987 (US\$1,500) to M8 at an interest rate of 15% per annum. Furthermore, Knight received warrants of M8.

In September 2023, Acino announced it had entered into an agreement to acquire M8, which closed in Q4 2023 (“M8 Acquisition Transaction”). The Company collected the remaining principal balance of the loan and the fair value of the warrants upon the closing of the M8 Acquisition Transaction.

Fiscal 2024

Products

Minjuvi® (tafasitamab)

In Q1-24, Knight launched Minjuvi® in Brazil. The product is current under going review by ANS for private reimbursement in Brazil.

In December 2024, Incyte announced additional results from the pivotal Phase 3 inMind trial evaluating treatment with tafasitamab in combination with lenalidomide and rituximab. The trial met its primary endpoint of progression-free survival (PFS) and key secondary endpoints in patients with relapsed or refractory follicular lymphoma (FL) treated with tafasitamab in combination with lenalidomide and rituximab. Knight expects to submit this new indication for regulatory approval in our key LATAM markets in 2025.

In Q4-24, Knight obtained regulatory approval by COFEPRIS, the Mexican health regulatory agency, for Minjuvi® (tafasitamab) in combination with lenalidomide followed by Minjuvi® monotherapy for the treatment of adult patients with relapsed or refractory diffuse large B-cell lymphoma (DLBCL), who are not eligible for autologous stem cell transplantation (ASCT). The Company expects to launch Minjuvi® in Mexico in March 2025.

¹ Nasser A et al. (2020). A Phase III, Randomized, Placebo-controlled Trial to Assess the Efficacy and Safety of Once-daily SPN-812 (Viloxazine Extended-release) in the Treatment of Attention-deficit/Hyperactivity Disorder in School-age Children. *Clinical Therapeutics*, 42(8), 1452-1466. DOI: <https://doi.org/10.1016/j.clinthera.2020.05.021>

² US National Library of Medicine. (2021, March 8 -). Open-label study of SPN-812 administered with psychostimulants in children and adolescents with ADHD (ADHD). Identifier NCT04786990. <https://clinicaltrials.gov/study/NCT04786990>

³ Supernus Announces New Qelbree® Data Showing Improvement in ADHD Symptoms. (2023, September 10). Retrieved from <https://ir.supernus.com/node/13856/pdf>

⁴ US National Library of Medicine. (2021, March 4 -). Evaluation of SPN-812 (viloxazine extended-release capsule) in preschool-age children with ADHD. Identifier NCT04781140. <https://clinicaltrials.gov/study/NCT04781140>

⁵ Presented during Supernus Pharmaceuticals R&D Day; October 18, 2023

Imvexxy® (estradiol vaginal inserts) and Bijuva® (estradiol and progesterone)

In Q1 2024, Knight launched Imvexxy® and Bijuva® in Canada. Imvexxy® competes in the VVA market which was over 110 million dollars during the twelve month period ended on September 30, 2024 and grew at a CAGR of 11% since 2021, according to IQVIA. Imvexxy® is approved for the treatment of moderate-to-severe dyspareunia (vaginal pain associated with sexual activity), a symptom of vulvar and vaginal atrophy, due to menopause. Bijuva®, approved by the Health Canada in September 2020, is a bio-identical hormone therapy combination of estradiol and progesterone in a single, oral softgel for the treatment of moderate-to-severe vasomotor symptoms due to menopause.

Karfib® (carfilzomib)

In February 2024, Knight obtained the regulatory approval for Karfib® in Colombia. Karfib® is indicated as a single agent for the treatment of patients with relapsed or refractory multiple myeloma who have received one or more previous lines of therapy. Karfib® in combination with dexamethasone or with lenalidomide plus dexamethasone is indicated for the treatment of patients with relapsed or refractory multiple myeloma who have received one to three previous lines of therapy.

Tavalisse® (fostamatinib)

Knight submitted marketing authorization applications for Tavalisse®, for the treatment of thrombocytopenia in adult patients with chronic immune thrombocytopenia (ITP) who have had an insufficient response to a previous treatment, for regulatory approval in Brazil in Q1-24 and Argentina in Q1-25. Knight obtained regulatory approval of Tavalisse® in Mexico in Q1-24 and expects to launch in the first half of 2026.

Qelbree™

In Q4-24, Knight submitted Qelbree™ for regulatory approval in Canada. Qelbree™ is an extended-release formulation of viloxazine, a multimodal serotonergic and norepinephrine modulating agent, a nonstimulant medication for the treatment of Attention-Deficit Hyperactivity Disorder ("ADHD").

Pemazyre® (pemigatinib)

In Q4-24, Knight obtained regulatory approval for Pemazyre® in Brazil. Pemazyre® is for the treatment of adults with locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement that have progressed after at least one prior line of systemic therapy.

Lenvima®

During 2023, two companies received ANVISA's approval for generic lenvatinib in Brazil. During 2024, both of those companies received the approval for a branded generic lenvatinib. Additionally, in Q3-24, a competitor received the approval of a generic lenvatinib in Chile.

In Q3-24, a competitor in Brazil launched both a branded generic and a generic of Lenvima®. Knight and Eisai are collaborating to defend Lenvima's® market exclusivity in Brazil. While we continue to challenge the generic entrants, the introduction of generics and branded generics will increase competitive pressures and negatively impact future sales and margins of Lenvima® in Brazil.

Expansion of Pipeline

Crexont® (carbidopa/levodopa extended-release capsules)

In Q1-24, Knight in-licensed Crexont® for Canada and Latin America. Crexont® is a novel, oral formulation of carbidopa ("CD")/levodopa ("LD") extended-release capsules designed for the treatment of Parkinson's disease. Crexont® was approved by the US Food and Drug Administration in 2024 for the treatment of Parkinson's disease. Crexont® contains immediate-release (IR) granules and extended-release (ER) coated beads. The IR granules consist of CD and LD, with a disintegrant polymer to allow for rapid dissolution. The ER beads consist of LD, coated with a sustained release polymer to allow for slow release of the drug, a mucoadhesive polymer to keep the granules adhered to the area of absorption longer, and an enteric coating to prevent the granules from disintegrating prematurely in the stomach. Crexont® was studied in the RISE-PD clinical study which was a 20-week, randomized, double-blind, double-dummy, active-controlled, phase 3 clinical trial with 630 patients. The RISE-PD study met its primary and secondary endpoints and showed that treatment with Crexont® demonstrated statistically significant improvement in daily "Good On" time with fewer doses of Crexont® compared with immediate-release carbidopa-levodopa (least squares mean, 0.53 hours; 95% CI, 0.09-0.97), with Crexont® dosed a mean 3 times per day vs 5 times per day for immediate-release carbidopa-levodopa¹. Crexont® is expected to compete in a market size of over \$50,000 in Canada and over \$120,000 in Brazil, of which the controlled release portion of the market is \$15,000 in each country during the twelve month period ended on September 2024 according to IQVIA. In September 2024, Knight's partner Amneal Pharmaceuticals, Inc., announced the launch of Crexont®, a novel oral formulation of carbidopa/levodopa in pharmacies across the U.S. The Company expects to submit Crexont® in Canada and certain LATAM countries in 2025.

Jornay PM™ (carbidopa/levodopa extended-release capsules)

In Q2-24, Knight obtained the rights to seek regulatory approval and commercialize Jornay PM™ in Canada and Latin America. Jornay PM™ is an extended-release formulation of methylphenidate, a stimulant medication for the treatment of Attention-Deficit Hyperactivity Disorder (ADHD). Jornay PM™ consists of microbeads with a delayed-release layer and an extended-release layer. The first layer delays the release of the active ingredient until morning while the extended-release layer controls the release of the active ingredient from the early morning and throughout the day. This unique formulation provides a pharmacokinetic profile that allows ADHD symptom control from the time patients wake up until they go to bed. Jornay PM™ was studied in two randomized, double-blind, placebo-controlled, phase 3 clinical trials^{2,3}. Both studies met their primary and key secondary endpoints demonstrating a statistically significant and clinically meaningful improvement in ADHD symptoms upon awakening, through the afternoon, and into the evening. According to IQVIA, for the twelve months ended September 30, 2024, the Canadian ADHD market totals approximately \$1.25 billion with methylphenidates representing over \$500,000 and growing at over 14% CAGR over the last four years. In Q4-24, Knight obtained regulatory approval from Health Canada for Jornay PM™ to treat ADHD in children, and is expecting to launch Jornay PM™ in Canada in the second half of 2025.

Branded Generic Molecules

Knight in-licensed two branded generic products molecules covering oncology and hematology for certain key territories in LATAM.

¹ Hauser RA et al. *JAMA Neurol.* 2023 Oct 1;80(10):1062-1069.

² Childress, A. C., Cutler, A. J., Marraffino, A., McDonnell, M. A., Turnbow, J. M., Brams, M., DeSousa, N. J., Inledon, B., Sallee, F. R., & Wigal, S. B. (2020). A randomized, double-blind, placebo-controlled study of HLD200, a delayed-release and extended-release methylphenidate, in children with attention-deficit/hyperactivity disorder: An evaluation of safety and efficacy throughout the day and across settings. *Journal of Child and Adolescent Psychopharmacology*, 30(1), 2–14. <https://doi.org/10.1089/cap.2019.0070>

³ Pliszka, S. R., Wilens, T. E., Bostrom, S., Arnold, V. K., Marraffino, A., Cutler, A. J., López, F. A., DeSousa, N. J., Sallee, F. R., Inledon, B., & Newcorn, J. H. (2017). Efficacy and safety of HLD200, delayed-release and extended-release methylphenidate, in children with attention-deficit/hyperactivity disorder. *Journal of Child and Adolescent Psychopharmacology*, 27(6), 474–482. <https://doi.org/10.1089/cap.2017.0084>

DESCRIPTION OF THE BUSINESS

Knight Therapeutics Inc. is a specialty pharmaceutical company, headquartered in Montreal, Canada, and listed on the Toronto Stock Exchange under the ticker symbol “GUD”. The Company operates in Canada, Latin America and select international markets and the activities performed are as follows:

- Principal business activity is developing, acquiring, in-licensing, out-licensing, manufacturing, marketing and distributing pharmaceutical products in Canada, Latin America and select international markets.
- Finances other life sciences companies with the goal of strengthening relationships in the life science industry and securing product distribution rights for Canada and select international markets.
- Invested in life sciences venture capital funds whereby the Company may receive preferential access to innovative healthcare products for Canada and select international markets.
- Develops innovative pharmaceutical products including those to treat neglected tropical and rare pediatric diseases.

In 2019 the Corporation executed on its rest of the world strategy by acquiring a 51.2% interest in GBT, a Latin American specialty pharmaceutical company headquartered in Montevideo, Uruguay, operating in 10 countries in Latin America. In 2020, Knight acquired the remaining stake in GBT. GBT markets and sells licensed innovative products and engages in development, manufacturing and marketing of specialty branded generic products. GBT’s business model focuses on therapeutic areas covering oncology and hematology, infectious diseases, and other specialty. This transaction represented a transformative acquisition and is the Corporation’s most important step to date towards executing on its strategy of building a specialty pharmaceutical company.

Knights Focus

Knight focuses on in-licensing late-stage innovative assets in order to mitigate clinical, regulatory and commercial risk. Although Knight’s focus is on late-stage innovative products, the Corporation also invests in development of branded generics in Argentina and other Latin American markets since these products generate stable earnings without the inherent risk involved in developing innovative products.



The Innovative Drug Industry

In developed countries, patent and regulatory legislation offers Innovative Drug developers a period of market exclusivity to provide incentives to pharmaceutical companies to take on the high risks, substantial costs and relatively long timeframes associated with developing Innovative Drugs. Such market exclusivity enables Innovative Drug marketers to focus on the sales and marketing of their approved products.

In the LATAM market, patent protection is not as common as in developed countries. Some countries like Brazil and Mexico, have stronger patent protection laws than certain others, such as Argentina. As a result, relatively few products are marketed under patents in LATAM. Data exclusivity and trademark registrations are more often relied upon for the protection of intellectual property.

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In the Innovative Drug industry, core competencies are required in science, to successfully develop new drugs, in medical and regulatory affairs, to obtain marketing approval, and in market access, sales and marketing, to receive reimbursement and drive prescription volumes. Fully integrated pharmaceutical companies build all of these core competencies, while others focus on specific areas of the value chain. For example, biotech companies focus on the development of new drugs derived from either biotechnology or chemistry. Specialty pharmaceutical companies focus on understanding the dynamics of end-users, obtaining reimbursement and building distribution networks.

In order for pharmaceutical companies to launch new drugs, a rigorous approval process must be undertaken with the national regulatory authorities in the countries in which the products will be marketed. IMC, a Canadian-based pharmaceutical industry group, estimates that it takes, on average, ten to fifteen years for an experimental drug to advance from the laboratory to the market, that less than five out of five thousand compounds that are screened eventually progress to human testing and that only one of such compounds is ultimately approved for sale. Generally, pre-clinical studies may take place over a three to six-year period. Thereafter, and depending on the success rate of the pre-clinical studies, the actual phase I, phase II and phase III clinical trials may take up to seven years. In addition, the regulatory review and approval process by the FDA and the TPD, or the Latin American health agencies, such as ANVISA, ANMAT, COFEPRIS or INVIMA, could take an additional one to three years. Finally, there may be post-marketing phase IV clinical studies required by both health agencies to strengthen marketing claims of approved products and/or risk management plans or patient registries to monitor drug safety. By focusing on late-stage drugs, the Corporation believes that its risk exposure, costs and time frames for approval may be reduced. During the past decade, the pharmaceutical industry has continued to consolidate. The Corporation believes that this consolidation is being driven by a desire among pharmaceutical companies to (i) gain access to promising product pipelines in key therapeutic categories, (ii) add sales and marketing capabilities in other territories, and (iii) reduce costs through economies of scale and synergies.

Industry consolidation and increased regulation increased the level of sales necessary for an individual product to justify active marketing and promotion by large pharmaceutical companies. This has led large pharmaceutical companies to focus their marketing efforts on drugs with high potential sales, new product launches and products which fit within core therapeutic or marketing areas. These pharmaceutical companies may seek to divest small or non-strategic product lines which, the Corporation believes, can be highly profitable for specialty pharmaceutical companies that focus on developing expertise in specialty therapeutic fields.

Branded Generic Industry

Generic Drugs are normally commercialized and known by their chemical name or international nonproprietary name, have the same active ingredient, concentration, pharmaceutical form and dosage and are used for the same indications as the Innovative Drug. They are bioequivalent to the Innovative Drug but may differ in size, shape, packaging and period of activity. Generics are pharmaceutically equivalent to an Innovative Drug. In developing countries, including Latin America, health regulations allow manufacturers to commercialize Generic Drugs with a brand name. Branded generics are given a brand name to differentiate the product from ordinary generics (which are also commercialized in these markets) or other branded generics. The brand name is seen as an indicator of quality and may lead to patient and physician loyalty. In certain developing countries, ordinary generics are commonly sold into public institutions and through government tender and branded generics are sold in private institutions or paid for by patients who will pay more for the better quality associated with the brand. Regulations in Latin American countries vary as to the level of studies that need to be conducted to obtain approval of a generic (branded or otherwise) product. In certain countries in Latin America, branded generic manufacturers are required to provide *in vitro* studies of equivalence, whereas in other countries the manufacturer is required to provide *in vivo* bioequivalence studies. Depending on the type of studies and regulatory review times, it may take between two to four years from launch of development effort to approval and launch of a branded generic product. Similar to Innovative Drug, branded generics are marketed to physicians

on the basis of quality and name recognition but rely on the efficacy of the Innovative Drug. For example, Exelon® already has branded generic competitors in Brazil, Colombia and Chile and may face new branded generic competitors in other countries. The market for branded generics is highly competitive in Latin America with several large well-funded local companies and multi-nationals with expertise in development and commercialization, including Adium S.A., Eurofarma, Gador, Laboratorios Bago, Sandoz, Cipla, Dr. Reddy and Teva. Competitors in the branded generic industry strive to be first to market in order to gain the most market share before new entrants arrive. As new entrants launch their own branded generic of a certain molecule, competitors may discount products to retain market share.

Pharmaceutical Markets in Which Knight Operates

The Corporation believes that as multinational pharmaceutical companies continue to increase in size, their threshold for desirable products and the target market size of innovative products, including rare diseases, increases. Many products do not address sufficiently large market potential and are overlooked by multinational pharmaceutical and biotech companies. Thus, the Corporation believes that these dynamics create an opportunity for specialty pharmaceutical companies such as Knight. The size of pan-American (ex-US) market represents 6% of the global pharmaceutical market for 2024¹.

The Canadian Pharmaceutical Market

CANADA	
Market Size & Population	<ul style="list-style-type: none"> In 2024, Canada had a population of 41.5 million² and a GDP per capita estimated at US\$53.8³. The sales of pharmaceutical products amounted to \$46.8 billion for the twelve-month period ended September 2024, an increase of 8.2% from the same prior year period¹.
Healthcare System	<ul style="list-style-type: none"> Healthcare expenditures per capita in Canada was \$9.0 in 2024⁴. The federal government's roles in health care include setting and administering national principles for the system under the Canada Health Act. The Canadian healthcare system operates such that provinces and territories administer most of Canada's health care services. Each provincial and territorial health insurance plan covers medically necessary hospital and doctors' services that are provided on a pre-paid basis, without direct charges at the point of service. Most provincial and territorial governments offer and fund supplementary benefits for certain groups (e.g., low-income residents and seniors), such as drugs prescribed outside hospitals. On October 10, 2024, the Pharmacare Act came into force (Bill C-64) The Pharmacare Act is now in force and its first phase is already funded: CDN\$1.5 billion over five years has been set aside to launch pharmacare. After the Pharmacare Act became law, the federal government announced that the Minister of Health will negotiate with the provinces and territories to reach bilateral agreements to provide universal, single-payer, first-dollar access to a range of contraceptives and diabetes medications. One province – British Columbia – has begun implementation, while Alberta and Quebec have indicated their intention to opt out. The Act also requires that Health Canada, the country's drug agency, develop, in collaboration with partners and stakeholders and no later than the first anniversary of the day on which this Act receives royal assent, a list of essential drugs and related products to inform the development of a national formulary, a national bulk purchasing strategy to help further reduce drug prices, and a pan-Canadian strategy on the appropriate use of prescription medications.
Regulatory Overview	<ul style="list-style-type: none"> Health Canada: is the government agency that administers the regulation of the safety, efficacy, and quality of all pharmaceutical drugs for use by humans in Canada before and after the products enter the marketplace through the Food and Drugs Act. Regulatory Review: Timeline for a drug approval after a drug dossier is submitted to Health Canada takes between twelve (12) to twenty-four (24) months for an Innovative Drug. Agile Licensing: Health Canada is proposing new targeted provisions and regulatory amendments to the Food and Drug Regulations and the Medical Devices Regulation that would deliver on the Department's modernization commitments and leverage long-standing policies and practices. It will become effective once published in Canada Gazette. Precision Regulating: the proposed amendments to the Canadian regulations would enable the Minister of Health to take timely action in a variety of situations such as creating tools that enable precise, tailored regulatory responses to address situations such as market disruptions, vulnerabilities and gaps that impact availability of therapeutic products and food in Canada; addressing unmet needs in Canada by creating an explicit ability for the Minister to rely on decisions of select international regulators to satisfy Canadian regulatory requirements for certain listed products and to prevent potential harm from therapeutic products that are accessed for unintended uses or that present risks of adverse effects to health or the environment. Accelerated Review: this new guidance will merge and replace the Priority Review and Notice of Compliance with conditions (NOC/c) guidance documents and amend eligibility criteria for accelerated 180-day reviews. Is still unclear when this accelerated review will be put into regulations.
Pricing	<ul style="list-style-type: none"> Price Regulations: Products which are patented fall under the jurisdiction of Patented Medicine Prices Review Board ("PMPRB"), an independent quasi-judicial body, while non-patented products do not fall under the jurisdiction of PMPRB. The PMPRB has a dual role: <ol style="list-style-type: none"> I. Regulatory: To ensure that prices charged by patentees for patented medicines sold in Canada are not excessive. II. Reporting: To report on pharmaceutical trends of all medicines and on the research and development spending by pharmaceutical patentees. Under the previous PMPRB guidelines, for new patented products, the price in Canada is limited to either the cost of existing drugs sold in Canada or the median or highest prices for the same drug sold in a list of comparator countries specified by the PMPRB. On July 1, 2022 the federal government's amendments to the Patented Medicines Regulations came into effect amending a change in to the basket of comparator countries from seven to eleven countries with the exclusion of the U.S. and Switzerland. On December 2024, PMPRB published its Draft Guidelines for PMPRB Staff. A Consultation period is now open until March 2025 for stakeholders feedback. As per the Draft Guidelines, the PMPRB Staff will use a patented medicine's first semi-annual price filing to compare the Canadian list price against the highest international price (HIP) among the PMPRB11, as filed by the Rights Holders. Patented medicines above the HIP may trigger an in-depth review.

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<p>Reimbursement</p>	<ul style="list-style-type: none"> • The cost of drugs that are administered to a patient in a hospital setting are covered by the public healthcare system (not harmonized across all provinces), while the cost of a drug that is prescribed outside of a hospital setting is covered by either a public (government) drug plan, a private drug plan or “out of pocket” by the patient, or a combination of the previous. • In Canada there are two health technology assessment organizations which review the clinical and cost-effectiveness of a drug product; Canada’s Drug Agency (CDA-AMC, formerly CADTH) and in Québec, l’Institut national d’excellence en santé et en services sociaux (INESSS). The CDA-AMC and INESSS provide a recommendation to public drug plans on whether or not a drug should be reimbursed for public funding. Following this recommendation, manufacturers may enter into negotiations with the pan-Canadian Pharmaceutical Alliance (“pCPA”) in order to obtain public reimbursement. If such negotiations are successful, the parties will sign a letter of intent that sets the terms of the agreement. Provincial public drug plans then make a final decision to fund a drug, and enter in a product listing agreement with the manufacturer. The process to obtain public listing can typically take up to two to three years from the date the reimbursement dossier is submitted • As with public plans, the process of obtaining private reimbursement in Canada requires the preparation and submission of a dossier to each private payer. Following the submission, depending on the drug, indication and cost, the payers can either decide to cover the drug at the list price, enter into a listing agreement at a discounted price or not cover the drug at all. In the event the private payer enters into a listing agreement, the process can take several months to complete. • The Corporation’s reimbursement work is done through a combination of internal expertise along with the use of specialized external consultants to support the development of the dossiers, submissions to the agencies, as well as negotiations with public and private plans. As the need arises, these consultants may help with preparing certain components of the submissions including commissioning independent pharmacoeconomic studies to illustrate the economic benefits of incorporating the products in treatment regimens. • For prescription drugs that are used out of a hospital, each province maintains a public drug plan formulary, which lists the drugs and conditions for which the province will reimburse prescription drugs for an eligible insured person under the public plan. • Only a subset of the Canadian population receives government funded prescription drug coverage outside the hospital setting. The remainder of the population either pays for their prescription drugs out of their own pocket, or through private drug plans.
<p>Intellectual Property</p>	<ul style="list-style-type: none"> • The Canadian Intellectual Property Office is the government agency that is responsible for granting patents and registering trademarks in Canada. • Patented drugs are also eligible for patent protection if applicable under the Patented Medicines Regulations (Notice of Compliance) though linkage of the drug approval process and patent rights.

Key LATAM Pharmaceutical Markets

BRAZIL	
Market Size & Population	<ul style="list-style-type: none"> Brazil is the largest LATAM economy by GDP and has the largest population in LATAM (212.6 million in 2024) with an estimated GDP per capita at US\$ 10.3 in 2024³. Brazil's public health system (Sistema Único de Saúde, SUS) is one of the largest in the world. It provides universal healthcare, with more than 75% of the Brazilian population⁵ relying exclusively on the SUS for their health services. The private market is one of the largest healthcare insurance markets by population in the world after the U.S. Currently there are 51 million beneficiaries who have healthcare insurance funded through their employment⁶. According to IQVIA, total sales of pharmaceutical products amounted to USD 41.7 billion for the twelve-month period ended December 1, 2023, an increase of 5% from the same prior year period¹. The growth in units for the same time period was 4%¹. The Sales of pharmaceutical products are projected to achieve Compound Annual Growth Rate ("CAGR") of 9.2% over the five-year period from 2023 to 2028¹.
Healthcare System	<ul style="list-style-type: none"> Dual healthcare system (i.e. public (76%) and private (24%)). Largest healthcare expenditures in LATAM countries. In 2024, the spend for healthcare expenditures was BRL 193.5 billion, up by ~20% from the the previous year⁷. For 2025, the government has submitted a budget of BRL 208.8⁷ billion for healthcare expenditures (up by ~8% of 2024 budget executed)⁴. Brazil spends 12.87% of its GDP on healthcare⁵.
Regulatory Overview	<ul style="list-style-type: none"> Overseen by the Brazilian Health Surveillance Agency ("ANVISA"). Approval process involves a pharmacological, efficacy, safety and technical review. In order to market a product in Brazil, companies are required to obtain: i) an operating license authorization from ANVISA and local health authorities, ii) good manufacturing practices certification and iii) product registrations/enrollment from ANVISA. ANVISA requires pharmaceutical companies to use their own laboratories for the testing and release of all non-orphan synthetics products for the Brazilian market. Product market authorizations are valid for ten (10) years. The validity for the marketing authorizations under the rare disease designation is subject to the progress of the clinical studies (3, 5, 10 years). Timeline for a drug approval after a drug dossier is submitted to Health Agency: The regulatory review for an innovative drug typically takes between 6-18 months. While ANVISA sets a 120-day approval timeline for drugs filed under priority review submissions and a 365-day timeline for standard submissions, most approvals take at least 33% longer⁸. Recent ANVISA regulations are aimed at regulatory harmonization and faster approval timelines.
Pricing	<ul style="list-style-type: none"> Drug prices are regulated in Brazil by CMED, which establishes maximum prices allowed for drugs sold by manufacturers, importers, and their distributors to pharmacies. Upon obtaining marketing authorization from ANVISA, companies must apply for pricing approval to CMED. For innovative products, in order to be able to launch the product in Brazil the submission to CMED must include information about the product and all granted patents, and must cover additional information, including but not limited to, superior efficacy, side effects, reduction or overall treatment costs, the product price in International Reference Pricing ("IRP") comparator countries approved at the time of CMED analysis, which currently include Australia, Canada, Spain, the U.S., France, Greece, Portugal, Italy, New Zealand and the country of origin, and the expected launch price in Brazil. The launch price in Brazil shall not be higher than the lowest price for the product in any of the comparator countries (IRP). After pricing submission, the decision by CMED takes at least three (3) months. The pharmaceutical manufacturer may appeal the CMED pricing decision, The appeal process may take between 6-18 months. CMED also publishes the maximum allowable price increase on March 31st of each year. Historically, the price increases allowed by CMED have been less than inflation. For 2025, the maximum allowable price increase is expected to be between 4.23% and 5.2%, depending on the pharmaceutical product classification. However in 2025, in parallel with the maximum allowable price increase, the pharmaceutical market will face the impact of Resolution CM-CMED No. 2. This resolution establishes a new criteria for defining the Factory Price (PF) and the Maximum Consumer Price (PMC) of medicines in Brazil. This is expected to result in a reduction Knight's selling prices to its customers by a maximum of 3.5% in order to be able to launch the product in Brazil. This resolution may enter into effect on March 31, 2025 For generic products, the price must be 35% lower than the reference product submitted to ANVISA. For branded generics products, the price can be set up to the list price of the referenced product.

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<p>Reimbursement</p>	<ul style="list-style-type: none"> • Public market: 75% of the Brazilian population has access only to Public Market with high concentration of hospitals in Southeast and Northeast of Brazil which are regulated by CONITEC (national HTA commission) based on Clinical Practice Guidelines that control free access to high-cost treatments. Specialty drugs such as oncology treatments have been funded by APAC (High complexity procedure protocols). Certain public institutions and states have their own budget and may incorporate therapies by Hospital's Internal Committee (local guidelines). • Public reimbursement is limited to drugs on the National List of Essential Medicines, and HTA committee ("CONITEC"). After a positive opinion by Ministry of Health, reimbursement is determined through public tender system for drugs in the state system and for certain exceptional outpatient drugs. • Private market: Reimbursement by private insurers is regulated by National Health Agency ("ANS") which updates the list of mandatory procedures for oral oncology drugs and for chronic disease according to clinical protocols. In rare instances, HMO's may choose to reimburse drugs based on their own HTA process, focusing on positive budget impact before the product is added on the ANS list. • To obtain reimbursement from private insurance and HMOs, the product must be included in the List of Procedures as approved and published by ANS. • In March 2022, a law was approved, that defines new rules for the reimbursement of new treatments by HMOs, including cancer treatments (oral drugs) whereby the period of time from submission to final decision (reimbursement) was reduced from two (2) years to six (6) to eight (8) months. • In addition, all medications, which have already received a positive opinion by CONITEC, including medications for chronic disease (subcutaneous or IV), will also get a mandatory reimbursement in the private market. The technologies evaluated and recommended by CONITEC will be included in the list of ANS within 60 days. In September 2022, another law was approved, to ensure the coverage of exams and technologies not provided for in the ROL (formulary of drugs reimbursed by the private insurance system) of the ANS that have scientific proof or are approved by CONITEC or another renowned agency such as The National Institute for Health and Care Excellence or CADTH. • Under the Brazilian Constitution, health is a fundamental right of all citizens and a duty of the government. The government is thus obliged to provide the means necessary to supply medicines to all Brazilians which is done through the Single Health System (SUS). Access for products in cases where the product is not included by CONITEC may be obtained through judicial means.
<p>Intellectual Property</p>	<ul style="list-style-type: none"> • Patent review in Brazil is currently the responsibility of the Brazilian Patent Office; however, the body that reviews drug applications, ANVISA, holds an equally binding opinion on pharmaceutical applications that may pose a "health risk". • There is no data exclusivity protection for pharmaceuticals in Brazil.
<p>Other Factors</p>	<ul style="list-style-type: none"> • Tax Reform: In January 2025, Brazilian Presidency sanctioned a Law to establish a consumption tax reform, after which a series of Federal, State and Municipal taxes will be replaced by two new taxes (IBS and CBS). These new taxes will be constituted under the dual VAT (Value Added Tax) model. Transition period for the Tax Reform is expected to last between 2026 and 2032, being fully implemented by 2033.

ARGENTINA	
Market Size & Population	<ul style="list-style-type: none"> In 2024, Argentina had a population of 47.2 million and a GDP per capita estimated at US\$12.8³. The country has a highly volatile economy that is undergoing a period of high inflation. In 2024, inflation reached 118% while GDP decreased by 2.8%. According to IQVIA, total sales of pharmaceutical products amounted to USD \$17.8 billion (converted at the annual average exchange rate) for the twelve-month period ended November, 2024, an increase of 10% from the same prior year period¹. The units decreased for the same time period by 9%¹. Despite the economic environment, the pharmaceutical industry has been one of the most dynamic sectors in Argentina and is now a driver for economic growth, employment, scientific knowledge and applied technology.
Healthcare System	<ul style="list-style-type: none"> Argentina has a fragmented market and a high prevalence of large and small local pharmaceutical companies. In recent years, there has been an increase of tenders in public sectors which are driving the average selling prices of medicines down, evidenced by widening price differential between PAMI (public health insurance agency managed by country's ministry of health) prices and list prices. PAMI has been increasing its market share among the payers and is the biggest driver of growth in the market.
Healthcare Expenditures/Budget	<ul style="list-style-type: none"> To reduce healthcare costs, the Ministry of Health in Argentina has ruled that products manufactured locally that contain the same active ingredient as products manufactured abroad, but that are priced cheaper than the products manufactured abroad, must be covered by local payors. Healthcare expenditures as percent of GDP is approximately 9%⁵.
Regulatory Overview	<ul style="list-style-type: none"> Argentinian regulations impose barriers to imports of certain pharmaceutical products into Argentina based on the product classification or specific countries. Only products manufactured in approved countries or facilities that have been previously inspected or accepted by Argentinian health authorities are allowed and require a marketing authorization. Active pharmaceutical ingredients, however, are not subject to the same restrictions as finished products. In accordance with Ministry of Health regulation, the National Agency of Medicines, Food and Medical Technology ("ANMAT") is responsible for all aspects regarding the approval and control of pharmaceuticals. ANMAT has jurisdiction over the safety, efficacy, and quality of medicines as well as the activities, processes, for the supply, production, manufacturing, fractioning, import and/or export, warehousing, and commercialization of drug products and materials used for production. Each province has its own health authority which works in conjunction with ANMAT and may issue its own regulations. Before a corporation can hold a marketing authorization, it must first have been duly licensed as a pharmaceutical company by ANMAT to manufacture or import pharmaceutical products for sale in the Argentinian market. ANMAT requires pharmaceutical companies to use their own laboratories for the testing and release of all products for the Argentinian market. Regulatory review timeline for a drug approval after a drug dossier is submitted to Health Agency takes between nine (9) to fifteen (15) months for an Innovative Drug and twelve (12) to eighteen (18) months for branded Generic Drugs. In addition, after marketing authorization approval, ANMAT requires the first batch of each newly approved product to be analyzed with ANMAT representatives present for such analysis and release of the drug product. This second step in the approval process takes approximately an additional six (6) months after filing of first batch release request. ANMAT allows for abbreviated approval with limited information required, in order to obtain approval of copies of products which have been approved in other markets There is no abbreviated approval process for biological products and ANMAT's authorization for manufacturing facilities (API and finished products) is required in all cases. Marketing authorizations are valid for a period of five (5) years and can be renewed for an additional five (5) years. Marketing authorizations under Rare Disease designation must be renewed every year. ANMAT does not provide regulatory data exclusivity. Serialization is required for certain pharmaceutical products.
Pricing	<ul style="list-style-type: none"> There is no price regulation in Argentina. Pharmaceutical companies can set their own prices and increases. In the past there has been government mandated price freezes or price increase restrictions. Certain customers such as PAMI are moving towards bidding processes which would have a fixed price over the term of the tender. Average drug prices are low and have been decreasing over the years due to increased use of tenders and large number of competitors launching the same or similar products. Given the limitations on patentability in Argentina, many innovative products face branded generic competition in Argentina. Consequently, significant discounts may be required on innovative products in order to remain competitive.

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<p>Reimbursement</p>	<ul style="list-style-type: none"> • Innovative Drugs, which are often high in cost, are not included in PAMI and as such present significant hurdle to access and reimbursement. • Argentina’s reimbursement system is highly fragmented and is made up of three sectors: public (includes national and uninsured individuals), social security (mostly unionized workers and includes broad coverage) and private (i.e. private insurance companies). • Obtaining reimbursement in the public and social sector can be very challenging during the first three (3) to four (4) years after the launch of the product. • Individuals may be covered through multiple sectors at the same time and have overlapping coverage. For example, individuals or groups may elect to supplement their public or social security coverage with private insurance.
<p>Intellectual Property</p>	<ul style="list-style-type: none"> • In order to allow local manufacturers the ability to develop and obtain approval of products, ANMAT has provided multiple avenues of approval of generics or “similar”. ANMAT defines “similar” as follows: <ol style="list-style-type: none"> I. Similar medicinal or pharmaceutical specialty: one that contains the same active pharmaceutical ingredients, the same concentrations, the same pharmaceutical form, same form of administration, same therapeutic indication, and same dosage being equivalent to the reference product and can differ in characteristics such as size, form, excipient components, shelf-life, and primary packaging. II. Similar pharmaceutical form: the one that is found in the same physical form (solid, liquid, gaseous), has the same form of administration and is equivalent to the pharmaceutical form of the reference product. • As ANMAT has a broad definition of what qualifies as a generic and in many cases does not require bioequivalence studies, generic manufacturers may obtain marketing authorizations by submitting a limited registration dossier. • In 2012, the Argentinian National Institute of Industrial Property updated its guidelines on chemical-pharmaceutical patent applications and severely restricted the patentability of certain categories of inventions, including but not limited to formulations, compositions, and use. While these guidelines have been challenged, there have been no rulings as of yet. As a result, the generic market in Argentina continues to grow. • There is no data exclusivity protection for pharmaceuticals in Argentina.
<p>Other Factors</p>	<ul style="list-style-type: none"> • In November 2023, Argentina held general elections and the right-wing libertarian, Javier Milei won and took office on December 10, 2023. The general industrial activity has decreased due to government spending reductions and ongoing recession reducing consumption level specially in retail channel, impacting many sectors including the pharmaceutical market.

COLOMBIA	
Market Size & Population	<ul style="list-style-type: none"> Colombia has the third largest population in LATAM of 52.9 million in 2024 with an estimated USD \$7.0 GDP per capita in 2024.³ According to IQVIA, total sales of pharmaceutical products amounted to USD \$7.2 billion for the twelve-month period ended June, 2024, an increase of 25.8% from the same prior year period¹. The units decreased for the same time period by 8%¹. The sales of pharmaceutical products are projected to achieve CAGR of 8.9% over the five-year period from 2023 to 2028.¹
Healthcare System	<ul style="list-style-type: none"> Universal healthcare system. Social Security System with national healthcare coverage which is regulated by the government through the ministry of health and benefits its citizens by being affiliated to either contributory (private) or subsidized (public) regimes. Healthcare expenditure per capita is low, even when as a % of total GDP remains as one of the highest in Latin America (approximately 9%) and the healthcare system is underfunded. Social reforms are top priority for the government (including to health, labor, pension, tax).
Regulatory Overview	<ul style="list-style-type: none"> Drug approval process overseen by the INVIMA. Regulatory review timeline for a drug approval after a drug dossier is submitted to the Health Agency is between twenty-four (24) to forty-eight (48) months for an Innovative Drug. The drug approval process is similar to the process of more developed nations and involves a pharmacological, pharmaceutical and legal review. Defined regulatory timelines are not usually achieved due to delay in the evaluations by the Health Agency. In order to market a product in Colombia, companies are required to obtain a marketing authorization or health registration, and health authority rarely approve registration of pharmaceutical products submitted with only a Phase 2 study. The review process falls into three different stages that involve pharmacological, pharmaceutical and legal reviews (since 2019 review for all three stages is performed in parallel). Marketing authorizations approved by INVIMA do not require renewal but require to be marketed within 1 year from approval. In 2024, the Health Agency plans to implement more stringent post-marketing oversight of medicines to prevent potential drug shortages and more stringent post approval variations. INVIMA continues to assess new regulations in order to reduce backlog and drug shortages. Data protection for 5 years can be granted for innovative molecules which have demonstrated a considerable effort in its development.
Pricing	<ul style="list-style-type: none"> The NCPMMD oversees pricing by using a dual approach that includes both prices under surveillance and regulated prices. Medicines are categorized based on total sales and Concentration Index ("ICD"), and Relevant Markets are measured based on ICD and pharmaceutical form. The International Reference Price is calculated as the 20th percentile of a basket of 19 countries and was published in May 2024 with the Act 18 of 2024 by the NCPMMD. The number of drugs included under this pricing scheme has been updated in 2024 with the Act 19, however no major inclusions were made. It is expected an annual update of the list of medicines with regulated price will occur in Q2-25. Currently, molecules controlled under the reference pricing system account for ~40% of those prescribed in the country. Drugs that do not fall under the jurisdiction of direct control are priced freely, but under strict surveillance from the government. The ministry of health regularly conducts pricing reviews and may elect to regulate the list price of a product at any point after launch. The Colombian government has published a new pricing policy that may significantly impact the pharmaceutical sector. This new price regulation embeds a methodology enforcing a more strict threshold for International Price reference and including as reference point countries such as India, South Africa, Greece and Italy while excluding those with higher reference prices. Therefore, it is expected that pricing of pharmaceutical products may be impacted.

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<p>Reimbursement</p>	<ul style="list-style-type: none"> • There are two public reimbursement regimes: Contributory and Subsidized. The contributory regime covers employed individuals, pensioners, and retirees and their families; and the subsidized regime covers the unemployed. • This plan is mainly funded through two sources: i) mandatory contribution equivalent to a total of 12.5% of an employee’s income, split between employees of the program (4%) and their employers (8.5%) and ii) general national taxes. • Members of the armed forces, teachers and employees of the state-owned petroleum have their own health services and are defined as special regimes. • Both the contributory and subsidized regimes cover the same healthcare benefits plan. • HMOs receive two main budget allocations to cover healthcare expenses: (1) the HMOs receive a per capita amount ("UPC Budget per capita") (approximately US\$3.12 in 2024, an increase of 12% versus 2023) for each life covered by the HMO to cover the cost of all products that are listed on the Colombian Drug Formulary ("PBS"); and (2) for drugs not covered on the PBS, the HMO must file a request reimbursement • The universal healthcare system allows Colombians to select an affiliation with a health insurance system by choosing one HMO for a monthly contribution which is equal regardless of the HMOs selected. • Only 5% of the population opt for private insurance policies which offer better services. • 97% of total medicines and procedures are funded with the PBS Budget and only 3% of are funded by reimbursement for drugs not on PBS list. Most of Knight's products sold in Colombia are on the PBS list as of February 29, 2024.
<p>Intellectual Property</p>	<ul style="list-style-type: none"> • Patent application reviews take four (4) or five (5) years on average⁹. • Colombia’s primary regulatory agency for drugs, INVIMA, has been known to deny new chemical entity data protection due to minor chemical similarities with previously approved molecules. • There are no specific regulations for pharmaceutical trademarks. • There is a five-year data protection in Colombia for new chemical or biological entities. Generic or biosimilars companies could apply for market approval for new chemical or biologic entities but would have to provide their own safety and efficacy studies for license to be granted by INVIMA. • The new government is pro-generics and has been promoting reforms to support national industry and eliminate data protection.
<p>Other Factors</p>	<ul style="list-style-type: none"> • The Financial volatility is leading to increased access barriers and the implementation of cost containment initiatives such as Reverse Tenders, and Centralized Purchases. • The Government declared that additional resources should be directed towards hospitals and Health service delivery institutions ("IPS") • The Government’s Political Programs as opposed to HMOs are based on the “Social Justice Concept”, focusing on underprivileged or rural regions. This means the underprivileged regions, where infrastructure and attention is not optimal, will be their top priority . • Government has committed to increase flow of financial resources to the remote regions.

MEXICO	
Market Size & Population	<ul style="list-style-type: none"> In 2024, Mexico had a population of 131 million and is the second largest market in Latin America in the pharmaceutical industry, and is a major producer of high-tech medicines, including antibiotics, anti-inflammatories, and cancer treatments, among others. The healthcare sector represents about 6% of total GDP. GDP per capita is estimated at US\$14.0 in 2024³. According to IQVIA, total sales of pharmaceutical products amounted to USD \$18.3 billion for the twelve-month period ended December, 2024, an increase of 3% from the same prior year period¹. The units decreased for the same time period by 1%¹. The pharmaceutical market in Mexico is valued at approximately US\$ 18.9 billion, with Generic Drugs representing 85% of the volume in units. The pharmaceutical industry in Mexico measured in values is made up of 75% patented medicines, 12% generic medicines and 13% non-prescription medicines. The Sales of pharmaceutical products are projected to achieve a CAGR of 7.4% over the five-year period from 2023 to 2028¹.
Healthcare System	<ul style="list-style-type: none"> Dual healthcare system (i.e. public and private). Public system operates through social security (open to all who are employed and their families) and covers patients for most of the services and prescription drugs (mostly price driven generics). Unemployed and self-employed population's basic healthcare is covered by the Instituto Mexicano del Seguro Social ("IMSS") that need to pay an annual premium. Private system operates through out-of-pocket and private insurance. 88% of the population is treated in the public system and only 12% in private institutions. Mexico has relatively low expenditure in healthcare (the government allocates 11% of its public expenditure to healthcare, representing 2.9% of its GDP) and is lagging other LATAM countries with respect to government spending.
Regulatory Overview	<ul style="list-style-type: none"> The Ministry of Health of Mexico has mandated the Federal Commission for Protection against Sanitary Risks ("COFEPRIS") to be the agency to manage the framework in relation to drugs, biologics and medical devices. COFEPRIS implements the General Health Law and its Regulations which are supplemented by Guidelines and Official Norms issued by COFEPRIS. Regulatory review timeline for a new drug approval after a drug dossier is submitted to the Health Agency takes between eighteen (18) to twenty-four (24) months. The drug approval process is similar to the process of more developed nations and involves a pharmacological, pharmaceutical and legal review. New molecules require committee approval prior to the marketing authorization application. Defined regulatory timelines are not usually achieved due to delay in the evaluations by the Health Agency. Marketing authorizations are granted for a period of five (5) years for non-orphan drugs and two (2) years for orphan drugs. Pharmaceutical companies must provide compliance with good manufacturing practices, safety and efficacy standards, pharmacovigilance, labelling standards and other provisions at each renewal. Non orphan synthetic drugs require local testing In 2024, COFEPRIS proposed variations to the GMP regulation for biological products, where depending on the country of origin, the local testing could be waived. COFEPRIS is actively working on regulations to simplify the registration requirements for medicines already approved by recognized agencies. In 2024, COFEPRIS issued a regulation for CTD (common technical document) format adoption, with a grace period until 2026. According to COFEPRIS regulations, only companies which have manufacturing sites can be the marketing authorization holders of any pharmaceutical product.
Pricing	<ul style="list-style-type: none"> There is no price regulation and for public institutions, price is determined by the market. In the public system, once the drug is added to a National Formulary Code (CNIS), pricing is determined by the institutional agreement between manufacturers and payers for patented drugs and tenders for generics. In mid-2020, the government signed an agreement with United Nations Office for Project Services to support government purchases. The INSABI was the coordinator for the purchasing process in 2021-2022, and as of 2023 this changed to IMSS Bienestar.

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<p>Reimbursement</p>	<ul style="list-style-type: none"> • In Mexico’s public health system, the federal and state governments are the main payers. • The major segments of the public Mexican healthcare system are: <ol style="list-style-type: none"> I. IMSS Bienestar, which represents social security for the self-employed and employees in private companies; II. Institute of Social Security for State Workers; III. IMSS Bienestar, which replaced INSABI, was created to cover people with lower incomes and provide a public insurance scheme for those not covered by social security and other formal arrangements. IV. In addition to the above systems, certain specific sectors, such as military (SEDENA), Navy Secretary (SEMAR) and Mexican Petroleum Company (PEMEX, state-owned) employees have their own social security system. • The private sector includes independently operated health plans and hospitals. Major private-sector providers in Mexico include GNP, AXA, and MetLife. • The private and public sectors function separately, and reimbursement and pricing decisions are made independently.
<p>Intellectual Property</p>	<ul style="list-style-type: none"> • Patents and trademarks are regulated by Mexican Intellectual Property Office ("IMPI"). • IMPI grants patents protecting compounds, formulations, uses and manufacturing processes for medicines. There is a linkage system between COFEPRIS and IMPI, the objective of which is to prevent granting marketing authorization in violation of exclusivity rights. • On November 30, 2018, the U.S., Mexico, and Canada signed the USMCA agreement, an update of the North American Free Trade Agreement created in 1994. USMCA includes a detailed section about data protection. • In connection with data protection terms under the USMCA, Mexico has agreed to extend the term for data protection of new agricultural chemical products, new pharmaceutical products, new indications and biologics from the current five (5) years of data exclusivity to ten (10) years of data exclusivity. • USMCA has a specific section establishing that parties should not permit generic manufacturers referencing undisclosed test or other data concerning safety and efficacy of new pharmaceutical products for at least ten (10) years from the date marketing approval was first granted.
<p>Other Factors</p>	<ul style="list-style-type: none"> • Recent changes in COFEPRIS administrative staff and policies have slowed down approval timelines and have led to delays in import and renewal of pharmaceutical products. • On May 30, 2023, INSABI was abolished and replaced with IMSS Bienestar. IMSS Bienestar will start coordinating centralized tenders in 2025. • Mexico held the Presidential election in June, 2024 and the new government from the same political party took office in October 2024. A new COFEPRIS Commissioner was elected on October 2024

CHILE	
Market Size & Population	<ul style="list-style-type: none"> In 2024, Chile had a population of 19.8 million, with a GDP per capita of US\$ 16.4³. Chile's pharmaceutical market is fragmented whereby, the top 20 companies account for 26% of new drug registrations. According to IQVIA, total sales of pharmaceutical products amounted to USD \$3.3 billion for the twelve-month period ended December, 2024, an increase of 0.3% from the same prior year period¹. The units decreased for the same time period by 1%¹. The sales of pharmaceutical products are projected to achieve CAGR of 4.7% over the five-year period from 2023 to 2028.
Healthcare System	<ul style="list-style-type: none"> Dual (public and private) healthcare system which cover separate populations and distinct areas of care. Public and private systems cover 81% and 19% of the population, respectively. The public health system does not provide formal universal coverage; however, reforms and increased prevalence of private coverage have resulted in somewhat effective universal coverage for primary care with some level of copayment. The coverage gaps across both private and public systems remain, particularly impacting the most disadvantaged segments of the population.
Regulatory Overview	<ul style="list-style-type: none"> The application of Healthcare License which allows companies to import or manufacture pharmaceutical products is reviewed and approved by the Public Health Institute. The regulatory review timeline takes between six (6) to twelve (12) months for an innovative synthetic drug; and six (6) months for a Generic Drug; and, twenty for (24) months for biologics. The applicant is required to submit safety and efficacy data, including full preclinical and clinical studies. In case of generics, the applicant can go through a simplified procedure for registration of pharmaceutical products and may be required to demonstrate bioequivalence. Recent regulations encourage companies to demonstrate bioequivalence on their products, even when it is not formally required. In 2024, ISP issued a new regulation for biologic products, where companies can ask for reliance on clinical information if the product was approved by a recognized agency. Once granted, the marketing authorization is valid for a period of five (5) years and can be renewed for equal and successive periods.
Pricing	<ul style="list-style-type: none"> Chile has an unregulated, free market-based pricing model. Therefore, the average prices of patented products as well as branded generics are one of the highest in the LATAM region which impacts the drug coverage and may hinder patient access to treatments. As a result, the Health Authority is starting to request prices from other markets to have as a reference when it evaluates potential drug coverage.
Reimbursement	<ul style="list-style-type: none"> Healthcare system is primarily structured by a mandatory medical coverage. This coverage is financed by health insurance contributions paid to the providers of healthcare insurance, a public entity (FONASA) which covers ~80% of the population or a private entity (ISAPRE). All workers and self-employed individuals are required to contribute a certain percentage of their monthly wages into either a private or a public plan. There is a benefit basket under the public health system in Chile, applicable to all Chileans, whether covered by FONASA or ISAPREs, and is guaranteed by the law. The law provides for minimum medical coverage and the additional features depend on the health institution and the health plan chosen by each individual. The "Garantías Explicitas en Salud", with a copayment, guarantees coverage around access, quality, timeliness and financial protection in 87 pathologies. Current legislation also defines universal coverage for high treatment drugs in 27 specific pathologies. These two programs are expected to be reviewed/updated every three (3) years.
Intellectual Property	<ul style="list-style-type: none"> IP regulations are unfavourable for manufacturers of patented drugs. Chile does not allow for the filing of "use" patents on new indications if that molecule is included as an active ingredient in any product that has already been approved for sale domestically. For products to qualify for data protection they must be launched within twelve (12) months after the date of first approval in any market. The data exclusivity protection for new molecules lasts five (5) years. Consequently, local generic manufacturers often capitalize on this rule to launch generic versions of drugs not patented in Chile that exceeded this twelve (12) month timeframe.

Other Factors

- To date, no announcements have been made on health reforms, but the government has allocated additional resources to address high social pressures in health and education. In the health reforms, possible changes could include:
 - o single universal health system (HMOs to offer only complementary insurance);
 - o regulation to the pharmaceutical industry through the Drug Law 2, where potential provisions include the regulation of the relationship between the industry and HCPs, mandatory prescription under the International Nonproprietary Names, maximum selling price for drugs, full bioequivalence requirements for non-innovative products, among others;
 - o potential merge of various agencies that are insolvent;
 - o likely new structure for the Health technology assessment body to support decision making in public health and funding.

PERU	
Market Size & Population	<ul style="list-style-type: none"> Peru is the fourth most populous country in Latin America with a population of 34.2 million. Peru's GDP per capita is estimated at US\$ 6.6 in 2024³. According to IQVIA, total sales of pharmaceutical products amounted to USD \$2.0 billion for the twelve-month period ended December, 2024, an increase of 2.3% from the same prior year period¹. The sales of pharmaceutical products are projected to achieve CAGR of 2.7% over the five-year period from 2023 to 2028¹.
Healthcare System	<ul style="list-style-type: none"> Peru has a decentralized healthcare system administered by the following entities: <ol style="list-style-type: none"> Ministry of Health (MINSU), which provides health services for 57% of the population; EsSalud, which provides for 31% of the population; and Armed Forces (FFAA), National Police (PNP), and the private sector together provide services to the remaining 11%. Private Sector: There is high penetration for new molecules and product lines due to easier access compared to public section. Public Sector: Access is significantly more complicated, especially for innovative treatments and high-priced products. The government is promoting generic products to secure affordable prices and raise public awareness that generics are equivalent to brand-name products. The healthcare system consists of several service and insurance providers, who often provide overlapping coverage and services with little coordination. Healthcare workers often work several jobs in multiple subsectors.
Regulatory Overview	<ul style="list-style-type: none"> Drugs, biologics and medical devices are regulated by the DIGEMID. To manufacture or import a pharmaceutical product, a company must obtain a healthcare registration. Marketing authorizations are valid for five (5) years after which they can be renewed, starting one (1) year before their expiration date. The renewal process requires submission of all the documents submitted for initial registration except for studies supporting the efficacy and safety of the product. Regulatory review timeline for a drug approval after a drug dossier is submitted to the Health Agency generally takes between twelve (12) to eighteen (18) months. To import, register, renew and make changes in the healthcare registration of a pharmaceutical product, the GMP certificate issued by DIGEMID is required, with the exception of those manufactured in High Vigilance Countries (France, Netherlands, UK, USA, Canada, Japan, Switzerland, Germany, Spain, Australia, Denmark, Italy, Norway, Belgium, Sweden, Republic of Korea, Portugal, Ireland, Hungary and Austria). Pharmaceutical establishments to import, storage and distribute pharmaceutical products must be certified in Good Storage Practices, Good Distribution and Transportation Practices and Good Pharmacovigilance Practices approved by DIGEMID. Since 2023, new regulation was introduced for the treatment of rare or orphan diseases, which specifies that pharmaceutical products that have registration, approval, authorization certificate, including products for oncology, issued in High Vigilance Countries will obtain the healthcare registration without further technical requirements. It is currently under discussion in Congress. Marketing authorizations cannot be held by a foreign company.
Pricing	<ul style="list-style-type: none"> Prices of pharmaceutical products are not regulated but each company is required to report the retail prices to DIGEMID's Price Observatory which are disclosed in a public database that allows consumers to compare prices.
Intellectual Property	<ul style="list-style-type: none"> Patent and trademarks are regulated by the National Institute for the Defense of Competition and Intellectual Property. A patent application must comply with three basic requirements which include novelty, inventive level, and industrial application. Foreign patents are recognized under the Patent Cooperation Treaty and Paris agreement granting a total of thirty (30) months for a patent application.
Other Factors	<ul style="list-style-type: none"> Peru's political instability and policy paralysis have weakened its governance, which pose risks to its economy.

¹ IQVIA; retail and non-retail sales in local currency. Non-retail market is not fully captured for some countries.

² Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2018005-eng.htm>

³ International Monetary Fund; https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEO_WORLD

⁴ Canadian Institute for Health Information

⁵ International Trade Administration: <https://www.trade.gov/country-commercial-guides>

⁶ Instituto De Estudios De Saude Suplementar : <https://iessdata.iess.org.br/dados/bmh>

⁷ Portal da Transparência: <https://portaldatransparencia.gov.br/funcoes/10-saude?ano=2023>

⁸ ANVISA: <http://antigo.anvisa.gov.br/en/english>

⁹ Ministerio de Ciencia y Tecnología: <https://divulgacion.minciencias.gov.co/aprende/innovacion/patentar-en-colombia>

Environmental Matters

Knight operates three (3) manufacturing facilities and a research and development facility and also operates laboratories in Argentina and in Brazil. The facilities in Argentina and Brazil are subject to a variety of environmental, health, and safety laws and regulations at the federal, state or provincial, and municipal levels. These laws and regulations govern, among other things, air emissions, wastewater discharges, the use, handling, and disposal of hazardous substances and wastes, soil and groundwater contamination, and employee health and safety. Knight's manufacturing facilities use, in varying degrees, hazardous substances in their processes. In the event of the discovery of previously unknown contamination at these facilities, Knight may be required to take additional, unplanned remedial measures and potentially fines, closures or suspension.

THE CORPORATION'S STRATEGY

Knight intends to continue its growth and become a prominent specialty pharmaceutical company in select therapeutic fields, in Canada and Latin America as well as select international markets. Knight's strategy is to be the pan-American (ex-US) partner of choice. Knight aims to enter into long-term agreements with its licensors in order to ensure that the Corporation will have long term benefit of its commercial investments. Knight believes that this can be accomplished through targeted promotion of certain products and through the acquisition of additional specialty pharmaceutical and other products in Canada, Latin America and in select international markets. Knight has demonstrated and continues to believe that there are opportunities to obtain sales and marketing rights to products in the fields and territories that are of interest to Knight.

Growth Strategy

On November 29, 2019, Knight successfully executed on its rest of the world strategy by acquiring a controlling stake in GBT from shareholder group that included Advent International and Essex Woodlands, among others. With this acquisition Knight gained access to established Latin American growth platform with a footprint across 10 Latin American countries.

With the acquisition of GBT, Knight's product licensing efforts are focused on identifying potential products and companies that fit within its existing platform, pan-American (ex-US). Knight may look at rights for select areas such as the Middle East / North Africa, Australia, Sub-Saharan Africa, Asia/Pacific and other countries excluding the U.S., Western Europe, Japan and China. The Company's priority is to leverage its existing infrastructure in LATAM and Canada by pursuing multiple avenues of growth that will further strengthen its platform and position Knight as a key player in the pan-American (ex-US) pharmaceutical market. The Company is pursuing a three-pronged strategy to build its product portfolio.

1. Acquisition of products, portfolios and companies

Knight is pursuing the acquisition of innovative products or other specialty pharmaceutical companies, including portfolios that have been launched and marketed primarily by large pharmaceutical companies for a number of years. The acquisition of legacy products from global pharmaceutical companies is accretive to Knight's profitability and represents an opportunity to build a portfolio of owned assets with valuable and well-established brands.

The acquisition of Exelon[®], completed during 2021, is an example of the execution of this strategy. On May 26, 2021, the Company entered into an agreement with Novartis to acquire the exclusive rights to manufacture, market and sell Exelon[®], in Canada and Latin America as well as an exclusive license to use the intellectual property and the Exelon[®] trademark, from Novartis within those territories. Exelon[®] is a prescription product that was first approved in 1997 and is currently registered and sold in approximately 90 countries. Exelon[®] is indicated

for the symptomatic treatment of mild to moderately severe dementia in people with Alzheimer's disease. The product was acquired for a total cash consideration of \$217,331 (US\$ \$180 million).

Knight currently owns the Canadian and Latin American rights to Exelon®, the worldwide rights of Impavido® and the worldwide (excluding U.S.) rights to Neuragen®. Knight is continuing to pursue out-licensing opportunities for Impavido® and Neuragen® in other jurisdictions.

On March 11, 2025, Knight announced it had entered into a definitive Asset Purchase Agreement with Endo and Paladin, to acquire the assets used by the Sellers to conduct their international pharmaceuticals business, which is primarily operated through Canada-based specialty pharmaceutical company Paladin. Upon closing, Knight will make an upfront payment of \$120,000 in cash, including inventory valued at \$20,000. In addition, Knight may pay future contingent payments of up to US\$15,000 upon achieving certain sales milestones. The closing of the transaction is subject to the satisfaction of customary regulatory approvals including anti-trust clearance in Canada and is expected to occur in the middle of 2025. The acquisition of Paladin's assets adds critical mass and expands the size of the Company's business in Canada while adding a portfolio of cash flow generating products that will help fund Knights' growth in Canada and Latin America.

The Company is also pursuing bolt-on corporate acquisitions in certain key markets that would further optimize its platform including footprint, capabilities, and portfolio.

2. In-licensing of innovative products

The Company is pursuing the in-licensing of innovative late-stage products in its key therapeutic areas that include oncology/hematology, infectious diseases, immunology, gastrointestinal and neurology. In addition, the Company remains open to considering the in-licensing of products in other specialty areas where the Company believes there may be an attractive market opportunity. The in-licensing strategy represents future growth opportunities as the Company launches innovative and unique treatments across its markets.

The following are examples of the execution of this strategy via in-licensing:

- The in-licensing of tafasitamab and pemigatinib from Incyte. On September 22, 2021, Knight entered into a definitive agreement with Incyte for the exclusive rights to distribute tafasitamab (sold as Monjuvi® in the U.S. and Minjuvi® in Europe) and pemigatinib (Pemazyre®) for Latin America. Under the terms of the agreement Knight is responsible for seeking the necessary regulatory approvals and distributing both products in Latin America.
- The in-licensing of Akynzeo® and Aloxi® oral/IV. In May 2022, Knight entered into an exclusive license, distribution and supply agreement for Akynzeo® oral/IV (netupitant/palonosetron / fosnetupitant/palonosetron) in Canada, Brazil, Argentina, Uruguay and Paraguay, and Aloxi® oral/IV (palonosetron) in Canada. Under the terms of the agreement, Knight has the exclusive right to distribute, promote, market and sell the products in the licensed territories and began commercializing these products in Brazil, Argentina and Canada in the second half of 2022. In addition, In January 2025 Knight expanded its relationship with Helsinn with the in-licensing of the exclusive rights to distribute, and commercialize Onicit® in Mexico, Brazil and select LATAM countries, where it is approved and marketed. Knight expects to assume commercial activities for Onicit® in Brazil and Mexico in 1st half of 2025. Onicit® is marketed under the trademark Aloxi® in Canada.
- The in-licensing of Qelbree™. In December 2023, Knight entered into an exclusive license agreement with Supernus Pharmaceuticals, Inc. for exclusive rights to seek regulatory approval and commercialization of Qelbree™, an extended-release formulation of viloxazine, a multimodal serotonergic and norepinephrine modulating agent, a nonstimulant medication for the treatment of ADHD, in Canada.
- The in-licensing of Crexont®. In January 2024, Knight entered into an exclusive license agreement with Amneal Pharmaceuticals, Inc. for exclusive rights to seek regulatory approval and commercialize Crexont®, an oral formulation of carbidopa/levodopa extended-release capsule designed for the treatment of

Parkinson's disease, in Canada and Latin America.

- The in-licensing of Jornay PM™. In May 2024, Knight entered into an exclusive supply and distribution agreement with Ironshore Pharmaceuticals & Development, Inc., a wholly owned subsidiary of Ironshore Therapeutics, Inc., for the rights to seek regulatory approval and commercialize Jornay PM™, an extended-release formulation of methylphenidate, a stimulant medication for the treatment of Attention-Deficit Hyperactivity Disorder (ADHD), in Canada and Latin America.

These transactions demonstrate the unique proposition that Knight provides potential license partners.

3. Development & in-licensing of branded generic products

In certain developing countries, including Latin America, health regulations allow for generic products to be commercialized with a brand name. Competitors in the branded generic industry strive to be first to market in order to gain the most market share before new entrants arrive.

The Company's branded generic development efforts include:

- (1) internal development of branded generics for Argentina and other LATAM markets excluding Brazil and Mexico; and
- (2) in-licensing of branded generics for LATAM markets including Brazil and Mexico.

With respect to internal development of branded generics, Knight's focus is to develop new branded generic products for Argentina as well as certain other Latin American markets. The development process of a branded generic product is expected to be between 20-36 months depending on the complexity of the drug and whether a Bioequivalence study is required.

The Company has three different manufacturing sites with the following regulatory approval status:

- HIV/General Solid/Respiratory Plant: ANMAT approved;
- Oncology Oral Solid Plant: ANMAT, DIGEMID and INVIMA approved; and
- Oncology Liquid & Sterile Injectable Plant Oncology: ANMAT and DIGEMID approved.

The ANMAT approval allows the Corporation to submit for regulatory approval, manufacture in Argentina and commercialization of the pharmaceutical products in Uruguay, Bolivia, Paraguay, Ecuador, Chile and certain markets in Central America. The DIGEMID and INVIMA licenses are required for the commercialization of products manufactured in Argentina in Peru and Colombia, respectively.

In addition to internal development, the Corporation is expanding its branded generics portfolio through an in-licensing strategy. Since 2021, the Company has licensed five branded generic products, for certain LATAM countries, including Brazil, Mexico and Colombia, which are in various stages of development. For in-licensed branded generics, typically, Knight will own the marketing authorization and the trademark while supply of the drug will be provided by the licensor. Under Knight's license agreements for branded generic products Knight may be required to conduct certain quality or bioequivalence studies for its territories prior to regulatory submission.

For the fiscal year ended December 31, 2024, the revenues from our branded generic portfolio is approximately 14% of the total revenues of the Corporation.

Developing and Acquiring Late-Stage Pharmaceuticals

Knight maintains an active program to identify potential products for development, acquisition or licensing. In addition, the Company pursues opportunities to in-license late-stage products from biotech companies. Knight

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focuses on already marketed (in US or Europe) or late-stage development products in order to mitigate clinical, regulatory and commercial risks. Such products generally have passed safety and toxicity testing and have demonstrated at least preliminary efficacy in humans. This allows Knight to concentrate on developing competencies in regulatory affairs, market access, and sales and marketing. Although Knight's focus is on late-stage products, the Corporation may nonetheless acquire the rights to earlier stage products through partnerships derived from its life sciences fund strategy and secured lending. For example, Knight's agreement with Triumvira is a strategic lending strategy through a secured debt and as further consideration, the Company received the exclusive license to commercialize Triumvira's future products for Canada, Israel, Mexico, Colombia and for TAC01-CD19 for Israel, Mexico, Brazil and Colombia if certain conditions are met.

The Company is actively pursuing product acquisitions that may require substantial capital resources. Presently, there are no open offers on agreements or commitments with respect to any such acquisitions. There is no assurance that the Company will successfully complete any of these potential product acquisitions.

Knight uses a number of internal and external sources to identify products potential acquisition targets, evaluate their scientific and clinical viability, and estimate their commercial potential. The Company's acquisitions strategy involves both its internal business development efforts and, to a lesser extent, the assistance of consultants. Once identified, each product undergoes scientific, clinical and commercial screens to further evaluate its fit within Knight's product portfolio and the likelihood of its future success.

The criteria used for screening development, acquisition, or in-licensing product opportunities are as follows:

Criteria	Description
Financial return	The expected return should reflect the inherent clinical, regulatory and commercial risks involved, with late-stage development products generally requiring a higher expected return than products with existing sales.
Stage of development	Knight will take on commercialization risk, not clinical research risk on innovative products, and as a result selects later-stage products.
Required investment	Knight aims to minimize its up-front payments for product rights and target projects that, in the event of failure, will not materially affect the results of the Company. The Company may minimize the up-front payment through an equity investment in or secured loan to the licensor.
Market differentiation	The product should be differentiated from existing marketed pharmaceuticals by providing superior safety, efficacy, or pharmacoeconomic value.
Economies of scope	The product should generally be marketable through Knight's existing or developing sales channels or fit within select countries identified as growth and value opportunities in Knight's geographic expansion and, unless the product will be profitable on its own at the outset or provide the foundation for a new product area with a clear path to profitability, must complement or supplement Knight's existing products.

Commercial Strategy

Focusing on Specialty Therapeutic Fields

The Corporation's focus is to market and sell licensed innovative products in Canada, LATAM and select international markets and engage in development, manufacturing and marketing of specialty pharmaceutical branded generic products in LATAM. The Company's business model focuses on therapeutic areas covering oncology and hematology, infectious diseases, and other specialty areas where the Company believes that there is a market opportunity. Knight is mostly focused on those therapeutic fields where a relatively small number of general practitioners or specialist physicians account for the majority of prescriptions written. This will allow Knight to use a relatively small salesforce to target these physicians and to acquire market share.

This targeted approach may be used for all of Knight's current innovative pharmaceutical products and is a determinant of whether Knight will enter a new therapeutic area or add a new product. For example, Knight's strategy for the Canadian commercialization of Ibsrela® is to promote it to 1,500 physicians who represent 18% of IBS-C prescribers but, more importantly, represent approximately 65% of IBS-C prescriptions. This contrasts with products which are more broadly prescribed, for example, by approximately 44,500 general practitioners in Canada.

Leveraging Specialized Sales and Marketing Infrastructure

Knight's strategy is to grow its drug portfolio and develop sales and marketing expertise within specialty therapeutic fields where it is currently active (i.e. commercial or near-commercial products). Knight remains committed to maintaining its focus on commercial expertise and specialty focus in specific countries and aims to strengthen its presence in areas such as oncology/hematology, infectious diseases, immunology, gastrointestinal and neurology. This allows Knight to continue to build on its strategic relationships with prescribing physicians and industry contacts. Knight remains open to considering in-licensing of products in other specialty areas where the Company believes that there may be an attractive market opportunity.

Outsourcing of Select Functions

To reduce overhead, control expenses and maintain flexibility, the Corporation contracts with various third parties for a number of business activities, including but not limited to:

- select administrative services;
- laboratory studies, where permitted;
- warehousing and logistic services;
- select pharmacovigilance activities;
- select product manufacturing; and
- select selling services.

By using contract manufacturers to produce its current products (excluding the majority of currently marketed branded generic products), which require relatively small and infrequent production runs, Knight controls its investment in capital and avoids the risks involved in manufacturing.

With the acquisition of GBT, the majority of the branded generic products are manufactured at plants owned by the Company. Knight will continue to assess whether it is more cost effective to manufacture in our own facilities or to outsource production, taking into account not only the costs but supplier reliability and local import

regulations. In addition, Brazilian and Argentinian regulations require pharmaceutical companies to establish their own laboratories for the testing and release of all products in their respective markets.

With the acquisition of GBT, Knight is considering which activities may be more efficient to conduct internally as we are conducting the same activity in multiple regions or due to the lower costs of certain activities in specific countries in Latin America.

Strategic Lending to Life Sciences Companies

Knight lends capital on a secured basis to life sciences companies located in various geographic markets. Typically, loans have low to mid-teens interest rates, are secured and may come with additional consideration to the Corporation such as fees and/or equity consideration. Furthermore, the loans often include product rights or options for Canada and select international markets. By offering these loans, Knight not only strengthen its ties within the life sciences industry and, in doing so, help to secure product rights either directly or indirectly basis. To date, Knight's strategic lending strategy has led to two commercial assets (i.e. Neuragen® and Synergy family of products) as well as a number of early stage pipeline products including the recent in-licensing rights of select Triumvira's future products for certain countries.

Neglected Tropical Diseases and Rare Pediatric Diseases

Knight's strategy includes investing in treatments and cures for neglected tropical diseases and rare pediatric diseases. This strategy not only aims to generate revenue from the sale of pharmaceutical products for these diseases, but may also provide a beneficial interest in future priority review vouchers ("PRVs").

Knight International acquired the worldwide rights to Impavido® as part of its business separation agreement with Paladin. Impavido® is an oral treatment for leishmaniasis, a tropical disease which affects up to 12 million people globally. Knight International engaged in development activities and, through its US affiliate, submitted Impavido® to the FDA for approval. In March 2014, Impavido® was approved in the U.S. by the FDA for the treatment of cutaneous, mucosal and visceral leishmaniasis. With the approval of Impavido® by the FDA, Knight USA was granted a PRV on behalf of its beneficial owner, Knight International. This PRV was sold by Knight International on November 19, 2014 for US\$125,000 to Gilead Sciences, Inc. On September 28, 2015, Knight International appointed Profounda as its commercialization partner for the U.S. Profounda launched Impavido® in the U.S. in March 2016. Knight International is currently looking for commercialization partners in other jurisdictions.

In addition, Knight International started a strategic financing relationship with 60P in December 2015. As part of the agreement, Knight International obtained the commercial rights for all of 60P's products in Canada and select international markets and select products in LATAM. Knight has advanced a total of US\$11,395 to 60P which was used for the development of tafenoquine for the prevention of malaria as well as for the regulatory submission of Arakoda™ to the FDA. On Aug 9, 2018, Arakoda™ was approved in the US by the FDA for the prophylaxis of malaria in patients aged 18 years and older.

BUSINESS OF THE CORPORATION

Knight is a pharmaceutical company which acquires, in-licenses, out-licenses, develops, markets and sells products in Canada, Latin America and in select international markets. Knight’s business activities include the following:

Pharmaceutical Products	<ul style="list-style-type: none"> • Acquiring or in-licensing the sales and marketing rights to pharmaceutical products • Developing, manufacturing, selling and marketing pharmaceutical products including branded generics • Developing innovative pharmaceuticals to treat neglected tropical diseases and rare pediatric diseases • Acquiring pharmaceutical products from pharmaceutical companies • Partnering, co-promoting and/or out-licensing pharmaceutical products • Launching and marketing innovative pharmaceutical products to prescribing physicians through a direct sales force or a contract sales organization, journal advertisements, continuing medical education materials and sponsorship • Making regulatory submissions to government agencies seeking approval to market clinically-tested therapeutics • Submitting applications to national bodies, provincial and private payers to approve pricing and reimbursement for product
Strategic Investments	<ul style="list-style-type: none"> • Pursuing acquisitions and, or making equity investments in specialty pharmaceutical businesses in Canada and select international markets • Financing life science companies in Canada and internationally in order to in-license innovative pharmaceutical products

Sources of Product Opportunities

The Corporation believes that the current industry dynamics have created a number of opportunities for a specialty pharmaceutical company to acquire or license pharmaceutical products to market and distribute profitably. Knight’s strategy is to be the pan-American (ex-US) partner of choice. Knight aims to enter into long-term agreements with its licensors in order to ensure that the Corporation will have long term benefit of its commercial investments. These opportunities can be categorized in the following manner:

Multinational Pharmaceutical Companies - The Corporation believes that pharmaceutical companies are continuing to focus on drugs with high sales potential that can significantly impact their profitability. As a result, many multinational pharmaceutical companies have products that, despite the opportunity for growth, receive little or no promotion. Knight seeks to either acquire these products outright or offer these companies a means of sharing in the financial benefits of Knight’s direct sales and marketing.

Regional Pharmaceutical Companies - U.S. and European specialty pharmaceutical companies or maturing biotech firms that choose to market proprietary products in their respective territories on their own generally do not have the sales and marketing capability to market their products in Canada or Latin America. The Corporation believes that Knight offers a good strategic fit for other specialty pharmaceutical companies without a presence in Canada or Latin America and seeks to represent such companies in these regions.

Emerging Biotech Companies - According to PhRMA, there are more than 8,000 medicines in clinical development globally, all of which have the potential to help patients around the world. When negotiating with a multinational pharmaceutical company, Canadian and LATAM distribution rights are not always prioritized. By carving out these territories through a license agreement with a corporation such as Knight, a biotech company stands to gain

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additional value as a means of defraying the cost of research and development. In addition, Knight is able to in-license a broader territory and provide more value as opposed to country only license agreements.

Moreover, many emerging biotech companies wish to control and/or actively participate in the commercialization of their products in the U.S or Europe. The Corporation believes that such companies may not have the resources to work internationally and are more inclined to sign regional distribution deals for smaller markets such as Canada and LATAM as well as select international markets. Through its contacts with biotech companies and the venture capital community, the Corporation is made aware of opportunities to acquire the Canadian and other geographical licensing rights to innovative products.

Additionally, the Corporation may support the financing of biotech companies to acquire later stage products. This includes investing in life sciences venture capital funds, lending on a secured basis to life sciences companies and supporting the development of pharmaceutical products for neglected tropical diseases and rare pediatric diseases. The Corporation is no longer investing into venture capital funds, beyond already committed capital.

Branded generics - The market for branded generics in LATAM is highly competitive and well-funded by several large local and multinational companies. The key to success in branded generic industry is to be one of the first on the market and to build a Company's reputation around quality and reliability. The infrastructure in Argentina which consists of research and development, and manufacturing facilities, enables the Corporation to develop and launch several products in the key therapeutic areas in Argentina and certain markets in Latin America. In addition to in-house development, the Corporation, in-licenses branded generic products for its key therapeutic areas for Latin America. The in-licensing strategy allows the Corporation to gain access to the branded generics markets of both Brazil and Mexico by partnering with companies whose manufacturing sites are ANVISA and/or COFEPRIS approved.

Based upon business conditions, Knight's financial strength and other factors, Knight regularly re-examines its business strategies and may change them at any time as circumstances warrant.

Knight's Product Portfolio

The Company's focus is to in license, develop, manufacture, market and sell pharmaceutical products in Latin America and Canada, as well as select international markets. The Corporation's business model focuses on innovative and branded generics pharmaceutical products in therapeutic areas covering oncology and hematology, infectious disease, and other specialty therapeutic areas.

Knight expects to expand its product portfolio within existing therapeutic fields in Canada and LATAM and intends to leverage its expertise in specialty sales and marketing, branded generic development, product acquisition and in-licensing to gain a competitive advantage in delivering pharmaceutical products to the marketplace, thereby decreasing scientific risks, long development timelines and high development costs. In addition, Knight's wholly owned subsidiary, Knight Therapeutics International S.A., develops innovative pharmaceuticals including those used to treat neglected tropical diseases and rare pediatric diseases.

The Company's priority is to leverage its existing infrastructure in LATAM and Canada by pursuing multiple avenues of growth that will further strengthen its platform and position Knight as a key player in the pan-American (ex-US) pharmaceutical market. The Company is pursuing a three-pronged strategy to build its product portfolio.

1. Acquisition of products, portfolios and companies

Knight is pursuing the acquisition of innovative products including portfolios that have been launched and marketed primarily by large pharmaceutical companies or other specialty pharmaceutical companies for a number of years. The acquisition of legacy products from global pharmaceutical companies is accretive to Knight's profitability and represents an opportunity to build a portfolio of owned assets with valuable and well-established brands. The Company is also pursuing bolt-on corporate acquisitions in certain key markets that would further optimize its platform including footprint, capabilities, and portfolio.

The following are examples of the execution of this strategy via acquisition:

Date	Product	Description
Q1-14	Impavido®	Worldwide rights to Impavido® as part of its business separation agreement with Paladin Labs Inc.
Q4-19	—	Controlling stake of 51.2% in Grupo Biotoscana
Q3-20	—	Acquired remaining public float for a 100% acquisition of Grupo Biotoscana
Q2-21	Exelon®	Exclusive rights to manufacture, market and sell Exelon® in Canada and Latin America

Subsequent to the year-end, Knight entered into a definitive Asset Purchase Agreement with Endo and Paladin, to acquire the assets used by the Sellers to conduct their international pharmaceuticals business, which is primarily operated through Canada-based specialty pharmaceutical company Paladin. Upon closing, Knight will make an upfront payment of \$120,000 in cash, including inventory valued at \$20,000. In addition, Knight may pay future contingent payments of up to US\$15,000 upon achieving certain sales milestones. The closing of the transaction is subject to the satisfaction of customary regulatory approvals including anti-trust clearance in Canada and is expected to occur in the middle of 2025. The acquisition of Paladin's assets adds critical mass and expands the size of the Company's business in Canada while adding a portfolio of cash flow generating products that will help fund Knights' growth in Canada and Latin America.

2. In-licensing of innovative products

The Company is pursuing the in-licensing of innovative late-stage products in its key therapeutic areas that include oncology/hematology, infectious disease, immunology, gastrointestinal and neurology. In addition, the Company remains open to considering the in-licensing of products in other specialty areas where the Company believes there may be an attractive market opportunity. The in-licensing strategy represents future growth opportunities as the Company launches innovative and unique treatments across its markets.

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The following are examples of the execution of this strategy related to products added to Knight's portfolio through in-licensing:

Date	Product	Territory
Q4-16	Movantik (naloxegol)	Canada
Q1-18	Ibsrela® (tenapanor)	Canada
Q3-18	Imvexxy® (estradiol vaginal inserts)	Canada
Q3-18	Bijuva® (estradiol and progesterone)	Canada
Q1-19	Nerlynx® (neratinib)	Canada
Q1-20	Trelstar® (tripotorelin)	Canada
Q3-21	Minjuvi® (tafasitamab)	LATAM
Q3-21	Pemazyre® (pemigatinib)	LATAM
Q2-22	Tavalisse® (fostamatinib)	LATAM
Q2-22	Akynzeo® (netupitant/palonosetron/fosnetupitant/palonosetron)	Canada and select LATAM territories
Q2-22	Aloxi® (palonosetron)	Canada
Q4-23	Qelbree™ (viloxazine)	Canada
Q1-24	Crexont® (carbidopa and levodopa extended-release capsules)	Canada and LATAM
Q2-24	Jornay PM™ (methylphenidate extended-release capsules)	Canada and LATAM
Q1-25	Onicit® (palonosetron)	Brazil, Mexico and select LATAM territories

3. Development & in-licensing of branded generic products

The Company's branded generic development efforts include the internal development of branded generics for Argentina and other LATAM markets (excluding Brazil and Mexico) and the in-licensing of branded generics for LATAM markets including Brazil and Mexico. The Company continues to maintain a targeted internal development effort to develop and manufacture branded generics products for launch in Argentina and eventually in certain markets in Latin America. In addition to internal development, the growth of the branded generic portfolio is supplemented through in-licensing of additional molecules. This strategy complements the in-house development efforts by providing access to the two largest pharmaceutical markets in Latin America, namely Brazil and Mexico. In addition, it allows access to branded generics products that cannot be developed or manufactured in-house by the Company.

The following are examples of the execution of this strategy via in-licensing:

Date	Molecule	Territory
Q4-21	C401 (Neurology)	Select LATAM territories
Q2-22	C402/403 (Neurology)	Select LATAM territories
Q3-23	H402 (Oncology / Hematology)	Brazil and Colombia
Q4-24	O401 (Oncology / Hematology)	Brazil
Q4-24	H403 (Oncology / Hematology)	Brazil and Colombia

Prescription pharmaceutical products

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The following summarizes certain products from Knight's product portfolio.

PRODUCT	INDICATION ^{1,2}	TERRITORY ³					PARTNER
		Canada	Brazil	Argentina	Colombia	Mexico	
Oncology/Hematology							
Minjuvi®	Relapsed or refractory diffuse large B-cell lymphoma (DLBCL)	— ⁴	Q1-24	Submitted	Submitted	Approved	Incyte
Minjuvi®	Relapsed or refractory follicular lymphoma (FL)	— ⁴	Pre-registration	Pre-registration	Pre-registration	Pre-registration	Incyte
Pemazyre®	Metastatic cholangiocarcinoma	— ⁴	Approved	Submitted	Submitted	Approved	Incyte
Akynzeo®	Prevention of chemotherapy-induced acute and delayed nausea and vomiting	Q4-22	Q3-22	Q3-22	— ⁴	— ⁴	Helsinn
Aloxi® / Onicit®	Prevention of acute nausea and vomiting associated with moderately and highly emetogenic cancer chemotherapy	Q4-22	Transition ⁵	N/A	N/A	Transition ⁵	Helsinn
Tavalisse®	Treatment of chronic immune thrombocytopenia	— ⁴	Submitted	Submitted	Submitted	Approved	Rigel
Trelstar®	Advanced prostate cancer	Q2-20	— ⁴	— ⁴	— ⁴	— ⁴	Debiopharm
Vidaza®	Myelodysplastic syndrome	— ⁴	Q2-10	— ⁴	— ⁴	— ⁴	BMS
Abraxane®	Metastatic pancreatic cancer	— ⁴	Q4-17	— ⁴	— ⁴	— ⁴	BMS
Halaven®	Metastatic breast cancer and soft tissue sarcoma	— ⁴	Q4-17	Q4-19	Q2-22	— ⁴	Eisai
Lenvima®	Differentiated thyroid cancer and unresectable hepatocellular carcinoma	— ⁴	Q4-17		Q1-22	— ⁴	Eisai
Lenvima®	Advanced renal cell cancer	— ⁴	Q4-17			— ⁴	Eisai
BGx							
Ladevina® (lenalidomide)	Multiple myeloma; myelodysplastic syndrome			2011	Q3-19		Own
Ladevina® (lenalidomide)	Mantle Cell Lymphoma; follicular lymphoma			2011			Own
Zyvalix® (abiraterone)	Metastatic prostate cancer			2014	Q2-18		Own
Karfib® (carfilzomib)	Relapsed or refractory multiple myeloma			Q4-19	Approved		Own
Leprid® (leuprolide)	Palliative treatment of advanced prostate cancer			2007			Own
Rembre® (dasatinib)	Chronic myeloid leukemia			2013	Q1-22		Own
Palbocil®, Bapocil® (palbociclib)	Breast cancer			Q1-23	Submitted		Own
Xetrane® (pomalidomide)	Multiple myeloma			Q2-19	Submitted		Own
Xetrane® (pomalidomide)	AIDS-related Kaposi sarcoma			Q2-22			Own

¹ The products listed as "Pre-registration" have not yet been submitted for regulatory review and products in "Submitted" are currently under regulatory review. The indication for all products classified as "Pre-registration" or "Submitted" is the anticipated indication upon regulatory approval.

² The products listed as "Approved" have been approved by regulatory authorities but not yet commercially launched.

³ The products with an associated date are currently marketed by Knight in the respective territory. The information provided represents the date when the product was launched by Knight or when it was acquired or in-licensed by Knight if such products had existing sales.

⁴ Knight does not have the commercial rights in these territories.

⁵ Knight transitioning to assume commercial activities in Brazil and Mexico by March 2025.

PRODUCT	INDICATION ^{1,2}	TERRITORY ³					PARTNER
		Canada	Brazil	Argentina	Colombia	Mexico	
Infectious Disease							
Ambisome®	Invasive fungal infection	— ⁴	1997	— ⁴	— ⁴	— ⁴	Gilead
Cresemba®	Invasive fungal infection	— ⁴	Q2-20	Q3-19	Q3-19	Q2-19	Basilea
Impavido®	Leishmaniasis						Own
BGx							
Dolufevir® (dolutegravir)	HIV infection			Q2-21			Own
Other Specialty							
Exelon®	Symptomatic treatment of mild to moderately severe dementia in people with Alzheimer's and Parkinson's disease	Q2-21	Q2-21	Q2-21	Q2-21	Q2-21	Own
Ibsrela®	IBS-C	Q1-21	— ⁴	— ⁴	— ⁴	— ⁴	Ardelyx
Salofalk®	Ulcerative colitis	— ⁴	— ⁴	2007	Pre-2019	— ⁴	Dr. Falk
Ursofalk®	Primary biliary cirrhosis	— ⁴	— ⁴	2007	Pre-2019	— ⁴	Dr. Falk
Imvexxy®	Moderate-to-severe dyspareunia	Q1-24	— ⁴	— ⁴	— ⁴	— ⁴	TXMD
Bijuva®	Moderate-to-severe vasomotor symptoms due to menopause	Q1-24	— ⁴	— ⁴	— ⁴	— ⁴	TXMD
BGx							
Fibridoner® (pirfenidone)	Idiopathic pulmonary fibrosis			2017			Own

IQVIA sales in Canada	2024	2023	Change	
			\$	%
Akynzeo®	11,020	7,952	3,068	39%
Trelstar®	8,455	7,319	1,136	16%
Ibsrela®	1,566	1,146	420	37%
Imvexxy®	2,438	—	—	—%
Total	23,479	16,417	7,062	43%

Oncology/Hematology

INNOVATIVE

Minjuvi® (tafasitamab)

On September 22, 2021, Knight entered into a supply and distribution agreement with Incyte for the exclusive rights to distribute tafasitamab (sold as Monjuvi® in the U.S. and as Minjuvi® in Europe and Canada) and pemigatinib (Pemazyre®) in Latin America. Under the terms of the agreement, Knight will be responsible for seeking the necessary regulatory approvals and distributing both products in Latin America.

Tafasitamab, in combination with lenalidomide, is approved in the U.S., Europe, Canada and other countries for the treatment of adult patients with relapsed or refractory diffuse large B-cell lymphoma ("DLBCL") who are not eligible for autologous stem cell transplantation ("ASCT"). DLBCL is the most common type of non-Hodgkin lymphoma, and there are approximately 12,000 - 16,000 new cases of DLBCL each year in Latin America^{1,2}.

In July 2023, Knight obtained ANVISA approval for Minjuvi®, under their rare disease designation according to Resolution RDC 205/2017 in combination with lenalidomide followed by Minjuvi® monotherapy for the treatment of adult patients with relapsed or refractory DLBCL, including DLBCL arising from low grade lymphoma, and who

¹ Globocan 2020.

² Li S et al. Pathology. 2018 Jan;50(1):74-87.

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are not eligible for ASCT. In addition, on October 16, 2023, Knight received Brazilian pricing approval for Minjuvi® from the Drugs Market Regulation Chamber (“CMED”) and subsequently launched the drug in Q1-24. Minjuvi® is undergoing review by ANS for private reimbursement in Brazil. In addition, Minjuvi® has been submitted for regulatory approval in Colombia in Q4-22 and in Argentina in Q1-23.

In December 2024, Incyte announced additional results from the pivotal Phase 3 inMind trial evaluating treatment with tafasitamab in combination with lenalidomide and rituximab. The trial met its primary endpoint of progression-free survival (PFS) and key secondary endpoints in patients with relapsed or refractory follicular lymphoma (FL) treated with tafasitamab in combination with lenalidomide and rituximab. Knight expects to submit this new indication for regulatory approval in our key LATAM markets in 2025.

In Q4-24, Knight obtained regulatory approval by COFEPRIS, the Mexican health regulatory agency, for Minjuvi® (tafasitamab) in combination with lenalidomide followed by Minjuvi® monotherapy for the treatment of adult patients with relapsed or refractory diffuse large B-cell lymphoma (DLBCL), who are not eligible for autologous stem cell transplantation (ASCT). The Company is launching Minjuvi® in Mexico in March 2025.

Pemazyre® (pemigatinib)

Pemigatinib is approved in the U.S., Europe and Japan for the treatment of adult patients with locally advanced or metastatic cholangiocarcinoma with a fibroblast growth factor receptor 2 (“FGFR2”) fusion or rearrangement that have progressed after at least one prior line of systemic therapy. Cholangiocarcinoma is the most common cancer of the bile duct. FGFR2 fusions or rearrangements have been observed in 10-16%³ of patients with intrahepatic cholangiocarcinoma, whereas the incidence in patients with extrahepatic cholangiocarcinoma is rare. There are approximately 4,000 - 6,000 new cases of intrahepatic cholangiocarcinoma each year in Latin America^{5,4}. Pemigatinib is also approved in the U.S. for the treatment of adults with relapsed or refractory myeloid/lymphoid neoplasms with FGFR2 rearrangement.

On October 10, 2023, Knight submitted a marketing authorization application for pemigatinib to ANVISA, the Brazilian health regulatory agency, under the rare diseases approval pathway, for the treatment of adults with locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement that have progressed after at least one prior line of systemic therapy. The marketing authorization applications for pemigatinib have also been submitted previously in Colombia and Argentina. Knight obtained the regulatory approval of Pemazyre® in Brazil and in Mexico in Q4-24 and Q1-25 respectively.

Akynzeo® (netupitant/palonosetron/fosnetupitant/palonosetron) and Aloxi® or Onicit® (palonosetron)

On May 12, 2022, Knight announced that it entered into an agreement with Helsinn for the exclusive rights to commercialize Akynzeo® oral/IV in Canada, Brazil, Argentina, Uruguay and Paraguay, and Aloxi® oral/IV in Canada.

Akynzeo® is the first and only 5-HT₃ and NK1 receptor antagonist fixed combination approved for the prevention of chemotherapy-induced acute and delayed nausea and vomiting. Akynzeo® oral is approved and marketed in Canada, Brazil and Argentina. According to IQVIA, sales of Akynzeo® in Canada and Brazil were approximately \$7 million in 2021. Aloxi® is a second generation 5-HT₃ receptor antagonist with high receptor binding affinity and a duration of action up to 5 days after chemotherapy administration^{5,6}. Aloxi® oral is approved in Canada for use in adults for the prevention of acute nausea and vomiting associated with moderately and highly emetogenic cancer chemotherapy. Aloxi® injection is approved in Canada for use in adults and pediatric patients aged 2 to 17 years for the prevention of acute and delayed nausea and vomiting associated with emetogenic cancer

³ Jain A et al. *JCO Precision Oncology* 2018 ;2, 1-12.

⁴ Lafaro KJ et al. *Gastroenterol Res Pract.* 2015;2015:860861.

⁵ Rojas C, Slusher BS. *Eur J Pharmacol* 2012;684(1-3):1-7; 6.

⁶ Navari RM and Aapro M. *N Engl J Med* 2016;374:1356-67.

chemotherapy. Knight assumed commercial activities and re-launched Akynzeo® in Brazil, Argentina and Canada, and Aloxi® in Canada in 2022.

On January 28, 2025, Knight expanded its relationship with Helsinn with the in-licensing of the exclusive rights to distribute, and commercialize Onicit® in Mexico, Brazil and select LATAM countries, where it is approved and marketed. Knight expects to assume commercial activities for Onicit® in Brazil and Mexico in 1st half of 2025. Onicit® is marketed under the trademark Aloxi® in Canada.

Tavalisse® (fostamatinib)

On May 24, 2022, Knight announced that it entered into an agreement with Rigel for the exclusive rights to commercialize fostamatinib, an oral spleen tyrosine kinase (SYK) inhibitor, in Latin America. Fostamatinib is commercially available in the U.S. under the brand name Tavalisse® and in Europe under the brand name Tavlesse® for the treatment of chronic immune thrombocytopenia.

Knight submitted marketing authorization applications for Tavalisse®, for the treatment of thrombocytopenia in adult patients with chronic immune thrombocytopenia (ITP) who have had an insufficient response to a previous treatment, for regulatory approval in Mexico and Colombia in July 2023, Brazil in Q1-24 and Argentina in Q1-25. Knight obtained regulatory approval of Tavalisse® in Mexico in Q1-24 and expects to launch in the first half of 2026.

Trelstar® (tripotorelin)

On January 8, 2020, Knight announced that it had entered into an agreement with Debiopharm for the Canadian commercial rights of Trelstar®, for the treatment of advanced prostate cancer and the management and relief of chronic pain associated with endometriosis. On April 20, 2020, the Company announced that it took over commercial activities from Debiopharm's previous partner and began commercializing Trelstar® in Canada.

Vidaza® (azacitidine)

Vidaza® is indicated for the treatment of patients with myelodysplastic syndrome of the subtypes: refractory anemia or refractory anemia with ringed sideroblasts (if accompanied by neutropenia or thrombocytopenia or requiring transfusions), refractory anemia with excess blasts, refractory anemia with excess blasts in transformation, and chronic myelomonocytic leukemia. Knight holds the rights to commercialize the product in Brazil through a distribution agreement with BMS.

Abraxane® (paclitaxel protein-bound particles for injectable suspension)

Abraxane® is indicated for the first-line treatment of patients with metastatic pancreatic adenocarcinoma, in combination with gemcitabine. Knight holds the rights to commercialize the product in Brazil through a distribution agreement with BMS.

Halaven® (eribulin mesylate)

Halaven® injection is a synthetic derivative of halichondrin B, belonging to the halichondrin class of antineoplastic agents. Halaven® is indicated for (1) the treatment of adult patients with locally advanced or metastatic breast cancer who have progressed after at least one chemotherapeutic regimen⁷ for advanced disease. Prior therapy should have included an anthracycline and a taxane in either the adjuvant or metastatic setting unless patients were not suitable for these treatments, and (2) the treatment of patients with unresectable soft tissue sarcoma who have received prior chemotherapeutic regimen for advanced or metastatic disease. Halaven® is licensed from Eisai and Knight holds the rights to commercialize the product in Latin America except Mexico. Eisai holds the rights to commercialize the product in Mexico.

Lenvima® (lenvatinib)

Lenvima® is indicated for the following three indications (1) the treatment of adult patients with progressive, locally advanced or metastatic, differentiated (papillary/follicular/Hürthle cell) thyroid carcinoma, refractory to radioactive iodine, (2) the treatment of adult patients with advanced or unresectable hepatocellular carcinoma who have received no prior systemic therapy, and in certain LATAM countries for (3) the treatment of adult patients with advanced renal cell carcinoma following one prior anti-angiogenic therapy, in combination with everolimus⁸. Lenvima® is licensed from Eisai and Knight holds the rights to commercialize the product in Latin America except Mexico. Eisai holds the rights to commercialize the product in Mexico.

During 2023, two companies received ANVISA's approval for generic lenvatinib in Brazil. During 2024, both of those companies received the approval for a branded generic lenvatinib. Additionally, in Q3-24, a competitor received the approval of a generic lenvatinib in Chile.

In Q3-24, a competitor in Brazil launched both a branded generic and a generic of Lenvima®. Knight and Eisai are collaborating to defend Lenvima's® market exclusivity in Brazil. While we continue to challenge the generic entrants, the introduction of generics and branded generics will increase competitive pressures and negatively impact future sales and margins of Lenvima® in Brazil.

BRANDED GENERIC

Ladevina® (lenalidomide)

Ladevina® is indicated for (1) the treatment, as a maintenance monotherapy, of patients with newly diagnosed multiple myeloma, who have had an autologous stem cell transplant and, in patients with relapsed or refractory mantle cell lymphoma⁹, (2) the treatment of patients with transfusion-dependent anemia due to low-risk and intermediate-1 myelodysplastic syndromes linked to a 5q deletion cytogenetic abnormality with or without abnormalities, (3) the treatment, in combination therapy, of adult patients with multiple myeloma without prior treatment who are not candidates for a transplant⁹ in Colombia after at least two chemotherapeutic regimen for advanced disease, and (4) the treatment, in combination with dexamethasone and in second line, of multiple myeloma patients who have received at least one prior therapy and have not responded to treatment.

Zyvalix® (abiraterone acetate)

Zyvalix® is indicated in combination with prednisone or prednisolone for the treatment of castration-resistant metastatic prostate carcinoma and castration sensitive high-risk metastatic prostate carcinoma.

⁷ In Colombia after at least two chemotherapeutic regimen for advanced disease

⁸ Indication not included in Colombia.

⁹ Indication not included in Colombia.

Karfib® (carfilzomib)

Karfib® is indicated as a single agent for the treatment of patients with relapsed or refractory multiple myeloma who have received one or more previous lines of therapy. Karfib® in combination with dexamethasone or with lenalidomide plus dexamethasone is indicated for the treatment of patients with relapsed or refractory multiple myeloma who have received one to three previous lines of therapy.

In Q2 2023, Knight submitted the marketing authorization application for Karfib® in Chile. In February 2024, Knight obtained regulatory approval in Colombia.

Leprid® (leuprolide acetate)

Leprid® is indicated for palliative treatment of advanced prostate cancer.

Rembre® (dasatinib)

Rembre® is indicated for treatment of chronic myeloid leukemia with positive Philadelphia chromosome.

Palbocil® and Bapocil® (palbociclib)

Palbocil® / Bapocil® is indicated for the treatment of patients with hormone receptor positive, human epidermal growth factor receptor 2 (HER2)-negative locally advanced or metastatic breast cancer in combination with: an aromatase inhibitor as initial endocrine-based therapy in post-menopausal women; or fulvestrant in patients with disease progression after prior endocrine therapy. Palbocil® was launched in Argentina in March 2023 and Bapocil® was approved in Chile in March 2023. In addition, Knight filed for regulatory approval for Bapocil® in Colombia in Q4-22.

Xetrane® (pomalidomide)

Xetrane® is indicated in combination with dexamethasone, for the treatment of adult patients with multiple myeloma who have received at least two prior therapies including lenalidomide and a proteasome inhibitor and have demonstrated disease progression on or within 60 days of completion of the last therapy. Xetrane® is also indicated for the treatment of adults patients with AIDS-related Kaposi sarcoma after failure of highly active antiretroviral therapy or in patients with Kaposi sarcoma who are HIV-negative. In Q2-23, Knight obtained the regulatory approval for Xetrane® in Chile.

Infectious Disease

INNOVATIVE

AmBisome® (amphotericin B)

AmBisome® is a non-pyrogenic lyophilized sterile intravenous infusion of liposomal amphotericin B. It is indicated for (1) the empirical therapy of presumed fungal infections in febrile, neutropenic patients, (2) for the treatment of cryptococcal meningitis, (3) for the treatment of severe deep mycotic infections, endemic and opportunistic systemic mycosis, (4) for the treatment of persistent fever of undetermined origin in neutropenic patients who do not respond to antibiotic therapy after 96 hours which is highly indicative of systemic fungal infection caused by *Candida*, *Aspergillus* or *Cryptococcus*, and (5) treatment of visceral leishmaniasis in adults and immunocompetent children. AmBisome® is licensed from Gilead and has been part of Knight's Brazilian affiliate's portfolio for over twenty years.

Cresemba® (isavuconazonium sulfate)

Cresemba® is an azole antifungal agent indicated for use in adults for the treatment of invasive aspergillosis and invasive mucormycosis. Cresemba® is licensed from Basilea and Knight holds the rights to commercialize the product in Latin America.

Impavido® (miltefosine)

On February 27, 2014, Knight acquired the worldwide rights to Impavido® as part of its business separation agreement with Paladin. Impavido® is an oral drug treatment based on miltefosine for the visceral, cutaneous and mucocutaneous leishmaniasis which is caused by a protozoa parasite from over 20 Leishmania species and is approved for sale in the U.S, Germany, Nepal and Israel. Impavido® was launched in the U.S in March 2016 by Knight's commercialization partner, Profounda.

BRANDED GENERIC

Dolufevir® (dolutegravir)

Dolufevir® in combination with other antivirals is indicated for the treatment of HIV-infected adults, adolescents and children ≥ 6 years of age and weighing at least 20 kg.

Other Specialty Therapeutic Areas

INNOVATIVE

Exelon® (rivastigmine)

On May 26, 2021, the Company entered into an agreement with Novartis to acquire the exclusive rights to manufacture, market and sell Exelon®, in Canada and Latin America as well as an exclusive license to use the intellectual property and the Exelon® trademark, from Novartis within those territories. Exelon® is a prescription product that was first approved in 1997 and is currently registered and sold in approximately 90 countries. Exelon® is indicated for the symptomatic treatment of mild to moderately severe dementia in people with Alzheimer's disease and Parkinson's disease.

Before the acquisition of Exelon® from Novartis, the drug faced branded and/or generic competition in Canada and most of the markets in LATAM. In Q2-23, a branded generic drug of Exelon® was launched by a competitor in Brazil.

Ibsrela® (tenapanor)

On March 16, 2018, Knight entered into an exclusive licensing agreement with Ardelyx to commercialize Ibsrela® in Canada. Ibsrela® is a first-in-class small molecule treatment for IBS-C. Ardelyx received regulatory approval for Ibsrela® from the US FDA in September 2019. On April 17, 2020, the Company announced that Ibsrela® was approved by Health Canada. The Company launched Ibsrela® in March 2021 and has obtained reimbursement with most private insurers across Canada.

Salofalk® (mesalazine)

Salofalk® is indicated for treatment of ulcerative colitis in both acute attacks and relapse prevention as well as for the treatment of acute episodes of Crohn's disease. Salofalk® is licensed from Dr. Falk Pharma and Knight holds the rights to commercialize the product in Colombia, Argentina, Chile and Peru.

All dollar amounts herein are expressed in thousands of Canadian dollars (unless otherwise indicated) except for share and per share amounts. All other currencies are in thousands (unless otherwise indicated).

Ursofalk™ (ursodeoxycholic acid)

Ursofalk™ is indicated for the treatment of the primary biliary cirrhosis. Ursofalk™ is licensed from Dr. Falk Pharma and Knight holds the rights to commercialize the product in Colombia, Argentina, Peru and Chile.

Imvexxy® (estradiol vaginal inserts) and Bijuva® (estradiol and progesterone)

On July 31, 2018, Knight entered into an exclusive licensing agreement for the commercial rights of Imvexxy® and Bijuva® in Canada and Israel. Imvexxy® is approved for the treatment of moderate-to-severe dyspareunia (vaginal pain associated with sexual activity), a symptom of vulvar and vaginal atrophy, due to menopause. Bijuva®, approved by the Health Canada in September 2020, is a bio-identical hormone therapy combination of estradiol and progesterone in a single, oral softgel for the treatment of moderate-to-severe vasomotor symptoms due to menopause. In Q1-24, Knight launched Imvexxy® and Bijuva® in Canada. Imvexxy® is competing in the VVA market which was over \$110 million during the twelve month period ended on September 30, 2024 and grew at a CAGR of 11% since 2021, according to IQVIA.

BRANDED GENERIC

Fibridoner® (pirfenidone)

Fibridoner® is indicated for the treatment of mild to moderate idiopathic pulmonary fibrosis in adults.

PIPELINE

The Company believes that its pipeline of innovative and branded generics products will drive future growth but there is no certainty that any of these molecules will be launched due to inherent development, regulatory, legal and commercial risks in launching a pharmaceutical product. The Company's pipeline of undisclosed molecules which could potentially be launched as branded generic products in the future includes internally developed and in-licensed products in the following stages:

1. **Development:** Formulation or clinical development on-going;
2. **Submitted:** Molecule has been submitted by the Company to a health authority agency for approval; and
3. **Approved:** Molecule has obtained regulatory approval, but launch is pending additional local technical requirements.

Pipeline and products in early launch stage

PRODUCT	INDICATION OR THERAPEUTIC AREA	TERRITORY					LAUNCH / EXPECTED LAUNCH YEAR
		Canada	Brazil	Argentina	Colombia	Mexico	
Oncology/Hematology							
Minjuvi®	Relapsed or refractory diffuse large B-cell lymphoma (DLBCL)	— ²	Q1-24	Submitted	Submitted	Approved	2025-2026
Minjuvi®	Relapsed or refractory follicular lymphoma (FL)	— ²	Pre-registration	Pre-registration	Pre-registration	Pre-registration	2027
Pemazyre®	Metastatic cholangiocarcinoma	— ²	Approved	Submitted	Submitted	Approved	2025-2026
Tavalisse®	Treatment of chronic immune thrombocytopenia	— ²	Submitted	Submitted	Submitted	Approved	2025-2026
Bapocil® ¹	Breast Cancer				Submitted		2025
Xetrane® ¹	Multiple myeloma				Submitted		2025
Rembre® ¹	Chronic myeloid leukemia				Q1-22		—
O501 ¹	Oncology/Hematology			Submitted			2025
O502 ¹	Oncology/Hematology			Submitted			2025
O401	Oncology/Hematology		Development				2027-2028
H403	Oncology/Hematology		Development		Development		2027-2028
H402	Oncology/Hematology		Development		Development		2028-2029
Other Specialty							
Imvexxy®	Moderate-to-severe dyspareunia	Q1-24	— ²	— ²	— ²	— ²	—
Bijuva®	Moderate-to-severe vasomotor symptoms due to menopause	Q1-24	— ²	— ²	— ²	— ²	—
Crexont®	Parkinson's disease	Pre-registration	Pre-registration	Pre-registration	Pre-registration	Pre-registration	2027-2028
Qelbree™	Attention-Deficit Hyperactivity Disorder (ADHD)	Submitted	— ²	— ²	— ²	— ²	2026-2027
Jornay PM™	Attention-Deficit Hyperactivity Disorder (ADHD)	Approved	Pre-registration			Pre-registration	2025-2028
C401 (Neurology)	Other Specialty				Submitted	— ²	2025-2026
C402/403 (Neurology)	Other Specialty	— ²	Submitted		Development	Pre-registration	2026-2027

¹ Products developed by Knight's internal BGx capabilities in Argentina. Unless otherwise noted in above table, these products are marketed in Argentina.

² Knight does not have the commercial rights in these territories.

Qelbree™ (viloxazine)

In Q4-23, Knight in-licensed Qelbree™ (viloxazine) for Canada. Qelbree™ is an extended-release formulation of viloxazine, a multimodal serotonergic and norepinephrine modulating agent, a nonstimulant medication for the treatment of Attention-Deficit Hyperactivity Disorder ("ADHD"). In Q4-24, Knight submitted Qelbree™ for regulatory approval in Canada. Qelbree™ is commercially available in the United States as a prescription medicine to treat ADHD in patients 6 years of age and older. Based on the results of 4 pivotal trials,^{10,11,12,13} Qelbree™ was approved by the US Food and Drug Administration in 2021 for the treatment of children 6-17 years of age and in 2022 for the treatment of adults. Qelbree™ is also currently being studied in several phase 4 clinical trials¹⁴, the first of which is in combination with psychostimulants for the treatment of children and adolescents with ADHD (positive topline results reported in September 2023¹⁵). A second phase 4 clinical trial¹⁶ in preschool age children with ADHD is planned to commence in January 2024. A third phase 4 clinical trial¹⁷ is studying the impact of Qelbree™ on co-morbid mood symptoms prevalent in patients with ADHD. Qelbree™ is the first new nonstimulant to enter the market in over 10 years and will represent a new option in a segment that is valued at over \$85 millions during the twelve month period ended on September 2024 according to IQVIA, and that continues to have a significant unmet medical need.

Crexont® (carbidopa/levodopa extended-release capsules)

In Q1-24, Knight in-licensed Crexont® for Canada and Latin America. Crexont® is a novel, oral formulation of carbidopa ("CD")/levodopa ("LD") extended-release capsules designed for the treatment of Parkinson's disease. Crexont® was approved by the US Food and Drug Administration in 2024 for the treatment of Parkinson's disease. Crexont® contains immediate-release (IR) granules and extended-release (ER) coated beads. The IR granules consist of CD and LD, with a disintegrant polymer to allow for rapid dissolution. The ER beads consist of LD, coated with a sustained release polymer to allow for slow release of the drug, a mucoadhesive polymer to keep the granules adhered to the area of absorption longer, and an enteric coating to prevent the granules from disintegrating prematurely in the stomach. Crexont® was studied in the RISE-PD clinical study which was a 20-week, randomized, double-blind, double-dummy, active-controlled, phase 3 clinical trial with 630 patients. The RISE-PD study met its primary and secondary endpoints and showed that treatment with Crexont® demonstrated statistically significant improvement in daily "Good On" time with fewer doses of Crexont® compared with immediate-release carbidopa-levodopa (least squares mean, 0.53 hours; 95% CI, 0.09-0.97), with Crexont® dosed a mean 3 times per day vs 5 times per day for immediate-release carbidopa-levodopa¹⁸. Crexont® is expected to compete in a market size of over \$50,000 in Canada and over \$120,000 in Brazil, of which the controlled release portion of the market is \$15,000 in each country during the twelve month period ended on September 2024 according to IQVIA. In September 2024, Knight's partner Amneal Pharmaceuticals, Inc., announced the launch of Crexont®, a novel oral formulation of carbidopa/levodopa in pharmacies across the U.S. The Company expects to submit Crexont® in Canada and certain LATAM countries in 2025.

¹⁰ Nasser A et al. (2020). A Phase III, Randomized, Placebo-controlled Trial to Assess the Efficacy and Safety of Once-daily SPN-812 (Viloxazine Extended-release) in the Treatment of Attention-deficit/Hyperactivity Disorder in School-age Children. *Clinical Therapeutics*, 42(8), 1452-1466. DOI: <https://doi.org/10.1016/j.clinthera.2020.05.021>

¹¹ Nasser A et al. (2021). Once-Daily SPN-812 200 and 400 mg in the treatment of ADHD in School-aged Children: A Phase III Randomized, Controlled Trial. *Clinical Therapeutics*, 43(4), 684-700. DOI: <https://doi.org/10.1016/j.clinthera.2021.01.027>

¹² Nasser A et al. (2021). A Phase 3, Placebo-Controlled Trial of Once-Daily Viloxazine Extended-Release Capsules in Adolescents With Attention-Deficit/Hyperactivity Disorder. *Journal of Clinical Psychopharmacology*, 41(4), 370-380. DOI: 10.1097/JCP.0000000000001404

¹³ Nasser A et al. (2022). A Phase III, Randomized, Double-Blind, Placebo-Controlled Trial Assessing the Efficacy and Safety of Viloxazine Extended-Release Capsules in Adults with Attention-Deficit/Hyperactivity Disorder. *Neurology Drugs*, 36(8), 897-915. DOI: <https://doi.org/10.1007/s40263-022-00938-w>

¹⁴ US National Library of Medicine. (2021, March 8 -). Open-label study of SPN-812 administered with psychostimulants in children and adolescents with ADHD (ADHD). Identifier NCT04786990. <https://clinicaltrials.gov/study/NCT04786990>

¹⁵ Supernus Announces New Qelbree® Data Showing Improvement in ADHD Symptoms. (2023, September 10). Retrieved from <https://ir.supernus.com/node/13856/pdf>

¹⁶ US National Library of Medicine. (2021, March 4 -). Evaluation of SPN-812 (viloxazine extended-release capsule) in preschool-age children with ADHD. Identifier NCT04781140. <https://clinicaltrials.gov/study/NCT04781140>

¹⁷ Presented during Supernus Pharmaceuticals R&D Day; October 18, 2023

¹⁸ Hauser RA et al. *JAMA Neurol.* 2023 Oct 1;80(10):1062-1069.

Jornay PM™

In Q2-24, Knight obtained the rights to seek regulatory approval and commercialize Jornay PM™ in Canada and Latin America. Jornay PM™, is an extended-release formulation of methylphenidate, a stimulant medication for the treatment of Attention-Deficit Hyperactivity Disorder (ADHD). Jornay PM™ consists of microbeads with a delayed-release layer and an extended-release layer. The first layer delays the release of the active ingredient until morning while the extended-release layer controls the release of the active ingredient from the early morning and throughout the day. This unique formulation provides a pharmacokinetic profile that allows ADHD symptom control from the time patients wake up until they go to bed. Jornay PM™ was studied in two randomized, double-blind, placebo-controlled, phase 3 clinical trials^{19,20}. Both studies met their primary and key secondary endpoints demonstrating a statistically significant and clinically meaningful improvement in ADHD symptoms upon awakening, through the afternoon, and into the evening. According to IQVIA, for the twelve months ended September 30, 2024, the Canadian ADHD market totals approximately \$1.25 billion with methylphenidates representing over \$500,000 and growing at over 14% CAGR over the last four years. In Q4-24, Knight obtained regulatory approval from Health Canada for Jornay PM™ to treat ADHD in children, and is expecting to launch Jornay PM™ in Canada in the second half of 2025.

Sales and Marketing

Knight's sales and marketing strategy focuses on three key activities: securing reimbursement and patient access, creating demand among targeted prescribers, and ensuring distribution to appropriate points of sale. Knight may expand its sales and marketing team and capabilities in territories where it launches and acquires additional products. Knight expects to market its products to general practitioners and specialty physicians using a salesforce as well as through indirect marketing strategies.

Securing Reimbursement for Patients

Knight recognizes that gaining reimbursement from public and private payers is a key success factor to marketing pharmaceutical products. In each of the territories where Knight operates, Knight's market access and commercial teams pursue several market access strategies to obtain public reimbursement and private reimbursement through insurance companies or health maintenance organizations (HMO).

Creating Demand Among Targeted Prescribers

Knight uses a "pull-through" marketing approach which is common in the pharmaceutical industry. Knight's sales representatives will demonstrate the features and benefits of its products to physicians who may write prescriptions for Knight's products. These physicians write prescriptions for their patients, who, in turn, take the prescriptions to pharmacies to be filled. The pharmacies then place orders with the wholesalers, or, in case of large chain pharmacies, their distribution centers, to which Knight will sell its products.

Knight employs dedicated physician salesforce teams in each of its countries where Knight has commercial operations. The Corporation believes that it can effectively reach its core prescriber group with a dedicated sales team because of the concentrated nature of the specialty markets in which it competes and the Corporation's use of fact-based physician targeting tools. The Corporation uses fact-based physician targeting in order to obtain the

¹⁹ Childress, A. C., Cutler, A. J., Marraffino, A., McDonnell, M. A., Turnbow, J. M., Brams, M., DeSousa, N. J., Incledon, B., Sallee, F. R., & Wigal, S. B. (2020). A randomized, double-blind, placebo-controlled study of HLD200, a delayed-release and extended-release methylphenidate, in children with attention-deficit/hyperactivity disorder: An evaluation of safety and efficacy throughout the day and across settings. *Journal of Child and Adolescent Psychopharmacology*, 30(1), 2–14. <https://doi.org/10.1089/cap.2019.0070>

²⁰ Pliszka, S. R., Wilens, T. E., Bostrom, S., Arnold, V. K., Marraffino, A., Cutler, A. J., López, F. A., DeSousa, N. J., Sallee, F. R., Incledon, B., & Newcorn, J. H. (2017). Efficacy and safety of HLD200, delayed-release and extended-release methylphenidate, in children with attention-deficit/hyperactivity disorder. *Journal of Child and Adolescent Psychopharmacology*, 27(6), 474–482. <https://doi.org/10.1089/cap.2017.0084>

greatest return for its sales effort. The sales team uses the data collected and analysis to focus on the smaller, high potential group while other marketing tactics, such as advertising, direct mail or conferences, will be used to reach the balance of the market in a more efficient manner.

Knight organizes and supports various continuing education initiatives to keep physicians well informed about the latest practices in using the Corporation's products. The Corporation believes that participation in medical conferences in Canada and internationally is important in building awareness of the Corporation's products and their benefits among its target groups. Furthermore, conference participation will continue to strengthen the supportive relationship between the Corporation and its core physician target groups.

Knight may fund and support phase 4 clinical studies as may be appropriate for its current or future products. These studies benefit the Corporation by generating new data which may subsequently be published, and by positioning Knight as a supporter of new medical research among its core physician target group.

The Corporation is also active in working to build awareness and encourage the use of its brands by working with and supporting consumer advocacy groups in their areas of interest. The Corporation believes that this activity helps to generate awareness of the brands directly with patients.

Ensuring Distribution to Appropriate Points of Sale

Knight will employ a variety of tactics to support its own direct sales efforts to ensure that its products are available for sale at the appropriate distribution points, including pharmacies and/or hospitals.

Manufacturing and Distribution

Knight's products are currently available only from sole or limited suppliers. These third-party manufactured products and those manufactured at Knight's facilities account for all of Knight's revenues.

Knight outsources the manufacturing function for certain products to third parties, including licensors. Through contractual arrangements and quality control audits, Knight ensures that its products are manufactured in accordance with the current GMP, consistent with regulatory requirements. In addition, under most of the Corporation's product license agreements, the licensor retains the rights and obligation to manufacture the licensed product.

The Company has three different manufacturing sites used to produce the majority of its marketed branded generics products. The regulatory approval status of each plant is as follows:

- HIV/General Solid/Respiratory Plant: ANMAT approved;
- Oncology Oral Solid Plant: ANMAT, DIGEMID and INVIMA approved; and
- Oncology Liquid & Sterile Injectable Plant Oncology: ANMAT and DIGEMID approved.

The ANMAT approval status allows the Corporation to submit for regulatory approval, manufacture in Argentina and commercialization of the pharmaceutical products in Uruguay, Bolivia, Paraguay, Ecuador, Chile and certain markets in Central America. The DIGEMID and INVIMA license for Peru and Colombia is required on a plant-by-plant basis for regulatory approval, manufacture in Argentina and commercialization of the pharmaceutical products in the respective countries. Knight will continue to assess whether it is more cost effective to manufacture in our own facilities or whether to outsource production, taking into account not just costs but reliability and local import regulations.

Knight depends on third parties for the supply of the raw materials and API necessary to develop and manufacture

its products, including the active and inactive pharmaceutical ingredients used in its products. Knight is required to identify the supplier of all the raw materials for its products in the drug applications that it files with Health Canada, LATAM health authorities, the FDA and the EMA. If the API or raw materials for a particular product become unavailable from an approved supplier specified in a drug application, Knight would be required to qualify a substitute supplier with each regulatory body where the product is approved, which would likely interrupt manufacturing and supply of the affected product. To the extent practicable, Knight attempts to identify more than one supplier in each drug application. However, some API and raw materials are available only from a single source and, in some of its drug applications, only one supplier of API or raw materials has been identified, even in instances where multiple sources exist. To the extent that the manufacturing costs charged by third party contractors increase and such costs are not able to be fully passed on to the Corporation's customers, the profit margins of the Corporation on its products may be adversely impacted.

Under some of its agreements, Knight may be required to purchase a minimum amount of API or raw materials and/or order a minimum amount of manufactured products. Generally, Knight must pay a shortfall penalty if it does not meet its minimum requirements. The inability to supply can have a material adverse effect on the Corporation's financial condition and results of operations and cash flows.

Competition

The market for drugs is highly competitive with many established manufacturers, suppliers and distributors actively engaged in all phases of the business. Knight believes that competition in the sale of pharmaceutical products is based primarily on efficacy, reimbursement coverage, brand awareness, availability, product safety and price. As Knight acquires brand name pharmaceutical products, they may be subject to competition from alternate therapies during the period of patent protection and thereafter from generic or other competitive products. All of Knight's products compete with generic and/or other competitive products in the marketplace. Competing in the branded product business requires Knight to identify and quickly bring to market new products embodying technological innovations. Successful marketing of branded products depends primarily on the ability to communicate the efficacy, safety and value to healthcare professionals in private practice, group practices and health care organizations. The Corporation anticipates that its branded product offerings will support its existing areas of therapeutic focus.

Many of Knight's competitors are large well-known pharmaceutical companies which have considerably greater financial, sales, marketing and technical resources than those of the Corporation. In addition, many of the Corporation's present and potential competitors have research and development capabilities that may allow such competitors to develop new or improved products that may compete with the Corporation's products.

The pharmaceutical industry is characterized by continued product development and technological change. The Corporation's products could be rendered obsolete or uneconomical by the development of new pharmaceuticals to treat the conditions addressed by the Corporation's products, as a result of technological advances affecting the cost of production, or as a result of marketing or pricing action by one or more of the Corporation's competitors.

In Canada and LATAM, Knight competes with Innovative Drug manufacturers, innovative pharmaceutical companies that license and distribute Innovative Drugs, and Generic Drug manufacturers. Within each of Knight's therapeutic fields, other drug companies offer competitive products. For example, Impavido® is approved in Germany, Israel and the U.S., and faces generic competition in some of its markets. The Corporation competes with specialty pharmaceutical companies in Canada such as HLS Therapeutics Inc. Apotex Inc. and regional affiliates of multinationals, such as Bausch Health Canada Ltd., in securing the Canadian rights to new products. In Latin America, Knight faces competition for licenses and product acquisitions from affiliates of multi-national companies, such as Abbott or Bausch Health, as well as large local players such as EMS, Eurofarma, Hypera

Pharma, Adium S.A., Roemmers, Gador, and Bago as they look to grow in the region. In addition, in Latin America, Knight's branded generic business competes with large local players such as a Adium S.A., Gador, ProCaps, Bago as well multi-national players such as Sandoz, Teva, Dr. Reddy and Cipla.

Licensing and Intellectual Property

The pharmaceutical industry places great emphasis on proprietary rights, including patent protection and differentiation through the use of trademarks. While some of the Corporation's products do not have patent protection, the Corporation believes that many of the products it intends to sell are differentiated based on their recognizable trademarks.

The Corporation's success depends in part on its ability to obtain brand recognition, patents, protect trade secrets, operate without infringing the proprietary rights of others and prevent others from infringing on its proprietary rights.

Potential Liability and Insurance

The Innovative Drugs distributed by the Corporation contain medicinal ingredients that have been approved for marketing by Health Canada, the FDA and the EMA. The branded generics have been approved in various countries in LATAM and are generics of products that have been approved in Europe and the U.S. The Corporation faces an inherent business risk of exposure to significant product liability and other claims in the event the use of the Corporation's products results, or is alleged to have resulted, in adverse effects. Knight maintains product liability insurance to cover such risks for products where such coverage is available. The Corporation has never been involved in any significant legal proceedings or been the subject of any claim regarding the safety of its products.

Knight's Fund Investment Portfolio

Knight invests in life sciences venture capital funds in which the Company earns a return similar to any other limited partner in the fund and may receive preferential access to innovative healthcare products from around the world for Canada and select international markets. Knight has remaining commitments to invest in life science venture capital funds of \$5,936 as at December 31, 2024. Knight does not expect to invest in additional venture capital funds.

As at	December 31, 2024
FMV of funds by expected exit date	\$
1-3 years	69,210
4-5 years	12,407
5+ years	10,407
Total	92,024

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As at	December 31, 2024	December 31, 2023
Inception to Date:		
Capital calls	169,946	159,781
Distributions received	(145,630)	(129,326)
Realized gain	83,663	70,062
Unrealized gain (loss)	(15,955)	8,205
Funds FMV	92,024	108,722
TVPI¹	1.4x	1.98x
Contingent gains ²	8,418	12,914
TVPI¹ considering contingent gains²	1.45x	2.06x

¹ TVPI represents total value to paid-in ratio which is calculated as distributions received from the strategic funds and the residual value not yet realized relative to the contributed paid-in capital.

² Knight does not record certain contingent gains related to the investments in the strategic funds until it is probable that such gains will be realized. Contingent gains on the investments in the strategic funds include milestones payments to the strategic funds based upon achieving certain events such as clinical success of a trial, regulatory approval of a drug or certain sales-based event.

Knight's Strategic Loans

Knight finances other life sciences companies in geographic markets with the goal of strengthening relationships in the life sciences industry, and securing product distribution rights for Canada, LATAM and select international markets. Typically, loans have low double-digit interest rates and may come with additional consideration to the Company. Loans often come with product rights or product options for Canada and select international markets. These loans strengthen Knight's ties within the life sciences industry and, in doing so, have helped secure product rights for Knight either on a direct or indirect basis. To date, the strategic lending portfolio has led to the acquisition of Neuragen and the in-licensing of several products from Profound and Triumvira. As of the date hereof, Knight has two secured loans outstanding to life sciences companies as outlined in the table below.

Entity	Original Loan Amount	Funds advanced by Knight	Base Interest Rate	Nominal loan balance as at December 31, 2024		Maturity
				In Source Currency	In Canadian Dollars ¹	
Synergy ²	US\$23,500	US\$7,320	12%	US\$12,333	\$17,746	March 31, 2026
Other strategic loan	US\$2,738	US\$2,771	10%	US\$2,771	\$3,987	April 15, 2025

¹ Converted at the Bank of Canada closing exchange rates on December 31, 2024.

² Includes US\$11,500 loaned in 2015 and US\$10,000 loaned in 2017. The 2015 loans were fully repaid as of January 31, 2018.

Personnel and Employees

As of the date hereof, Knight has 745 employees in Canada and LATAM whose collective responsibilities relate primarily to business development, sales and marketing, operations, manufacturing scientific affairs (including research and development) and administration. Of these employees, 321 are unionized which 141 are located in Brazil (27 of whom have global or regional responsibilities) and 180 in Argentina. In addition, Knight engages several consultants for various services.

Department	Global	Canada	Brazil	Argentina	Colombia	Other
Commercial	4	27	74	37	26	57
Scientific Affairs	22	13	26	18	18	30
Supply and Manufacturing	13	0	1	199	2	7
Administrative	78	3	20	29	20	21
Total	117	43	121	283	66	115

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RISK FACTORS

Risk Factors Related to our Business and Industry

Investing in the Corporation's securities involves a significant amount of risk. Potential investors should carefully consider the risks described below, as well as all other information in Knight's publicly filed documents, before making an investment decision. If any of the following risks occur, Knight's business, financial condition or results of operations and financial condition could be adversely affected. In any such case, the trading price of the Common Shares could decline, and investors could lose all or part of their investment.

LATAM Emerging Markets Risks

Knight has operations across all LATAM emerging markets (Brazil, Colombia, Chile, Mexico, Peru)¹ as well as in Argentina, Uruguay, Bolivia, Ecuador and other LATAM countries, that expose Knight to the political, social, economic, regulatory and other risks inherent to LATAM countries including, but not limited to:

- *Political instability:* frequent changes in the political leadership and conflicts can result in significant government policy changes, disrupt the flow of goods and capital, causing uncertainty and making it difficult to conduct business and achieve profitability.
- *Regulation risk:* changes in government regulations regarding intellectual property, pricing, and access to medicines, can increase the cost of compliance, reduce the efficiency of Knight's operations and limit Knight's ability to obtain necessary approvals for products. Furthermore, operations may be affected in varying degrees by government regulations related to restrictions on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety, governmental regulations that favor or require Knight to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction. Failure to comply with applicable laws, regulations and local practices could materially impact the Company's operations in LATAM countries. The Company continues to monitor developments and policies in LATAM countries to assess the impact thereof to its operations or future operations; however, such developments cannot be predicted and could have an adverse effect on the Company's operations in those countries.
- *Expropriation and nationalization risk:* LATAM countries have a history of nationalizing foreign-owned companies, and a pharmaceutical company could be at risk of having its assets seized by the government, forced renegotiation or nullification of existing licenses, approvals, permits and contracts making it difficult or not possible to continue operations.
- *Inflation:* historically high inflation rates in LATAM (and hyperinflation in Argentina) can increase the cost of producing and distributing pharmaceuticals for the Company, reducing purchasing power of consumers and potentially reducing demand for these products.
- *Currency instability:* devaluation in LATAM currencies can make it difficult for companies to accurately predict costs and revenues, and increase the risk of exchange rate losses, which can impact profitability, cash flows and the financial stability of Knight's business.
- *Excessive and complex taxation:* political instability can lead to changes to political agenda and fiscal policies, resulting in higher tax rates and/or complex tax regulations, which can increase the cost of doing business and reduce Knight's profitability.
- *Public health crises risks:* public health crises, such as pandemics, can have significant impacts on operations such as supply chain disruptions, government-imposed restrictions and decreased demand for

¹ As defined by MSCI Emerging Markets Latin America Index (<https://www.msci.com/our-solutions/indexes/emerging-markets>)

certain products.

- *Social unrest risks:* social and labor unrest; war or civil war; organized crime; hostage taking; terrorism; violent crime could disrupt operations, transportation, and supply chains, leading to decreased consumer and investor confidence, reputation damage, and loss of assets and property. The unstable social environment can impact employee safety and the functioning of infrastructure and property, resulting in decreased demand for products and reduction of Knight's profitability.
- *Fraud and corruption risks:* fraud and corruption by suppliers or personnel or government officials which may implicate the Company, compliance with applicable anti-corruption laws, including the Corruption of Foreign Public Officials Act (Canada) by virtue of the Company operating in jurisdictions that may be vulnerable to the possibility of bribery, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions, and the Company's possible failure to identify, manage and mitigate instances of fraud, corruption, or violations of applicable regulatory requirements.
- *Legal risks:* in the event of a dispute arising in connection with the Company's operations in LATAM countries in which the Company may conduct business, Knight may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's activities in foreign jurisdictions could be substantially affected by factors beyond the Company's control.
- *Economic and market conditions in other countries:* financial and securities markets in LATAM countries are influenced by the economic and market conditions in other countries, including other emerging market countries and other global markets. The volatility and changes in global and emerging financial markets, may substantially affect negatively the capital flows into the countries where Knight operate thereby impacting economic growth and government budgets.

LATAM Political and Economic Conditions

Political and economic conditions directly affect our business and can result in a material adverse effect on the Company. Macroeconomic policies enacted by the governments in LATAM countries in which the Company operates can have significant impact on Knight. The economies in key LATAM markets including, but not limited to, Brazil, Argentina, Colombia, Mexico, and Peru, have been characterized by frequent, and occasionally significant, intervention by the government and unstable economic cycles. The governments have often changed monetary, taxation, credit and other policies to influence the course of the economies. The government's actions in certain LATAM countries, in an effort to control inflation have, at times, involved setting wage and price controls, blocking access to bank accounts, imposing exchange controls, capital inflow and outflow controls and limiting imports and exports. The Company cannot control or predict whether the current governments across LATAM countries in which Knight operates will implement changes to existing policies or the impact such changes may have on the Company's operations in LATAM and, consequently, its business. The Company's business, operating results, financial condition, prospects, as well as the market price of its securities, may be adversely affected by changes in public policies of LATAM countries in which Knight operates, whether federal, state or local, that affect, without limitation:

- inflation;
- fluctuations in exchange rates;
- exchange controls and restrictions on remittances abroad, such as those imposed in 1989 and early 1990 in Brazil or the ones still in place in Argentina;
- interest rates and monetary policies;

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- import and export controls
- liquidity of domestic capital, credit and financial markets;
- expansion or contraction of the economy, as measured by rates of growth in gross domestic product, or GDP;
- fiscal policies; and
- other political, social and economic developments in or affecting LATAM countries in which Knight operates.

Government policies and measures to combat inflation, along with public speculation about such policies and measures, have often had adverse effects on many LATAM economies, contributed to economic uncertainty and increased volatility in the securities markets. The LATAM governments' actions to control inflation have often involved price and salary controls, currency devaluations, capital limitations, limits on imports and other actions. Other policies and measures adopted, including interest rate adjustments, intervention in the currency markets or actions to adjust or fix the value of the local currencies in LATAM countries may adversely affect the countries' economies, the Company's business and results of operations. Uncertainty over whether the governments in various LATAM countries implement reforms or changes in policy or regulation affecting these or other factors in the future may affect economic performance and contribute to economic uncertainty, which may in turn have adverse effects on the Company's operations and consequently on the results of its operations. Recent economic and political instability has led to a negative perception of certain LATAM economies and higher volatility in their local currencies.

In certain markets where Knight operates, the political situation continues to remain highly volatile. Political unrest, recent elections and changes in government in countries where Knight operates may affect Knight's business and operations through healthcare reforms, changes to pharmaceutical regulations and spending, long-term healthcare and economic direction of new government leadership. For further discussion of the recent elections and changes in government in key LATAM countries, refer to the sections entitled "Key LATAM Pharmaceutical Markets" and "Other LATAM Pharmaceutical Markets" in the "Description of the Business" section located herein.

Argentina: In November 2023, Argentina elected a new president (Javier Milei) took office on December 10, 2023.

The newly elected president implemented the following actions to reduce the public spending:

- Reduction of federal employees.
- Elimination of public financing on construction activities.
- Reduction of economic subsidies to transport and energy.
- Reduction to a minimum of discretionary transfers to the provinces.
- Other measures to deregulate the Government intervention in the market.

In 2024, Argentina's economy faced a recession, which is ongoing, and the timing of a recovery remain uncertain. The biggest impact to the pharmaceutical industry could be the defunding of key institutions such as PAMI and cuts to fund transfer to the provincial governments, generating a reduction in the consumption of medicines in the short term. The country experienced high inflation but which has started to reduce recently. Additionally, ongoing political instability adds another layer of complexity, making it difficult to implement effective economic reforms and address the country's challenges.

The president also proposed a new law aimed at reforming various sectors of the economy including significant changes to the country's tax system to reduce the tax burden and enhance efficiency as well as adjustments to the

healthcare system. This proposed new law was approved on June 28, 2024 but has not significantly impacted the industry as of yet.

Brazil: In January 2023, Luiz Inácio Lula da Silva was inaugurated as president and he has focused on several key areas to reform and strengthen Brazil's healthcare system. The government aims to ensure it can provide comprehensive and equitable healthcare services to all, reduce inequalities in the development and production of medicines, vaccines and diagnostic tests; and advocate for the integration of digital health and artificial intelligence to improve diagnosis, treatment and data integration for better analysis. However, the lack of financial resources limits the healthcare system's ability to deliver services effectively. Additionally, political changes and instability have impacted the continuity and implementation of health policies.

Brazil's economy is highly vulnerable to fluctuations in global commodity prices, which can lead to instability and affect overall economic performance. Additionally, high production costs, driven by factors such as infrastructure inefficiencies, a complex sales tax system, strain businesses and impact competitiveness. Compounding these issues are political and social tensions fueled by corruption and high income inequality, which undermine public trust and complicate efforts to address economic and social challenges effectively. An economic downturn may lead to a lower number of people covered through private insurance, loss of our customer base and a decline in revenues and profitability.

Colombia: In February 2023, the President of Colombia campaigned a healthcare reform and presented it to Congress. The social and political support for the reform proposal has not been as expected by the government and several modifications are foreseen in the near future. The fundamental changes proposed by the reform are the new scheme to manage the flow of resources into the current insurance system and the continuity of the HMOs in their current role. For the pharmaceutical industry, this reform represents an important challenge given the possibility of an increase in centralized purchases by the government, compulsory licenses, price controls and uncertain flow of resources into the system, creating a complex environment of uncertainty in the health sector in Colombia in 2024 and its impact in the following years. On April 3, 2024, the senate committee rejected the health reform proposal.

The healthcare reform was presented again by the government, has already been approved by the Lower Chamber, and is pending for Senate approval. The Constitutional Court declared the insufficiency in the % increase of the UPC, ordering the creation of a high-level technical committee that includes different important actors in the health sector, among them providers and users. In addition, the court also requested the creation of an adjustment mechanism for the UPC retroactive to 2021 and a review of the calculation methodology for future periods. Until March 2025, the Minister of Health has not comply with the court's orders.

Furthermore, affected by financial constrains in the healthcare system, one of the most relevant logistic operator in the pharmaceutical industry in Colombia, Audifarma, started a reorganization proceeding, admitted by the Colombian Superintendency of Corporations, to normalize commercial and credit relationship through operational, administrative, asset and/or liability restructuring. The re-organization of Audifarma is believed to have resulted from multiple factors including the inadequate funding of the UPC, withhold of payments by the government, as well as an expanding PBS basket of drugs covered with the UPC. In addition, Audifarma is in dispute with respect to the amount owing and not yet collected with certain of its customers. As at December 31, 2024, the Company has a net receivable of \$1.2 million with Audifarma. Due to the re-organization process, the Company may not collect all of its outstanding accounts receivables and in addition, sales in the future may be negatively impacted

Chile: The President of Chile began a process to overhaul the country's constitution as soon as he was elected. A first and second proposal were rejected through a constitutional plebiscite in September 2022 and December 2023, respectively. To date, no other constitutional process has started nor been announced. However, the

government is continuing to push their social agenda where the reform of pensions and the tax system have been the priority. No draft changes have been published or presented in connection with reforms to the healthcare system.

The insurance companies are facing financial constraints due to a supreme court ruling which provided that insurance companies to return monies “improperly collected” from their participants, which were excessive due to the application of a number of factors and excessive charges. This is leading to delay in coverage decisions for treatment that are not mandatory to reimburse.

Chile faces several significant economic and social challenges. The economy is particularly sensitive to fluctuations in commodity prices which can impact overall economic performance and stability. High levels of income inequality remain a persistent issue, contributing to social and economic divides. The country has experienced numerous strikes and political street protests, triggering instability. Public funding constrains have started to result in delays in collection for the Pharmaceutical industry. Should these delays continue, Knight’s results may be impacted.

Ecuador: Daniel Noboa took office at the end of 2023 in a transitional election. In 2024, a series of violent acts and terrorist incidents emerged, targeting the destabilization of President Noboa's government. The ongoing conflict has seen the government battling both cartels and widespread violence across the country. Despite their efforts, the situation remains precarious and continues to pose significant challenges to national stability and safety. Due to the political instability, including economic challenges, social unrest, and security issues, an early election was called and held on February 9, 2025. The election resulted in a runoff between Daniel Noboa and opposition candidate Luisa Gonzalez, and the runoff election is scheduled for April 13, 2025.

Ecuador faces a range of economic and social challenges. The effectiveness of monetary policy is constrained by the country’s polarization, which limits its ability to respond to economic shocks. Compounding these issues is a rise in violence linked to gangs, organized crime, and ongoing political crises, which exacerbates social and economic instability.

Mexico: In October 2024, Mexico's newly elected president Claudia Sheinbaum was sworn in. President Sheinbaum has pledged to continue the policies of her predecessor. Her presidency is anticipated to emphasize the continuity of social and economic reforms aimed at reducing inequality and corruption and to place a strong focus on environmental sustainability.

In the area of health reform, President Sheinbaum plans to strengthen the IMSS BIENESTAR which aims to provide universal health coverage, particularly for those without social security. Her administration is prioritizing preventive health measures, including campaigns to address chronic diseases such as hypertension and diabetes.

Mexico’s economy is heavily dependent on the United States making it vulnerable to fluctuations in trade and industrial policies from its northern neighbor. Additionally, Mexico's fiscal stability is highly sensitive to oil prices, given that the oil sector contributes approximately 30% of government revenue. Adding to these economic challenges are issues of skewed income distribution and elevated security risks, which further strain the country’s economic and social stability.

The impact of new government in the US

The Republican Party won the last U.S. presidential election, with Donald Trump being elected as the 47th president of the United States. He was sworn in on January 20th, 2025. The policies of the current US government which is focused on America first could have adverse effects throughout the world including countries where Knight operates. The protectionist measures of trade policies, include certain measures such as tariffs, sanctions

and significant changes to previous trade agreements which could lead to regional and global economic instability. Such measures have led to recent tensions and disputes between US and its long time trading partner Canada and Mexico. The policies of the new US government may negatively impact the economic conditions in the markets that Knight operates leading to loss of revenues and profitability.

The Globalization of Knight's Business

Knight operates throughout LATAM and Canada, as well as certain other markets. As a result, Knight is subject to the risks inherent in conducting business globally and under the laws, regulations, and customs of various jurisdictions. These risks include, but are not limited to:

- compliance with the national and local laws of countries in which Knight does business, including, but not limited to, sales and marketing of our products, competition laws, trade control laws, anti-bribery laws, privacy laws, compliance with cGMP, labor laws, health and safety, and laws regarding manufacturing practices, product labeling, advertising and post marketing reporting including adverse event reports and field alerts due to manufacturing quality concerns, tax and financial reporting laws, environmental law and intellectual property protections;
- enforcement of intellectual property rights in certain jurisdictions where the legal and regulatory regimes are less established;
- changes in laws, regulations, and practices affecting the pharmaceutical industry and the healthcare system, including but not limited to imports, exports, manufacturing, quality, cost, pricing, reimbursement, approval, inspection, and delivery of healthcare;
- changes in policies designed to promote foreign investment, including significant tax incentives, liberalized import and export duties, and preferential rules on foreign investment and repatriation;
- differing local product preferences and product requirements;
- adverse changes in the economies in which Knight operates as a result of a slowdown in overall growth, a change in government or economic policies, financial, political, or social change, or instability in such countries that affect the markets in which Knight operates, particularly in LATAM and other emerging markets;
- changes in employment laws, wage increases, or rising inflation in the countries in which Knight operates;
- supply disruptions and increases in energy and transportation costs;
- increased tariffs on products or API purchased by Knight, including tariffs on imports from foreign countries or within LATAM;
- natural or man-made disasters, including droughts, floods, earthquakes, hurricanes and the impact of climate change in the countries in which Knight operates;
- local disturbances, the outbreak of highly contagious diseases or other health epidemics or pandemics (such as coronavirus), terrorist attacks, riots, social disruption, wars, or regional hostilities in the countries in which Knight operates and that could affect the economy, Knight's operations and employees by disrupting operations and communications, making travel and the conduct of business more difficult, and/or causing Knight's customers to be concerned about Knight's ability to meet their needs; and
- government uncertainty, including changes in government which enact new laws or changes in laws and regulations.

There is no guarantee that Knight's efforts to expand sales in select international markets will succeed. The expansion of Knight's activities in select international markets may further expose the Company to more volatile

economic conditions, political instability, competition from companies that are already well established in these markets, the inability to adequately respond to unique characteristics of these markets, particularly with respect to their regulatory frameworks, difficulties in recruiting qualified personnel, potential exchange controls, weaker intellectual property protection, higher crime levels, and corruption and fraud.

The continued globalization of Knight's business may also expose Knight to increased currency risk as Knight may make investments in companies whose operations are primarily conducted in foreign currencies which could directly or indirectly result in a decrease in value in Knight's investment if those currencies devalue.

The Company's existing policies and procedures, which are designed to help ensure that Knight, its employees and its agents comply with various laws and regulations regarding corrupt practices and anti-bribery, cannot guarantee protection against liability for actions taken by businesses in which Knight has invested. Failure to comply with domestic or international laws could result in various adverse consequences, including possible delay in the approval or refusal to approve a product, recalls, seizures, withdrawal of an approved product from the market, or the imposition of criminal or civil sanctions, including substantial monetary penalties.

The Company may invest in countries which have strict, government-imposed currency controls. Currency controls may include restrictions on the amount of currency that may be repatriated. The Company is currently facing currency control restrictions in Argentina and Bolivia. As a result, there is a risk that Knight may not be able to recover funds invested or dividends from foreign investments.

Effects of Inflation in LATAM Countries

The majority of LATAM countries in which Knight operates in have experienced extremely high rates of inflation for many years. Inflation itself, as well as certain governmental efforts to combat inflation, have had, in many instances, significant negative effects on the economies of those countries. Past governmental efforts to curb inflation also involved other more drastic economic measures, which had a materially adverse impact on the level of economic activity. Any similar future measures taken by governments in LATAM countries could have similar adverse effects on the level of economic activity in those countries, and, in turn, on the operations of the Company. The inflationary pressures may not be offset by higher prices on the sale of our pharmaceutical products which may lead to a loss of profitability.

For example, the inflation rate in Argentina was 118% in 2024. The Company may not be able to increase selling prices at the same pace as inflation leading to a loss of profitability.

Government Cost Reductions

Disruptions at government agencies caused by funding shortages or global health concerns could hinder the agencies' ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products and services from being developed, approved or commercialized in a timely manner, which could negatively impact our business. The ability of government agencies to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, statutory, regulatory, and policy changes and other events that may otherwise affect the government's ability to perform routine functions. Average review times at agencies have fluctuated in recent years across various LATAM countries and Canada. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions to the government agencies may slow the time necessary for new or existing drugs to be reviewed and/or approved or cleared for commercial. This delay may adversely affect our business, impact our ability to access the public markets and our capacity to secure capital to continue to grow our operations.

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For example, INVIMA in Colombia shut operations twice in 2022 for several weeks due to cyber-attacks on their systems. These shutdowns slowed submissions, reviews of submissions and halted all communications with the agency during the time of the shutdown. Future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

Dependence on Key Person, Ability to Hire and Retain Key Personnel

The success of Knight is dependent, in part, on the services of its Executive Chairman, Jonathan Ross Goodman. Mr. Goodman suffered an accident in August 2011 from which he has not yet fully recovered and continues to deal with his energy levels and memory retrieval issues. The experience of this individual is a significant contributing factor to Knight's continued success and potential growth. The loss of Mr. Goodman's services on a short, medium, long term or on a temporary basis could have a material adverse effect on Knight's operations and business prospects.

Knight's executives have extensive pharmaceutical and healthcare industry experience and knowledge of the business. A loss of one or more management expertise and technical knowledge could adversely affect business operations and financial performance.

In addition, Knight believes its future success will also depend, in large part, on its ability to attract and retain additional highly skilled technical, management, and sales and marketing personnel. There can be no assurance that Knight will be successful in attracting and/or retaining such personnel, and the failure to do so could have a material adverse effect on Knight's business, operating results and financial condition.

Ability to Maintain Good Labour Relations

Knight has 321 unionized employees of which 141 are located in Brazil and 180 in Argentina. The collective agreements are governed by nationally regulated collective bargaining agreements. These agreements mandate salary increases (including inflation or hyper-inflation increases) as well as bonuses and benefits. The unions play an active role in salary negotiations and could have a material negative impact on Knight through increased compensation expenses or work stoppages.

Ability to Implement Knight's Strategy to Grow the Business

Knight's business strategy is largely based on increasing sales and net income through strategic acquisitions, licensing agreements and internal growth initiatives intended to develop marketing opportunities with respect to acquired product lines. Knight's business strategy is focused on enhancing its competitive standing through the promotion and sale of new products through new marketing and distribution channels. Since Knight engages in limited proprietary research activity with respect to product development, it relies heavily on in-licensing or acquiring product lines from other companies.

Other companies, many of which have substantially greater geographic footprint, financial, marketing and sales resources than Knight, compete for the acquisition of products. Knight may not be able to acquire rights to additional products on acceptable terms, if at all, or be able to obtain future financing for acquisition on acceptable terms, if at all. The inability to effect acquisitions of additional products could limit the overall growth of the business. Furthermore, even if Knight can obtain rights to pharmaceutical products, Knight may not generate sales sufficient to create a profit or otherwise avoid a loss.

Knight's Business Plan and Strategy rely, in part, on Investments and Acquisitions

Knight's business plan is focused, in part, on growth by identifying suitable acquisition opportunities, pursuing such opportunities, completing acquisitions and effectively integrating such businesses in Knight's business and operations. The Company may be unsuccessful in evaluating the material risks involved with the acquired and/or future investments, which could impact its ability to achieve the anticipated benefits from these investments and acquisitions. Furthermore, if Knight is unable to manage its growth effectively, this could adversely impact its financial position and results of operations. There can be no assurance that Knight will be able to identify suitable acquisition candidates or that Knight will be able to acquire assets or companies on an accretive basis.

The successful integration of new operations arising from Knight's acquisition business plan and strategy, including the acquisition of Paladin, requires a substantial amount of management time and attention be focused on integration tasks. Management time that is devoted to integration activities may detract from management's normal operations focus. Integration activities, including integrating processes, management, technologies and manufacturing capabilities, can result in unanticipated operational problems, expenses and liabilities. If Knight is not successful in executing its integration strategies in a timely and cost-effective manner, it will have difficulty achieving its growth and profitability objectives.

Pricing Pressure and Demand Fluctuations

Our customers may undergo consolidation and may form strong commercial alliances leading to increased pressure on price, as well as terms and conditions required to do business. For example, Rede D'Or, one of the largest private hospital network groups in Brazil, has been growing its operations through acquisitions of other private hospitals, consolidating smaller customers, as well as acquiring private insurance companies and vertically integrating its operations. In 2022, Rede D'Or acquired one of the largest insurance companies in Brazil, SulAmerica, as well as Hospital Santa Marina, Arthur Ramos Hospital & Hospital Santa Isabel.

Our customers are proactively managing their business in order to constantly lower the cost of drug prices. Furthermore, in response to budgetary pressures, governments, insurers and health institutions may revise regulations on pricing, price increases and reimbursement of pharmaceutical products. For example, since 2019, Programa de Atención Médica Integral ("PAMI"), our largest customer in Argentina, has been transitioning their drug procurement model from a direct purchase model from pharmaceutical companies to a tender process based solely on pricing.

Government healthcare policies may also result in pricing pressures. In Colombia, the government funds a UPC budget per life covered to each HMO and all products listed as PBS, the Colombian formulary, by the Colombian Ministry of Health, is fully covered by the HMO for patient care. At the start of 2022, the Colombian Ministry of Health updated extensively the list of PBS products by adding over 600 additional products. The UPC budget per life covered from the government to the HMOs was increased by 16%; however, the increase is considered inadequate to cover the 600 products added to the PBS list. In January 2024 the Colombian Ministry of Health updated the list of PBS products by adding an additional 81 products, with limited increase of the PBS budget per life. Consequently, the purchasing and negotiation strategy of Colombian HMOs shifted towards a more aggressive cost containment strategy leading to high level of discounts, especially on multi-source products (e.g. branded generic molecules with more than one competitor). As a result, the Company may be negatively impacted with a loss of revenues, gross margin, and profitability for its branded generic products or innovative products facing generic competition in Colombia.

Our revenues may also be affected by fluctuations in customer buying patterns, whether resulting from seasonality, pricing, wholesaler buying decisions or other factors. As customers shift to a tender process for procurement, the Company's revenues and operational result could be adversely affected by the binary nature of

the results from the tenders.

Ability to Integrate New Products and Companies in Canada and Internationally

The integration of newly acquired products and companies into Knight's business will require significant management attention and expansion of marketing, sales, and general and administrative staff. Knight's strategic direction includes becoming an international specialty pharmaceutical company. Knight's management has been focused on the integration of GBT, which was substantially completed in 2022. Knight's management has limited experience operating in LATAM and, as a result of this inexperience, Knight's management may not be able to properly manage and grow in LATAM.

In May 2021, Knight acquired the exclusive rights to manufacture, market and sell Exelon[®], in Canada and Latin America as well as an exclusive license to use the intellectual property and the Exelon[®] trademark, from Novartis within those territories. During 2022, Knight transferred the marketing authorization and took on all commercial activities in Brazil, Colombia, Mexico, Chile, Peru, Argentina and Canada. In addition, on May 12, 2022, Knight announced that it entered into an agreement with Helsinn for the exclusive rights to commercialize Akynzeo[®] oral/IV (netupitant/palonosetron/fosnetupitant/palonosetron) in Canada, Brazil, Argentina, Uruguay and Paraguay, and Aloxi[®] oral/IV (palonosetron) in Canada. Knight assumed commercial activities and re-launched Akynzeo[®] in Brazil, Argentina and Canada, and Aloxi[®] in Canada during the second half of 2022.

Investing and operating in international locations including emerging markets carry significant inherent financial, legal and political risks. If Knight cannot integrate its acquisitions successfully, these changes and acquisitions could have a material adverse effect on the business, financial condition, results of operations and cash flows. In addition, potential future acquisitions in international jurisdictions are subject to risks inherent in conducting business abroad, including possible nationalization or expropriation, price and currency exchange controls, fluctuations in the relative values of currencies, political instability and restrictive governmental actions. In addition, as a result of the acquisition, including the GBT acquisition, there may also be liabilities and contingencies that the Company discovered after closing of the transaction or was unable to quantify in the due diligence conducted prior to closing of the transaction and which could have negative affects on the Company's business and financial performance.

The Company's growth in the next few years will come from product launches and acquisitions which will require substantial investment before Knight earns returns on these products. Each new product launch requires significant promotional investment during the first three to five years from launch while during the early years of a launch the Company will not have significant revenues from these products. There is no guarantee that a new product will obtain physician and patient acceptance and earn sufficient revenues to deliver profitable growth. Currently, Knight is either launching or in the early stages of launching several products, including Bijuva[®], Imvexxy[®], Minjuvi[®], Karfib[®], Tavalisse[®], Palbocil[®], Rembre[®], Pemazyre[®], Crexont[®] and Journay PM[™]. There is no guarantee that these products will obtain physician and patient acceptance and earn sufficient revenues to deliver profitable growth.

In March 2025, Knight announced that is has entered into an Asset Purchase Agreement to acquire Paladin. If Knight successfully closes the transaction, there will be a diversion of management resources for the integration of Paladin with Knight's business in Canada. A delay or inability to successfully complete the integration could lead to loss of synergies, additional costs and lower profitability than expected.

Ability to Acquire License Rights to New Products or Renew Existing License Rights

Knight's growth depends on acquisition of product rights from other companies in order to expand its new product portfolio. Risks in acquiring new products include:

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- a) the ability to locate new products that are attractive and complement Knight's business; and,
- b) the ability to acquire or obtain the license for these products at financially attractive terms.

Knight faces ongoing competition from other pharmaceutical companies to acquire product rights. Consequently it is more competitive for Knight to find attractive products on acceptable terms. Certain license agreements may impose certain commitments and restrictions. Financial commitments may include minimum inventory purchases and commercial spend which may limit Knight's ability to manage profitability. Knight may also have commitments to obtain approval or launch within a certain period of time or risk termination. Furthermore, product license agreements may include limitations on the ability for the Company to license additional products with similar or same indications. In addition, Knight may face competition for product rights from local regional players who are better funded and more knowledgeable about the local pharmaceutical market. Such restrictions may affect Knight's ability to license new products or gain efficiencies from commercial infrastructure and limit the Company's growth and profitability.

Since the acquisition of GBT, Knight has become a pan-American (ex-US) license partner. There is no guarantee that Knight will be able to secure future licensing right for Canada and Latin America. In LATAM, Knight may face competition for product rights from local regional players who are better funded and more knowledgeable about the local pharmaceutical market.

Knight's strategy is to be the pan-American (ex-US) partner of choice. Knight aims to enter into long-term agreements with its licensors in order to secure sustained benefits from our commercial investments. Knight's license agreements include both short-term and long-term product agreements. There is no guarantee that license agreements that come up for renewal in the near term will be renewed or whether they will be renewed on similar or profitable financial terms. The termination of license agreements or changes to the financial terms of the license agreement may have a material adverse effect on the Company's cash flows and operations.

Ability to Successfully Develop and Launch New Drugs

Knight intends to invest significant time, resources and capital in identifying and purchasing new drugs, dosage and delivery systems, either on its own or through possible licensors. Knight's continued growth will depend, in part, on its success in such investment. Knight may not be able to recover its investment in the development of new drugs, given that projects may be interrupted, unsuccessful or not as profitable as initially contemplated.

Knight develops branded generic products through its own research and development efforts. The research and development efforts require an early assessment of therapeutic trends and intellectual property rights in the various countries in which Knight operates, especially Argentina. The process of development of branded generic products is complex requiring multiples phases such as formulation development, analytical and microbiological validation, stability and pharmaceutical equivalence and bioequivalence studies. There is no guarantee that any of the phases can be successfully completed as the process of product development is inherently risky, has a high failure rate, is time consuming and costly. The products developed through internal efforts, if and when fully developed, tested and approved, may not be profitable.

A key success factor in our branded generic strategy is the timing of our launches. We may face delays in our launches and therefore may not be able to realize the economic benefits anticipated in connection with our branded generic pipeline. Our products may enter the market after other branded generic or ordinary generic manufacturers or may not be as cost effective to be commercially viable for payors. If we cannot execute timely launches of new products, we may not be able to offset the increasing pricing pressure on our existing portfolio including our branded generic products. An unsuccessful launch can be caused by many factors including delays in regulatory approvals, lack of operational or clinical readiness or patent litigation. Failure or delays to execute launches of new generic products could have a material adverse effect on our business, financial condition, and

results of operations.

Ability to Maintain Approvals for Development, Manufacture and Distribution

Government authorities in Canada and throughout LATAM extensively regulate, among other things, the research, development, testing, approval, manufacturing, labelling, post-approval monitoring and reporting, packaging, advertising and promotion, storage, distribution, marketing and export and import of pharmaceutical products. In certain countries, health regulations are managed both federally and by the state or province and municipality. The majority of branded generic products commercialized by Knight are manufactured in our own facilities in Argentina. Each of these facilities must comply with cGMP in Argentina as well as in each of the markets in which Knight commercializes branded generic products prior to marketing approval. In addition, its manufacturing, warehousing and distribution sites are subject to municipal, provincial and national environmental regulations and other permit requirements. Each country has specific requirements on import and release of products to patients. For example, Brazil and Argentina require that each legal entity that distributes products in the country maintain its own laboratory in order to release products for the local market. Further, each laboratory must have good laboratory practices and must be approved by the local regulatory authority. For that reason, Knight owns and operates two (2) laboratories in Argentina and one (1) in Brazil.

In certain LATAM countries, a change in government may lead to changes in certain health regulations, including requiring more or less local development, manufacturing, release or additional studies to remain in compliance. These changes may result in additional expenses, delays in launch and approval or withdrawal of certain products. Furthermore, failure to comply with these regulations or to meet compliance deadlines could result in, but is not limited to, warning letters, civil penalties, delays in approving or refusal to approve a product candidate, product recall, product seizure, interruption of production, operating restrictions, suspension or withdrawal of product approval, injunctions or criminal prosecution.

Certain of our branded products are specialized and require complex manufacturing processes and systems. As the Company develops new products, it may have to upgrade equipment, change sites, or make other investments to the manufacturing process, machines and locations. These changes may need to be approved by health authorities in various countries, lead to manufacturing delays and product shortages. Such permits and interruptions may have a significant negative impact on our market share of locally manufactured products which could have a material impact on the Company's cash flows and operating results.

Furthermore, in recent years, regulatory agencies around the world have increased their scrutiny of pharmaceutical manufacturers. This has resulted in requests for product recalls, temporary plant shutdowns to address specific issues and other remedial actions. Our manufacturing facilities, as well as those of our contract manufacturing organizations (CMOs) and license partners, have been the subject of increased regulatory oversight, leading to increased expenditures required to ensure compliance with new or more stringent production and quality control regulations. These regulatory actions may also adversely affect our ability to supply products and to obtain approvals for new products or maintain approval of existing products. If any regulatory body were to require one or more of our manufacturing facilities to cease or limit production, or to halt the approval of new or pending regulatory applications, our business and reputation could be adversely affected. In addition, because regulatory approval to manufacture a drug is site-specific, the delay and cost of remedial actions or obtaining approval to manufacture at a specific facility could have a material adverse effect on our business, financial condition and results of operations.

Concern over Controlled Substances in Products and Risks Associated with Legal and Regulatory Action

Jornay PMTM, contains methylphenidate, which is a controlled substance in Canada, Brazil, Argentina and Colombia where we have distribution rights. Knight will be required to comply with laws and regulations relating

to the manufacturing, importation, shipment, storage, sale and use of controlled substances. In addition, there may be country specific quota imposed on the quantity of controlled substance that can be imported and or exported by the pharmaceutical industry. Each LATAM country has its own laws and regulations governing controlled substances, therefore adhering to these varying requirements can be complex and resource consuming. There is no assurance Knight can eliminate the risks associated with controlled substance laws and regulations through the implementation of policies and procedures. Our customers and healthcare providers may violate direct or indirectly the laws and regulations related to controlled substances, leading to legal liabilities and penalties against the Company. This may negatively impact the Company's business operations, cash flows, and financial condition. Furthermore, issues like prescription drug abuse and media scrutiny over the use of controlled substances, such as medications for ADHD, can also adversely affect our business operations and reputation.

Ability to Maintain Manufacturing Operating Licenses and to Manufacture our Branded Generics Products

In fiscal year 2024, 14% of our total revenues was derived from sales of our branded generics portfolio mainly produced in Argentina and sold in select countries across Latin America, including Argentina. We operate three manufacturing sites in Buenos Aires, Argentina and each site requires a municipal license granted by the state of Buenos Aires as well as a health authority GMP certification from ANMAT. For certain products that are exported to Peru and Colombia, the site must receive GMP approval from DIGEMID and INVIMA, respectively. Each of those certifications may be granted for a limited period of 2 to 5 years. As the municipal and health authority licenses are up for renewal, an audit or inspection of the manufacturing site may be required and over time the rules, regulations and standards may increase which may lead to a risk of non-renewal. If such licenses are not renewed, the Company may need to discontinue its manufacturing operations or sales to certain jurisdictions, which will lead to a decline in sales and profitability.

In addition, our manufacturing sites in Argentina require regular annual maintenance of our equipment and facilities. The maintenance requires a temporary halt of our production operations. If our maintenance activities last longer than planned, it may lead to delays in production, back orders, higher cost of production and lower gross margin on our products. Furthermore, our manufacturing facilities require importation of specialized equipment or spare parts from outside Argentina. With the volatile macroeconomic situation in Argentina and changing restrictions of importations as well as currency controls, we may face difficulties to effectively operate our manufacturing sites in Argentina.

If we cannot manufacture our branded generics products on a cost-efficient and timely basis, we may lose sales, market share on our product, incur fines on our contractual commitments and incur losses on our manufacturing operations.

Ability to comply with Environmental, Climate and Sustainability Standards

Knight operates three manufacturing facilities, a research and development facility and laboratories in Argentina, as well as a laboratory in Brazil. The facilities in Argentina and Brazil are subject to a variety of environmental, health, and safety laws and regulations at the federal, state or provincial, and municipal levels. These laws and regulations govern, among other things, air emissions, wastewater discharges, the use, handling, and disposal of hazardous substances and wastes, soil and groundwater contamination, and employee health and safety. Any failure by us to comply with environmental, health, and safety requirements could result in the limitation or suspension of production, subject us to monetary fines, civil or criminal sanctions, or other future restrictions or penalties. Knight is also subject to laws and regulations governing the destruction and disposal of raw materials and non-compliant products, the handling of regulated material included in products, and the disposal of Knight's products or their components at the end of their useful lives. In addition, compliance with environmental, health, and safety requirements could restrict Knight's ability to expand facilities or require Knight to acquire costly environmental or safety control equipment, incur other significant expenses, or modify manufacturing processes. Knight's manufacturing facilities may use, in varying degrees, hazardous substances in their processes. In the event of the discovery of previously unknown contamination at these facilities, Knight may be required to take additional, unplanned remedial measures and potential fines, closures or suspension. Furthermore, changes to local regulations including environmental standards may require Knight to move its manufacturing sites to different locations which could lead to loss of market share and revenues due to supply interruptions as well as significant investment in capital expenditures.

Environmental, climate and sustainability standards have been widely developed internationally and locally in the past several years, and continues to be developed in many countries including the European Union, Canada, Brazil and other countries in which Knight operates, to mitigate negative impacts on the environment and promote sustainable practices. Even though such standards have not yet been adopted, their adoption is expected in the near term. We also continue to monitor the acceleration of climate/sustainability reporting initiatives by regulators and standard setters, including the European Union's European Sustainability Reporting Standards (ESRS) and Corporate Sustainability Reporting Directive (CSRD) which would first apply to certain subsidiaries of Knight in 2027. The Company is in the process of assessing the impact and scope of those standards and expects to comply with the ones applicable to the Company. Failure to comply with climate, environmental and sustainability standards and practices can have adverse consequences to Knight, including, but not limited to, legal penalties and fines, negative publicity and loss of consumer trust harming the Company's reputation, increased operational costs, decreased sales and decreased competitiveness. Failure to comply with environmental and sustainability standards may place Knight at a disadvantage compared to competitors that do comply, which can negatively impact Knight's market position, difficulty in obtaining licenses and permits for operations.

Reliance of Key Products

Knight has a significant portion of its revenues from the sale of certain key products, which may evolve as the Corporation's product portfolio grows. For example, for the year ended December 31, 2024, the key products included Exelon[®], AmBisome[®], Impavido[®], Lenvima[®], Cresemba[®], Ladevina[®], Akynzeo[®], Trelstar[®], Salofalk[®], and Vidaza[®]. The Corporation's financial results and cash flows may be materially affected should sales of these products decline, whether from new entrants into the market, generic competition, adverse events or other factors.

Value of Intangible Assets and Goodwill

A significant amount of the Corporation's total assets is acquired intangible assets and goodwill as defined in the Corporation's annual audited consolidated financial statements for fiscal 2024. As of December 31, 2024, the carrying value of Knight's intangible assets was approximately \$283,612 (2023: \$289,960) and goodwill was

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approximately \$86,477 (2023: \$79,844). The Corporation is required to review the carrying value of its intangible assets for impairment periodically or when there is an indication of impairment and is required to review the carrying value of its goodwill on an annual basis. Intangible assets include the net book value of product rights, trademarks and process know-how covered by certain patented and non-patented information. Goodwill is the excess of the aggregate consideration transferred in a business combination and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. The goodwill is allocated to each of the Corporation's cash-generating units expect profit from the business combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units. Management reviews the carrying value based on projected future results. If events such as generic competition or inability to manufacture or obtain supply of product occur that may cause sales of the related products to decline, the Corporation adjusts the projected results accordingly. Any impairment in the carrying value results in a write-down of the intangible asset or goodwill which is charged to income during the period in which the impairment is determined. The write-down of intangible assets or goodwill may have a material adverse effect on the results of operations in the period in which the write-down occurs. Additional information relating to this can be found in the Corporation's Audited Financial Statements and MD&A for the year ended December 31, 2024, available on Knight's profile at www.sedarplus.ca.

Strategic Loan Investments put Knight's Capital at Risk

Certain of Knight's collaborations or other transactions with pharmaceutical companies, drug developers and other life sciences companies have involved and will continue to involve the financing of such companies by way of loans and other forms of debt. Such loans take and may continue to take different forms and will have different terms with respect to interest rate, repayment terms, security and other matters. Some of the companies with which we entered into strategic financing transaction have relatively short or no operating histories. There can be no assurance that any such companies will be able to repay such loans in accordance with their repayment terms or that any security in respect of such loans would be sufficient at the time of realization to cover the debt owed by such companies. Any failure to repay such loans in accordance with applicable terms, failure to realize on security or inadequacy of security upon realization could have a material adverse effect on the capital position and general financial condition of Knight. In addition, even if the Corporation is able to realize certain value for the security, it may distract management from other parts of the business and require substantial time and resources in order to realize the security. For example, Knight International entered into a secured loan agreement with 60P in December 2015, the proceeds of which were used in the development of medicines for treatment and prevention of malaria. In August 2018, 60P announced the FDA's approval of Arakoda™ in the U.S. There can be no assurance that 60P will have the required financing to launch Arakoda™ or that its launch will be commercially successful and generating enough profitability to repay Knight's loan. Furthermore, there is no assurance that Knight will be able to recover its investments in 60P. In 2023, concurrent with 60P's IPO, Knight executed a debt conversion agreement to convert the 60P Loan into common shares, preferred shares, certain product rights and a milestone payment of US\$10,000 payable upon the sale of Arakoda® or 60P.

Ability to Maintain Financial Covenants on Existing Financial Leverage

As at December 31, 2024, Knight had total bank debt of \$43,385, which includes a \$36,331 secured loan with the IFC. Knight's borrowings include customary covenants, including certain financial covenants, limitations on incurring additional indebtedness and the ability to make distributions to shareholders, and certain financial covenants related to asset coverage and liquidity and other maintenance covenants, as well as customary events of default. The breach of any of these covenants, including financial covenants could result in default under the relevant agreement, which could, in turn, cause cross-acceleration or cross-defaults under Company's other financing arrangements. In such event, Knight may be unable to borrow under its financing arrangements and may not be able to repay the amounts due under such arrangements, which could have a material adverse effect on Knight's business, results of operations, financial condition, liquidity, and cash flows. The adverse effects of debt commitments may include: (i) limiting the ability to secure additional financing for working capital, capital expenditures, or product development; (ii) reducing Knight's ability to use cashflow from operations for its operations, as a portion may be required to service indebtedness; (iii) increase risk of default resulting from a failure to make the required payments of principal and/or interest due to failure of Knight's business to perform as expected; (iv) restricting the ability of Knight to make strategic acquisitions; and (v) subjecting the Company's operations to covenants that may limit operating flexibility.

In addition, Knight's ability to comply with these covenants may also be affected by events beyond the Company's control including prevailing economic conditions and business, financial and other factors. If Knight is unable to make payments on its debt, the Company may have to resort to alternative financing such as cost savings initiatives, delaying capital investments, seeking to raise additional capital, restructuring or refinancing its debt which may be at higher interest and can further restrict the business operations and cause the market value of Company's Common Shares to decline.

Strategic Investments may not be Profitable to Knight or may not help the Corporation Secure Product Rights

As part of Knight's growth strategy, it invests healthcare-specialized funds and fund managers which have substantial assets under management in the healthcare sector and can leverage their existing relationships with key life science companies to help secure Canadian and select international market product rights for Knight. Since inception of the fund strategy, the Corporation has committed to invest, or made investments, in funds managed by Forbion, Teralys, Domain, Sanderling, HarbourVest, TVM, and Genesys for approximately \$92,024 based on exchange rates in effect as of the commitment dates. Knight does not exercise direction or control over the funds in which it invests and does not have any direct decision making in the investment decisions of such funds. There is no guarantee that such funds will make investments that are profitable for Knight nor that Knight's relationships with such funds will help Knight secure any product rights. Further, Knight's investments in such funds are capital in nature and there is no guarantee that all or any such capital will be recovered. Although, there is typically a planned exit date for each strategic fund, there is no guarantee that the Company will receive a distribution and exit its strategic fund investment before that date. The strategic fund may extend its exit date due to various factors such as volatility of the market or liquidity of the underlying investment of the fund.

Knight's Investments in Neglected Tropical Diseases and Rare Pediatric Diseases may not Lead to Approved Products or to the Granting of a Priority Review Voucher (PRV) by the FDA

One of Knight Therapeutics International S.A.'s strategies is to source opportunities to license or acquire and develop therapeutics to treat either neglected tropical or rare pediatric diseases. Knight International may not be able to source such opportunities or to source them on attractive financial terms. In addition, Knight International may not be successful in securing FDA approval for such therapeutics, or if approved, may nonetheless not be granted a PRV from the FDA, and therefore may not be successful in receiving a beneficial interest in additional PRVs. For instance, Knight International entered into a strategic loan with 60P to support the development and

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approval of Arakoda™(tefenquine) for the prevention of malaria, a rare tropical disease. While 60P did obtain FDA approval for Arakoda™, 60P was not the first company to obtain FDA approval for tafenoquine and, as such, did not receive a PRV.

Ability to Have Access to Additional Financing and Capital, and Dilution

Knight may consider issuing additional debt or equity securities in the future to fund potential acquisitions or investments, or for general corporate purposes. If Knight issues additional equity or convertible debt securities to raise additional funds, its existing shareholders may experience additional dilution, and the new equity or debt securities may have advantageous rights, preferences and privileges when compared to those of Knight's shareholders as at the date hereof. Such dilution may be significant. In addition, if Knight incurs debt, it may increase its leverage relative to its earnings or to its equity capitalization, requiring Knight to pay interest. Knight may not be able to market such issuances on favourable terms, or at all, in which case, Knight may not be able to develop or enhance its products, execute its business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer requirements.

In March 2025, Knight announced it has entered into an Asset Purchase Agreement to acquire Paladin for an upfront payment at closing of \$120,000 in cash, including inventory valued at \$20,000. In addition, Knight may pay future contingent payments of up to US\$15,000 upon achieving certain sales milestones. As at December 31, 2024, Knight has a total of \$142,331 in cash and marketable securities which will be used to fund the acquisition of Paladin. Subsequent to the closing of the Paladin transaction, the Company will require additional financing for future material acquisitions in the short to medium term. There is no guarantee that the Company will be able to secure new financing in debt or equity to fund future acquisitions.

Generic Product Risk

There may be no proprietary protection for many of the branded pharmaceutical products in Knight's portfolio. Certain of our products are not patented or have limited patent life and will soon lose patent protection. Further, a significant portion of Knight's revenues derive from sales of branded generic products which do not have any patent protection. The entrance into the market of a generic pharmaceutical or competing branded generic products, typically erodes the branded product or the Corporation's own branded generic product's market share which may have a material adverse effect on Knight's business, financial condition and results of operations.

Certain products in Knight's innovative portfolio have no patent or data protection and are still without generic competition. However, a generic may submit for regulatory approval and if approved may launch in Knight's market leading to a loss of sales and profitability. For example, AmBisome®, which is approved and commercialized by Knight in Brazil since 1997 does not currently have a generic competitor. A generic version of AmBisome® (liposomal amphotericin B) was approved by FDA in 2021 and was launched in early 2022 in the U.S. A second generic of AmBisome® was approved by the FDA in late 2022 and was launched in early 2023. Should generic competitor obtain ANVISA approval and launch a generic or branded generic version of AmBisome® in Brazil, the Corporation's sales, profitability and cash flows will have a material negative impact.

During 2023, two companies received ANVISA approval for generic lenvatinib in Brazil. In addition, during 2024, one of those companies received ANVISA approval for a branded generic lenvatinib. Knight and Eisai are collaborating to defend Lenvima®'s market exclusivity in Brazil. In Q3 2024, one of the companies launched their branded generic lenvatinib product in Brazil. If Knight is not successful in its generic defense strategy, the Corporation's sales, profitability and cash flows will have a material negative impact.

Before the acquisition of Exelon® from Novartis, the drug faced branded and/or generic competition in Canada and most of the markets in LATAM. In Q2 2023, a branded generic drug of Exelon® was launched by a competitor in Brazil. If Knight is not successful in its generic defense strategy, the Corporation's sales, profitability and cash flows will have a material negative impact.

Dependence upon Companies in which Knight Makes Investments

Economic, governmental, industry and external factors outside Knight's control may affect each of the companies in which Knight invests, whether directly, or indirectly through its investments in funds. If these companies do not succeed, the value of Knight's assets and the market price or value of its Common Shares could decline. Some of the material risks relating to the companies in which Knight may invest include:

- the ability of these companies to successfully develop and obtain governmental approvals for the products which serve as the basis for Knight's investments;
- the ability of competitors to develop similar or more effective products, making the drugs developed by the companies in which Knight invests difficult or impossible to market;
- the ability of the companies in which Knight invests to adequately secure patents for their products and protect their proprietary information;
- the ability of the companies in which Knight invests to enter the marketplace without infringing upon competitors' patents;
- the ability of the companies in which Knight invests to remain technologically competitive, and the dependence of these companies upon key scientific and managerial personnel; and
- the ability of the companies in which Knight invests to manage cash flow in order to remain solvent and ensure that Knight's investment remains realizable.

Knight has limited or no control over the resources that any company in which it invests (but does not control) may devote to developing the products for which Knight collaborates with them. Any company in which Knight invests may not perform as expected. Such companies may breach or terminate their agreements with Knight or otherwise fail to conduct product discovery and development activities successfully or in a timely manner. If any of these events occur, it could have a material adverse effect on Knight's business.

Control of Our Strategic Investments

We may not have a controlling position in any of our strategic investments. As a result, we are subject to the risk that a strategic investment partner may make business decisions with which we disagree or take risks or otherwise act in ways that do not serve our interests.

We may Have Limited Access to Information about Privately-held Companies in which we Invest

We may invest in privately-held companies. Generally, little or no public information exists about private companies and we are required to rely on the ability of our senior management to obtain adequate information to evaluate the potential returns from investing in these assets. If we are unable to uncover all material information about these assets, we may not make a fully informed investment decision, and we may incur a loss on our investment.

Product Liability Claims, Insurance and Recalls, and Unexpected Product Safety or Efficacy Concerns

Knight faces an inherent business risk of exposure to product liability claims in the event that the use of its technologies or products are alleged to have resulted in adverse effects. Side effects, or marketing or manufacturing problems pertaining to any of Knight's current or future products could result in product liability claims or adverse publicity. Unexpected safety or efficacy concerns can also arise with respect to marketed products, whether or not scientifically justified, leading to product recalls, withdrawals or declining sales, as well as product liability, consumer fraud and/or other claims.

These risks will exist for those products in clinical development and with respect to those products that receive regulatory approval for commercial sale. In addition, clinical studies sponsored by Knight may involve risks of civil liability. Although Knight intends to take what it believes to be appropriate precautions, including obtaining and maintaining product liability coverage (subject to certain deductibles and maximum payouts) and obtaining indemnification from its partners (subject to the terms of each specific agreement), Knight may not be able to avoid significant product liability exposure.

Due to increasing numbers of lawsuits over the last several years and related payouts under insurance policies, some insurers are reducing their scope and level of coverage, causing the supply of insurance to lag behind demand. This could increase our premiums, reduce the scope and capacity of our coverage, and adversely affect our ability to maintain and renew our existing insurance policies on favorable terms or at all. While we continue to maintain insurance coverage intended to address certain risks, such coverage may be insufficient to cover claims and losses we face. In addition, not all risks are covered by insurance and no assurance can be given that the insurance coverage obtained and maintained by Knight will be sufficient to cover losses or claims that may occur involving Knight's business.

In certain markets where Knight operates, counterfeit and falsified medicines, i.e. unauthorized sale of non-approved drugs that imitate Knight's own packaging is a health, safety and trade concern. Counterfeit drugs may lead to damage of Knight's and Knight's product's reputation and brand equity. While the Company has processes in place to identify a counterfeit product from the original drug, the health authority may require Knight to recall and stop selling its authentic drug which can lead to a loss of profitability through decline in sales, write-off of inventory and recall expenses.

Marketing and Competition

The Innovative Drug and Generic Drug industries are competitive and this competition may increase. Products compete based on efficacy, safety and side effect profiles, price and brand differentiation. Some of Knight's competitors may have greater technical or financial resources than Knight and may use these resources to pursue a competitive position that threatens Knight's current or future products. Knight's current or future products could be rendered obsolete or uneconomical by the development of new pharmaceuticals to treat the conditions addressed by these products, as a result of technological advances affecting the cost of production, or as a result of marketing or pricing action by one or more of Knight's competitors. For example, Knight commercializes several oncology products. As new therapies, including immunotherapies, are introduced, Knight's products may be pushed into later lines of treatment guidelines.

Ability to Obtain and Maintain Regulatory Approvals

The manufacture and sale of pharmaceutical products is highly regulated, which significantly increases the difficulty and costs involved in obtaining and maintaining regulatory approval for marketing new and existing products.

The regulatory approval process can be long and may involve significant delays despite Knight's best efforts. Moreover, Health Canada, ANVISA, COFEPRIS, INVIMA and other health agency regulations are rigorous, time consuming and costly, and Knight cannot predict the extent to which it may be affected by changes in regulatory developments and its ability to meet such regulations. There is also a risk that Knight's current or future products may be withdrawn from the market and the required approvals suspended because of non-compliance with regulatory requirements. As part of the FDA's approval of Impavido® in the U.S., Knight has committed to conduct post-approval studies; there remains one study to be completed and should it yield a negative result, there can be no assurance that the FDA will not revoke regulatory approval for Impavido®.

In most LATAM countries, marketing authorizations are granted for a finite period of time, generally 5 years, and must be renewed prior to the expiry date. For each, Knight is required to resubmit certain regulatory and compliance paperwork, and in certain cases provide additional studies that meet the more current regulatory requirements. Knight may have delays in obtaining documentation from third parties, incur expenses to update the studies, and face delays from agencies. If Knight is not able to obtain marketing authorization renewals on a timely basis, Knight may face supply interruptions and losses. In addition, there can be no assurance that the regulators will not require modification to any other submissions which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of Knight to utilize its technology, thereby adversely affecting operations. Furthermore, there can be no assurance that Knight's future products will prove to be safe and effective in clinical trials, or receive the requisite regulatory approvals.

New Legislation or Regulatory Requirements

New legislative proposals for pharmaceutical product pricing, reimbursement levels, approval criteria and manufacturing requirements may, from time to time, be proposed and adopted both in Canada and in other markets, including Latin America, in which Knight sells its products. New legislation or regulatory requirements may have a material adverse effect on Knight's financial condition, results of operations or cash flows. Any failure to comply with applicable laws, rules and regulations in all jurisdictions in which Knight plans to operate may result in legal proceedings.

Furthermore, to achieve approvals of new products and new indications, regulatory authorities in Canada and Latin America continue to establish new and increasingly rigorous requirements in the already lengthy and expensive process of obtaining regulatory approvals and reimbursement for pharmaceutical products. For the regulatory approval of a drug in certain Knight's territories including Brazil, Colombia, Peru, Ecuador, Paraguay, Bolivia, CENAM, (collectively "Zone IV countries"), data providing Zone IV or Zone IVb stability for hot, high humidity and tropical climatic conditions is required. Such stability data is not required for products approved and marketed in the US, Canada or Europe. Knight or its partners may need to perform additional stability studies for the products being submitted to the respective health authorities of the Zone IV countries. Such studies may delay the regulatory submission and approval timelines. In the event of stability Zone IV failure, Knight will not be able to obtain regulatory approval and commercialize the products in the Zone IV countries.

Similarly, the post-approval regulatory burden has also increased. Approved drugs are subject to various requirements such as risk evaluation and mitigation strategies, risk management plans, comparative effectiveness studies, health technology assessments, and requirements to conduct post-approval Phase IV clinical trials to gather additional safety and other data on products. These requirements have the effect of making the maintenance of regulatory approvals for Knight's products increasingly expensive, and further heightening the risk of recalls, product withdrawals, loss of market share, and loss of revenue and profitability.

In certain LATAM countries when a new government takes office, it may decide to change certain healthcare legislation and regulations, including requiring more or less local development, manufacture, pricing, release or additional studies to remain in compliance. These changes may result in additional expenses, delays in launch and approval or withdrawal of certain products. Furthermore, failure to comply with these regulations or not meet compliance within the regulatory time limits could result in, including but not limited to, warning letters, civil penalties, delays in approving or refusal to approve a product candidate, product recall, product seizure, interruption of production, operating restrictions, suspension or withdrawal of product approval, injunctions or criminal prosecution.

Ability to Obtain Product Reimbursement

The success of many of Knight's current and future products and, in turn, its future growth and profitability, will depend to a significant extent upon its ability to obtain competitive levels of reimbursement for those drugs from public Formularies (federal, provincial and territories) and other third-party private payers.

In order to reduce drug prices in Canada, the Council of the Federation of Canadian provinces established the pan-Canadian Pharmaceutical Alliance ("pCPA") in 2010 for the purpose of conducting joint provincial/territorial negotiations for prescription drugs in Canada, thereby achieving greater value for all Formularies.

All brand name drugs receiving a favorable review from the CDR for non-oncology drugs for all provinces except Quebec, from the pCODR for oncology drugs for all provinces except Quebec, or INESSS for all drugs (oncology and non-oncology) in Quebec are now subject to a negotiation process managed by the pCPA. Through this negotiation, the pCPA attempts to reach an agreement directly with drug companies like Knight. Once this agreement or Letter of Intent ("LOI") is reached, it becomes the basis upon which provincial and territorial Formularies determine if they will list reimburse the drug in their territory. Upon issuance of the LOI, each province that elects to include the product in its Formulary will enter into a Product Listing Agreements with the Corporation.

As drug costs have increased, public Formularies have become more restrictive in both the number of products they reimburse and the conditions under which they will be reimbursed. Furthermore, as cost of treatments, especially in oncology, have increased, private insurers in Canada have begun to review which products they will reimburse and list on their Formularies. The failure to achieve Formulary listings and/or specific conditions attached to restricted listings may affect patients' and physicians' decisions regarding the use of Knight's future products. There can be no assurance that the current conditions and rigor or timing of review related to submissions for public and private Formulary listings will not change or become more onerous in the future. Furthermore, there can be no assurance that the Formularies will list or continue to list Knight's future products. If any of Knight's future products fail to achieve a negotiated LOI with the pCPA or are not listed on the provincial Formularies, this may have a material adverse effect on Knight's financial condition, results of operations or cash flows.

Price negotiations with government agencies, HMOs and other buyers in LATAM may take considerable time after the Corporation has received its marketing authorization for a product. For example, in Brazil, upon obtaining marketing authorization, pharmaceutical companies must obtain approval of their launch price from CMED before they can launch their product. CMED bases its launch pricing approval on comparative pricing in the U.S., New Zealand, Australia, Greece, Portugal, Italy, Spain, France, and Canada. In addition, CMED is also responsible for sanctioning the allowable annual price increases. Finally, in order to obtain reimbursement from private insurers, the pharmaceutical product may have to be included in the List of Procedures as approved and published by ANS. Delays in pricing and reimbursement approvals may have a negative impact on the Corporation's cash flows and profitability. In addition, in certain countries where Knight operates, the Corporation may be forced to reduce its price, offer discounts, forgive certain balances outstanding in order to comply with cost-containment measures. Furthermore, as HMOs and governments look to controls spending on healthcare and more specifically on drugs, they may move purchasing of certain products to tender based solely on price.

Product Pricing Regulations on Certain Drug Products

All patented drug products that form part of Knight's Canadian portfolio of products are subject to pricing regulation by the PMPRB, a federal agency tasked with ensuring that prices of patented medicines are not excessive. The PMPRB does not approve prices for drug products in advance of their launch in Canada, rather, it provides guidelines from which companies set their prices at the time of their product launch. For existing patented products, prices cannot be increased annually by more than a factor based on Statistics Canada's Consumer Price Index.

Under the previous PMPRB guidelines for new patented products, the price in Canada is limited to either the cost of existing drugs sold in Canada or the median or highest prices for the same drug sold in a list of comparator countries specified by the PMPRB. On July 1, 2022 the federal government's amendments to the Patented Medicines Regulations came into effect amending a change to the basket of comparator countries from seven to eleven countries with the exclusion of the U.S. and Switzerland. The new basket of countries are Australia, Belgium, France, Germany, Italy, Japan, Netherlands, Norway, Spain, Sweden and the United Kingdom. On December 18, 2024 PMPRB published its Draft Guidelines for PMPRB Staff. A consultation period is now open until March 19, 2025 for stakeholders feedback. As per the Draft Guidelines, the PMPRB Staff will use a patented medicine's first semi-annual price filing to compare the Canadian list price against the highest international price (HIP) among the PMPRB11, as filed by the Rights Holder. Patented medicines above the HIP may trigger an in-depth review.

These pending changes, or any other future changes to the guidelines, methodology or policies of PMPRB or other relevant regulatory bodies may have a significant adverse effect on the price of patented drugs sold by the Company in Canada and may limit the Company's ability to in-license and launch products in Canada due to more restrictive pricing regulations. If PMPRB determines a ceiling price for a patented product that is lower than the Company's expectation, or if the PMPRB deems a patented product to be excessively priced, this could lead to a reduction of the product's price and a fine may be levied against the Company. Such determinations by the PMPRB may have a material adverse effect on Knight's financial condition and results of operations or cash flows.

In LATAM, pharmaceutical prices are subject to extensive government regulations, which may include imposing price controls and maximum price caps, mandated price reductions to battle hyperinflation and limitations on price increases. Price negotiations with government agencies, HMOs and other buyers may take considerable time after the Corporation has received its marketing authorization for a product. Over the last few years Brazilian authorities looked to reduce the price of drugs. In this way, the rules are quite strict for price approval of innovative and biological products. The CMED requirements, among others, require data demonstrating superiority in head-to-head clinical comparison of the new drug versus the current treatment to obtain a premium international price. In the absence of proof of superiority, the approved price may be the price of the standard therapy in the country which may include older generic therapies.

In Colombia, the Circular from the NCPMMD was published in May 2024. This regulation seeks to modify the medicine price control methodology that has been in force in Colombia since 2013. Refer to "Description of Business" (Colombia Pricing Section) for further details. The new methodology for setting the maximum price is more restrictive than the previous regulations and can potentially lead to a reduction in the maximum selling price for products which are not yet price regulated. Based on the current guidelines, products which are already price regulated before the implementation of this new methodology will not be impacted.

As at March 19, 2025, Knight commercializes certain products in Colombia which are not price regulated, including Lenvima[®] and Halaven[®]. Should the NCPMMD includes these drugs or any other still not regulated under the jurisdiction of price regulation, it may lead to a decline in the selling price and revenues, profitability and cash flow generated.

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Delays in pricing and reimbursement approvals may have a negative impact on the Corporation's cash flows and profitability. In addition, in certain countries where Knight operates, the Corporation may be forced to reduce its price, offer discounts, forgive certain balances outstanding in order to comply with cost-containment measures.

As pricing regulations evolve throughout the various countries in which the Corporation operates, the Corporation may not be in compliance with either the regulation or its license agreements and may need to take corrective actions. For example, should a jurisdiction require that pharmaceutical companies disclose discounts, the Corporation may be impacted in another jurisdiction due to the reference price. These changes may have a material adverse impact on the Corporation's cash flows and profitability.

Ability to Protect and Maintain its Intellectual Property and Licensing Arrangements

Knight's success depends in part on its ability to protect and maintain intellectual property rights and licensing arrangements for its current and future products. Knight faces uncertainties regarding whether its patent applications or those of its licensors will result in the patents being granted. Even if patents are granted, these may not provide Knight with a competitive advantage over competitors with similar technologies. Furthermore, competitors may design around Knight's or its licensors' patents and develop similar technologies or replicate the technologies Knight or its licensors have developed. Furthermore, there is no assurance that Knight's or its licensor's intellectual property rights will not be challenged, invalidated, infringed or circumvented.

Moreover, intellectual property laws vary between countries and may not provide the same level of protection for Knight's intellectual property as the laws of Canada and the U.S. Additionally, such other countries may lack adequate policies and procedures for defending Knight's intellectual property rights. In addition, certain countries outside the U.S. and Canada enforce a compulsory licenses system, whereby third parties can be granted license to commercialize patented products if the patent is not commercially exploited by its owner or its licensees within a specific number of years of the patent issuance. There is a risk that Knight's future employees, consultants or contractors use intellectual property owned by others in connection with their work for Knight. Furthermore, disputes may also arise regarding ownership rights in any related or resulting know-how and inventions.

Any loss of patent protection would likely adversely affect Knight's operating results in those national markets. The commercial success of Knight will also depend in part on Knight not infringing patents or proprietary rights of others and not breaching the licenses granted to Knight. Any claims of infringement of intellectual property rights, even claims without merit may require the Corporation to (i) allocate time and resources to defend or challenge; (ii) suspend the manufacture, licensing or use of product(s) alleged to employ the contested intellectual property; (iii) redesign, rework or replace the brands of its products or packaging, if feasible; (iv) divert the attention and resources of management; or (v) if possible, enter into license agreements in order to obtain the right to use the intellectual property of a third party. There can be no assurance that Knight will be able to obtain a license to any third-party technology that it may require to conduct its business or that such technology can be licensed at a reasonable cost.

The Corporation, through its acquisition develops and commercializes branded generic pharmaceutical products. The generic product development may be considered a violation of historical, current and future license partnership agreements. There is no certainty that Knight will not be challenged by its partners for non-compliance of its future licensing arrangements. Furthermore, there can be no assurance that Knight will be able to remain in compliance with its future licensing arrangements. Consequently, there may be a risk that these licensing arrangements will be withdrawn with no compensation or penalties to Knight.

Reliance on Branded Generic Portfolio

Knight's branded generic portfolio is marketed with trademarks developed and registered by Knight in each country where the product is launched. In many countries where Knight operates, brands are widely considered to be an indicator of quality and reliability. As spending in the health sector rises, there has been consideration given to reduce and control cost, including the cost of prescription medicines, in both the public and private sector. There is no guarantee that public and private institutions will continue to pay the higher prices related to branded generics and they may choose to substitute with pure generics. Further, as regulatory standards improve in these countries, consumers and health care professionals may begin to have more confidence in pure generics and may not pay a premium for a branded generic. In addition, key to success in the branded generic market is to maintain a continuous pipeline and be one of the first product to launch. An inability to quickly develop and market branded generic products may result in lower market penetration and have a negative impact on the growth and profitability of the business.

Risks of Litigation due to Infringement on Intellectual Property

Companies that produce and sell branded pharmaceutical products may routinely bring litigation against competitors, including the Corporation, seeking approval to manufacture and market generic forms of branded products, alleging patent infringement or other violations of intellectual property rights. Patent holders may also bring patent infringement suits against companies that are currently marketing and selling approved branded generic products. Litigation often involves significant expense. Additionally, if the patents of others are held valid, enforceable and infringed by our current products or future products in development, we would, unless we could obtain a license from the patent holder, need to delay selling our corresponding branded generic product and, if we are already selling our product, cease selling and potentially destroy existing product stock. Additionally, the Corporation may be required to pay monetary damages or royalties to license proprietary rights from third parties and we may not be able to obtain such licenses on commercially reasonable terms or at all. There may be situations in which the Corporation may make business and legal judgments to market and sell products that are subject to claims of alleged patent infringement prior to final resolution of those claims by the courts based upon our belief that such patents are invalid, unenforceable or are not infringed by our marketing and sale of such products. This is commonly referred to in the pharmaceutical industry as an "at-risk" launch. The risk involved in an at-risk launch can be substantial because, if a patent holder ultimately prevails against us, the remedies available to such holder may include, but not limited to, damages calculated based on the profits lost by the patent holder, which can be significantly higher than the profits we make from selling the generic version of the product. Moreover, if a court determines that such infringement is willful, the damages could be subject to trebling. The Company may face substantial damages from adverse court decisions in such matters and may be at risk for the value of such inventory that we are unable to market or sell.

Any unfavorable outcome of such litigation, including losses related to "at-risk" product launches, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Disputes Regarding Ownership or Inventorship of Products and Technologies

From time-to-time Knight may become involved in disputes relating to the ownership or inventorship of its existing and future products and technologies. If Knight is unsuccessful in obtaining assignments of patents or is otherwise unable to establish its ownership of the invention covered by the patents, Knight may face additional costs in perfecting its title to these patents and its business may be adversely affected.

Reliance on Third Parties for Supply and Manufacture of Products

Many of our products are the result of complex manufacturing processes, and some require highly specialized raw materials. Problems may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with or shortages of raw materials, natural disasters, and environmental factors. For some of our key raw materials, we have only a single source of supply, and alternate sources of supply may not be readily available. If our supply of certain raw materials or finished products is interrupted from time to time, or proves insufficient to meet demand, our cash flows and results of operations could be adversely impacted. Additionally, any such supply interruption could result in a supply shortage to patients depending on the number of competitors able to meet the supply needs. Our inability to timely supply any of our key products may result in claims and penalties from customers and could have a material adverse effect on our business, financial condition and results of operations as well as result in reputational harm. An inability to supply products to customers could also result in the breach of customer's contractual obligations, especially for tenders won by the Corporation. Such breaches may result in significant fines and penalties.

Certain of Knight's products are manufactured by third parties, including all licensed products. Knight does not have manufacturing facilities, personnel or access to raw materials to independently manufacture its licensed products. Except for any contractual rights and remedies which Knight may have with its manufacturers, Knight has no control over the availability of its products, their quality or cost. While Knight manufactures most of its own branded generic products, Knight relies on third parties for all APIs and raw materials. If for any reason, Knight is unable to obtain or retain third-party manufacturers or suppliers on commercially acceptable terms, it may not be able to distribute its products as planned. If Knight encounters delays or difficulties with contract manufacturers or API and raw material suppliers in producing or packaging its products, the distribution, marketing and subsequent sales of these products would be adversely affected, and Knight may have to seek alternative sources of supply or abandon or sell product lines on unsatisfactory terms. Knight may not be able to enter into alternative supply arrangements on commercially acceptable rates, if at all. There can be no assurance that the manufacturers and suppliers that Knight will have engaged will be able to provide sufficient quantities of these products or that the products supplied will meet with Knight's specifications. In addition, production of the Corporation's future products may require raw materials for which the sources and quantities are limited. An inability to obtain adequate supplies of API or raw materials could significantly delay the development, regulatory approval and marketing of Knight's existing and future products, including Exelon®, Impavido® or the various branded generic products.

Drug manufacturers are subject to ongoing periodic unannounced inspection by Health Canada, the FDA, ANVISA (Brazil), ANMAT (Argentina), COFEPRIS (Mexico), INVIMA (Colombia) as well as other LATAM health agencies, and corresponding state and foreign agencies to ensure strict compliance with GMPs and other government regulations. In addition, Knight has three (3) manufacturing facilities including two (2) laboratories in Argentina and one (1) laboratory in Brazil. Each of these facilities are inspected by their local agency, and, in the case of the manufacturing facilities and laboratories in Argentina, may also be inspected by other LATAM agencies. While Knight is obligated to audit the performance of third-party contractors, it does not have complete control over its third-party manufacturers' compliance with these regulations and standards. Failure by either Knight's third-party manufacturers or by Knight to comply with applicable regulations could result in, but not limited to, sanctions being imposed, including fines, injunctions, civil penalties, failure of the government to grant review of submissions or market approval of drugs, delays, suspension or withdrawal of approvals, product seizures or recalls, operating restrictions, facility closures and criminal prosecutions, any of which could negatively impact the business.

Knight has entered into and intends to continue to enter into licensing and collaboration arrangements pursuant to which Knight will commit itself to supplying third parties with product. If Knight is unable to fulfill such obligations because of a failure of Knight's contract manufacturers, Knight may be in breach of its obligations

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under those arrangements.

We also rely on complex shipping arrangements to and from the various facilities of our supply chain. Customs clearance and shipping by land, air or sea routes rely on and may be affected by factors that are not in our full control or are hard to predict. A significant portion of our costs is comprised of raw materials for our products as well as energy, transportation and labor costs for our manufacturing and operations. We have experienced increases in prices of raw materials, energy, labor and transportation. To the extent that we cannot pass along such increased costs to our customers, our results of operations and financial condition will be adversely affected.

In addition, we rely on complex information technology systems, including internet-based systems, to support our supply-chain processes as well as internal and external communications. The size and complexity of our systems make them potentially vulnerable to breakdown or interruption, whether due to computer viruses, lack of system upgrades or other causes that may result in the loss of key information or the impairment of production and other supply chain processes. Such disruptions and breaches of security could have a material adverse effect on our business, financial condition and results of operation.

Pandemic Risk

Pandemics, such as the COVID-19 pandemic, have impacted and may in the future impact our business, operations and financial condition and results. Related risks and challenges for our business include, among others: uncertainty regarding the severity and duration of a pandemic; impacts to business operations; decreased demand for certain of our products; increased costs of doing business; manufacturing disruptions and delays; supply chain disruptions and shortages, including challenges related to reliance on third-party suppliers resulting in reduced availability of materials or components used in the development, manufacturing, distribution or administration of our products; evolving macroeconomic factors and conditions, including general economic uncertainty, unemployment rates and recessionary pressures; changes in labor markets, including challenges related to our human capital and talent development; unknown consequences on our business performance and initiatives stemming from the substantial investment of time and other resources to any potential pandemic response; increased difficulty and uncertainty regarding predicting or estimating future performance; pace of post-pandemic recovery, disruption and volatility within the financial or credit markets; and our financial performance in general.

Furthermore, our operating expenses may be negatively impacted by rising inflationary pressures on our operating expenses including but not limited to our compensation costs.

Due to the continued evolution in the global business environment, the Corporation may face the following challenges in a post-pandemic pharmaceutical industry:

- Economic impact & budgetary controls
 - o Governments implementation of new or additional pricing regulations as a measure to balance budgets and recover pandemic spending.
 - o Private payers facing budget constraints and continue to increase hurdle rate for drug reimbursement.
 - o Continued negative impact with rising unemployment rates leading to loss of coverage in patients' private insurance.

- Competitive landscape and industry dynamics
 - o New product launches continue to be challenging in a complex and uncertain environment.
 - o Products with self/home administration continue to maintain an advantage.

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- o Surge of digital players.

Climate Change

Natural disasters and extreme weather events resulting from climate change, such as floods, heatwaves, blizzards, hurricanes, wildfires, the rise of sea level, and water stress, pose various risks including but not limited to:

- *Supply chain disruptions:* changes in weather patterns and extreme weather events can disrupt the supply of raw materials and delivery of finished goods.
- *Infrastructure damage:* severe weather events such as hurricanes and floods can damage warehouses, manufacturing facilities of Knight or its suppliers, leading to shortages, higher costs and potential disruptions of operations.
- *Regulatory changes:* governments may impose new or amend existing regulations aiming to reduce greenhouse gas emissions, which can increase compliance costs.
- *Reputation risk:* Knight may face criticism from consumers, partners and stakeholders for not addressing its carbon footprint and contributing to climate change.

The above-mentioned risks could lead to raw materials and product shortages, disruptions of Knight's operations and higher production and compliance costs, loss of key suppliers and customers that, in turn, could impact our ability to deliver our products to customers and comply with regulations leading to a material negative impact to our financial results and condition.

Macroeconomic Conditions, Higher Costs and Inflation Risk

Challenging global market and economic conditions with a tighter credit environment and recession in most major economies began in fiscal 2008 and took years to recover. As a result of COVID-19, the world's major economies faced similar structural flaws and challenges going forward impacting global productivity growth. Concerns about the systemic impact of ongoing potential long-term and wide-spread recession, energy costs and geopolitical issues have contributed to increased market volatility and may affect expectations for western and emerging economies. These conditions have contributed to higher volatility. Turbulence in Canada, Latin America and international markets and economies and prolonged declines in business and consumer spending may adversely affect Knight's liquidity and financial condition, and the liquidity and financial condition of Knight's future customers. Furthermore, the COVID-19 pandemic has resulted in very high levels of public spending and due to budget constraints, governments may look in the future towards healthcare costs including drug prices to recover part of the spending. Our strategic investments may be susceptible to economic slowdowns or recessions and adverse economic conditions may lead to financial losses and a decrease in revenues, net income and assets.

The current macroeconomic environment is characterized by elevated levels of inflation due to several external factors including global supply chain constraints, conflict in Ukraine and the Middle East, and volatile global financial and economic conditions. Knight continues to experience increased inflationary pressures, across all our geographies, on operating expenses including but not limited to compensation costs largely for unionized employees, raw material and product costs driven by rising costs of our partners and suppliers in both developed and developing markets. Such increase in costs cannot be matched to the same extent by increase in our product prices due to local regulations and competitive pressure for certain of our products.

Knight has no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting its businesses or over the possibility of political unrest, legal and regulatory changes in jurisdictions in which Knight operates. Therefore, further cost increases could have a significant impact on our cost of sales, gross profit margins, profitability and cash flows.

Global impact of imposing additional tariffs, quotas, duties, or other restrictions or regulations

Additional tariffs, quotas, duties, or other restrictions or regulations can significantly affect the pharmaceutical industry by raising the cost of production and disrupting supply chains. Countries like Canada, Mexico, and those in the European Union often depend on importing active pharmaceutical ingredients (APIs) and other raw materials from international suppliers. When tariffs are applied to these imports, manufacturing costs rise, which are usually passed on to consumers in the form of higher drug prices. Additionally, tariffs create market uncertainty, which can reduce foreign investment and consequently cause shortages of critical medications. This is particularly problematic for smaller pharmaceutical markets, where increased costs and supply chain disruptions can severely affect the availability and affordability of medications. Overall, additional tariffs, quotas, duties, or other restrictions or regulations can place considerable pressure on the global pharmaceutical industry, impacting both producers and patients.

Risks exist as of the date of this annual information form that: (i) announced tariffs and retaliatory tariffs imposed may remain in place for an extended period; (ii) additional tariffs and retaliatory tariffs may be implemented between the US and Canada or between the US and other nations; (iii) other actions may be taken to restrict or tax the trade of goods between the US and Canada or between the US and other nations; and/or (iv) action may be conducted to amend or terminate existing trade agreements, including the US-Mexico-Canada Agreement.

Knight has no control over tariffs, quotas, duties, or other restrictions or regulations and its impact on the pharmaceutical industry. Should further tariffs be imposed, cost increases could have a significant impact on our cost of sales, gross profit margins, profitability and cash flows as well as disruption in the supply chain could have a significant impact on inventory levels.

Impact of Ongoing Conflicts Around the World

Geopolitical events such as the Russia-Ukraine war and Israel-Hamas conflict have affected economic and global financial markets and exacerbated ongoing economic challenges, including issues such as heightened inflation. We do not conduct any direct business operations in any of the impacted regions and to date have not had any measurable disruptions to our supply of raw materials or ability to service customers. We are actively monitoring for any potential impacts arising from these conflicts; however, any escalations of such conflicts could lead to increase in costs and supply chain disruptions for Knight's vendors, CMOs and partners and as such may have a material adverse impact on Knight's business, financial condition and results of operations.

Agreements Relating to the Development and Distribution of Products

The Corporation currently has several collaboration or distribution agreements relating to the marketing and distribution of its products in international markets, such as Impavido® in the U.S, Europe and Israel. The Corporation relies on these agreements because it is currently not strategic to market its products directly in these markets. The Corporation intends to secure additional agreements relating to the marketing and distribution of its products for which it may receive regulatory approval. If the Corporation is unable to reach agreements with suitable collaborators and marketing and distribution partners, it may fail to meet certain business objectives. Knight faces significant competition in seeking appropriate development, marketing and distribution partners. Moreover, collaboration and distribution arrangements are complex and time consuming to negotiate, document and implement.

Knight may not be successful in establishing and implementing collaboration or marketing and distribution arrangements upon satisfactory terms or at all. Reliance on these agreements will likely expose Knight to many risks, including but not limited to the following:

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- development, marketing and distribution partners may not devote sufficient resources to Knight's products or product candidates;
- disputes may arise with respect to payments that Knight believes are due under such distribution and collaboration agreements;
- unwillingness on the part of development, marketing and distribution partners to provide updates regarding the progress of its development, commercialization or marketing activities, or to permit public disclosure of these activities;
- development, marketing and distribution partners may terminate the relationship;
- disputes may arise in the future with respect to the ownership of rights to technology developed with partners;
- disagreements with development, marketing and distribution partners could result in litigation or arbitration;
- partners may elect to pursue the development of any additional product candidates and pursue technologies or products either on their own or in collaboration with other parties, including competitors with competing technologies or products;
- collaborators and marketing and distribution partners may pursue higher priority programs or change the focus of their programs, which could affect the collaborator's and distributor's commitment to their respective territories; and
- development, marketing and distribution partners may develop or distribute products that compete with Knight's products.

The occurrence of any of these or other events may impair commercialization of Knight's existing and future products.

Environmental, Social and Governance Matters

Companies are increasingly being evaluated not only on financial performance, but also on their performance on a variety of environmental, social and governance ("ESG") matters, which contribute to the long-term sustainability of a company's success. A variety of organizations measure the performance of companies on such ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds specializing in companies that perform well in ESG assessments are gaining popularity, and major institutional investors have publicly emphasized the importance of ESG measures in their investment decisions. Topics taken into account in such assessments include but not limited to, the Corporation's efforts and impacts on climate change and human rights, ethics and compliance with law, and the role of the Corporation's board of directors in supervising these issues. Other industry-specific ESG topics include but not limited to, the importance of public access to medicines, health and safety, affordability and pricing, and ethical marketing. Knight actively manages a broad range of ESG matters, evaluating their potential impact on the sustainability of Knight's business over time, and the effects of its business on society and the environment. However, in light of investor's increased focus on ESG matters, there can be no certainty that Knight will manage such issues successfully, or that Knight will successfully meet society's expectations as to its proper role. Any failure or perceived failure by us in this regard could have a material adverse effect on Knight's reputation and on its business, share price, financial condition, or results of operations, including the sustainability of Knight's business over time.

Concentration of Credit Risk: Customers and Strategic Relationships

As at December 31, 2024 Knight has a total trade receivable balance of \$105,196. Credit risk is the risk of loss associated with the inability of a third party to fulfil its payment obligations. Knight is exposed to credit risk with respect to amounts receivable from customers. The corporation monitors its customers' credit and individual credit limits are established after an analysis of the client's credit history, credit ratings, and forward-looking information provided by internal and external sources. Knight has a credit policy in place to ensure that these limits are periodically reviewed and immediately adjusted, if needed. Furthermore, the Corporation establishes the expected credit loss provision based upon days past due and the likelihood of collection for each customer. Management determines credit risk related to trade and accounts receivable based on customers who account for more than 5% of accounts receivable. As at December 31, 2024, two customers represented 31% and 7% (2023: two customers represented 17% and 12%) of the trade and accounts receivable balance. For the year ended December 31, 2024, one customer represented 20% (2023: one customer represented 18%) of revenues. Knight sells its pharmaceutical products to drug wholesalers, retailers and distributors, including national, provincial and independent pharmacies, retail drug and food store chains, hospitals, member of buying groups, clinics and other institutions. A significant portion of Knight's revenues are derived from such sales and therefore are dependent on the activities and success of those customers. Any significant reduction or loss of business with one or several of these customers could have a material adverse effect on Knight's business, financial condition, cash flows and results of operations.

Currently, HMOs in Colombia are facing financial pressures due to the lack of financial resources. For example, (1) several HMOs sued the government of Colombia for the settlement of certain amounts (refer to risk factor LATAM Political and Economic Conditions for further details) and (2) the increasing amount of drugs being added to the PBS list without a proportionate increase to the UPC Budget Per Capita. In turn, the pharmaceutical industry is facing collection delays on their accounts receivable. Due to the current situation, Knight may face delays or an increase in the provision against its accounts receivables and in the inventory allowance in Colombia which may lead to loss of profitability. Colombia represented 13.9% of total Net Revenues for Knight in 2024.

Another source of credit risk for Knight arises from its investment in funds, strategic investments in and loans to third parties with whom it has strategic commercial relationships. Knight intends to continuously monitor the risks associated with the amounts invested, however there can be no assurance of the financial stability of these debtors. The insolvency or operational failure of such debtors could both have an impact on the benefits that might otherwise be enjoyed by Knight under these strategic commercial relationships and jeopardize its ability to recover all or a portion of the credit it has extended, both of which could have an adverse impact on the financial position of Knight.

The marketable securities and cash equivalent balances are subject to minimal risk of changes in value and are invested in institutions with a S&P or DBRS credit rating of A, R1(low) or better. Currently, the Company's short-term investments and cash equivalent balances are invested in one Canadian financial institution.

The table below represents the Corporation's maximum exposure to credit risk without taking into consideration any security obtained to mitigate the risk. The maximum exposure to credit risk is determined by the carrying value of the asset.

Years ended December 31,	2024	2023
	\$	\$
Trade receivables	105,196	88,722
Interest receivable	845	1,013
Other receivables	1,874	3,899
Loans receivable	21,116	15,704
Investments in funds	92,024	108,949
Total	221,055	218,287

Policies Regarding Returns, Allowances and Chargebacks May Reduce Revenues in Future Fiscal Periods

Knight establishes reserves based on its best estimates of the impact that these policies may have in subsequent periods. Knight cannot ensure that such reserves are adequate or that actual product returns, allowances and chargebacks will not exceed the estimates, which could have a material adverse effect on the results of operations, financial condition, cash flows and the market price of Knight's securities.

Value of Financial Assets

A significant portion of Knight's total assets relate to financial assets. Selected financial assets relating to strategic loans, equity investments, fund investments and derivatives held by the Corporation are summarized in the following table:

As at December 31,	2024	2023
	\$	\$
Loans and other receivables		
Measured at amortized cost	21,116	3,667
Measured at FVTPL	—	12,037
Equity Investments		
Measured at FVTPL	11,408	2,465
Measured at FVOCI	9,384	948
Derivatives		
Measured at FVTPL	—	303
Fund Investments		
Measured at FVTPL	92,024	108,949
Total	133,932	128,369

Knight values a substantial portion of its financial assets at their fair values. When the fair values of financial assets recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, it is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as credit risk, discount rates, volatility and liquidity. Changes in assumptions about these factors could affect the reported fair value of financial assets.

The fair values of Knight's financial assets may fluctuate significantly which could have a material adverse effect

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on the Corporation's results of operations, financial condition, cash flows and the market price of Knight's securities. In addition, there is no guarantee that the fair values of Knight's financial assets will be realized in full or in part by the Corporation.

For more information regarding the Corporation's financial assets, methodology for measuring fair values of financial assets, refer to Notes 2, 3, and 16 of the Corporation's Financial Statements for the fiscal year ended December 31, 2024, which can be found under Knight's profile at www.sedarplus.ca.

Value of Investments in Funds

The Corporation records investments in funds at their NAV and its valuation may involve uncertainties and judgment determinations made by fund investment managers and, if such valuations should prove to be incorrect, the NAV of a fund could be misstated. Independent pricing information may not always be available to Knight regarding certain securities and other investments held within the funds. Additionally, the funds may hold investments which by their very nature may be extremely difficult to value accurately. The NAV of Knight's investment in funds is \$92,024 as at December 31, 2024, which includes unrealized loss of \$15,955 and there can be no assurance that Knight will not incur any material write-down in the future on the investments in funds or that Knight will realize the current NAV of its fund investment.

Value of Inventory

Knight values inventory at the lower of cost (average cost), and net realizable value. Knight establishes reserves for inventory to reflect situations in which the cost of the inventory is not expected to be recovered. The reserve for inventory is equal to all or a portion of the inventory which has reached its expiration or is close to expiration and not expected to be sold, based on the specific facts and circumstances. In order to determine whether the inventory is properly stated at the lower of cost or net realizable value, management plans to review the amount of inventory on hand and the remaining shelf life, and estimate the time required to sell such inventory taking into account current and expected market conditions and competition. The write-down of inventory may have a material adverse effect on the results of operations in the period in which the write-down occurs.

Income Tax and Tax Reforms

Knight's income tax reporting is subject to audit by tax authorities. The effective tax rate may change from year to year based on the mix of income, non-deductible expenses, changes in tax law and changes in the estimated values of future income tax assets and liabilities.

Knight bases its tax provision on certain estimates and assumptions made by management. Knight's consolidated income tax rate is affected by the mix and amount of net income earned in each of its subsidiaries. Knight may enter into many transactions and arrangements in the ordinary course of business and in certain of these, the tax treatment may not be entirely certain. Knight therefore makes and will continue to make estimates and judgments in determining its consolidated tax provision and the value of Knight's tax assets and taxes payable.

In a tax audit, our interpretation of tax legislation may be challenged and tax authorities in various jurisdictions may disagree with, and subsequently challenge, the amount of profits taxed in such jurisdictions under our intercompany agreements. The outcome of any audits by taxation authorities may differ from the estimates and assumptions Knight will use in determining its consolidated tax provisions and accruals. This could result in a material effect on Knight's consolidated income tax provision, financial position, cash flows and the net income for the period in which such determinations are made. From time to time, the Corporation is subject to tax audits. While the Corporation believes that its filing positions are appropriate and supportable, periodically, certain matters are challenged by tax authorities.

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Knight received a notice of reassessment from the CRA and the QRA in July 2018 and January 2019, respectively, related to the disposition of its PRV in 2014. The notices of reassessment provide that Knight is liable to pay an aggregate of \$23,340 and \$18,242 to the CRA and QRA, respectively, in additional taxes and interest. Knight has made a deposit for the full amount to the CRA in July 2028 and to the QRA in February 2019. In addition, interest income on the deposit is payable to Knight by the CRA and QRA if the Company wins the process.

Knight believes the reassessments are unfounded and filed a notice of objection with the CRA in September 2018 to start the objection process. In October 2021, the CRA responded to Knight's notice of objection with a confirmation of their initial tax reassessments. Knight filed a notice of appeal to the Tax Court of Canada in December 2021. The appeal hearing is scheduled for February 2026 by the Tax Court of Canada. Either party can appeal the decision of the Tax Court of Canada to the Federal Court of Appeal. The resolution of this process is expected to have two possible outcomes explained as follows:

- Favourable for Knight: The Company is not liable for the tax on the disposition of the PRV and will recover as cash the \$41,582 deposited with the taxation authorities as well as interest which is estimated to be \$7,368 as at December 31, 2024.
- Unfavorable for Knight: The Company is liable for the tax on the disposition of the PRV and will not recover the \$41,582 deposited with the taxation authorities. This will lead to the de-recognition of the other receivable balance for the amount deposited with an increase of the current income tax expense.

Based on the Company's view, it is more-likely-than not that the appeal process will be favourable to Knight. Therefore, the Company has not recorded any tax provision related to the disposition of the PRV in its consolidated financial statements as at December 31, 2024. However, there can be no assurance regarding the outcome or when a resolution may be reached.

Although Knight believes its tax provisions are adequate, the final determination of tax audits and any related disputes could be materially different from historical income tax provisions and accrual.

Knight and its affiliates are subject to taxation in Canada and the U.S. and in 10 countries in LATAM as well as Spain and Luxembourg. Knight may in the future be subject to taxation in other foreign jurisdictions. The integrated nature of Knight's operations can produce conflicting claims from taxation authorities in different countries as to the profits to be taxed in the individual countries, including potential disputes relating to the prices Knight subsidiaries charge one another for intercompany transactions, known as transfer pricing. In recent years, tax authorities around the world have increased their scrutiny of corporate tax filings and have become more rigid in exercising any discretion they may have. Knight currently maintains certain operating activities in the World Trade Center Free Zone in Montevideo, Uruguay. This allows Knight to benefit from tax relief in connection with commercial activities conducted throughout the Free Zone. A change to regulations or interpretations by other jurisdictions of the Uruguayan Free Zone may have a material adverse effect on the Corporation's cash flows, financial position and operating results. Knight's effective tax rate and tax liability is determined by a number of factors, including the amount of taxable income in particular jurisdictions, the tax rates in these jurisdictions, tax treaties between jurisdictions, the extent to which it transfers funds to and repatriates funds from its subsidiaries and future changes in laws. An adverse interpretation or ruling by one of the taxing authorities in a jurisdiction in which Knight operates or a change in law could increase its tax liability or result in the imposition of penalty payments, which could adversely impact its operating results.

Changes to global tax regulations such as the on-going discussion on an international agreement for the global minimum tax rate or changes to the base erosion and profit shifting guidelines of the Organization for Economic Cooperation and Development may have adverse consequences to our tax assets and liabilities. Furthermore, Knight benefits from certain governmental programs including tax treaties in certain countries and states in which it operates. The termination or expiration of such governmental programs could adversely affect our profitability.

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In addition, given the changing tax landscape in LATAM and globally, future tax reforms can materially impact negatively Knight's operations and profitability. As an example, Colombia government recently introduced temporary tax measures effective from February 2025 until December 2025, among which is the 1% stamp tax applicable on public instruments and private documents that are executed or modified as of February 22, 2025 with certain exceptions.

Tax system reform in Brazil

On January 16, 2025, Brazil's president sanctioned Complementary Law no. 214/2025, stemming from the approval of Complementary Bill of Law No. 68/2024, which establishes the consumption tax reform, with the purpose of improving the efficiency and reducing the complexity of the current tax system in Brazil.

Under this consumption tax reform, three federal taxes (PIS: Social Integration Program; COFINS: Contribution to Social Security Financing; and, IPI: Tax on manufactured goods), one state tax (ICMS) and one municipal tax (ISS) will be replaced by two new taxes: IBS (Goods and Services Tax) and CBS (Contribution on Goods and Services). IBS will be replacing ICMS (tax on the circulation of goods, transportation and communication services) and ISS (services tax). CBS, on the other hand, will bring together contributions previously made under PIS, COFINS and IPI. A Selective Tax, which will be governed at the federal level and levied on goods and services that pose a risk to public health and the environment, will also be established under the reform.

The new IBS and CBS taxes will be constituted under the dual VAT (Value Added Tax) model. Under this approach, the calculation basis of both taxes will be the same and the amounts owed under the previous stages of the production chain may be offset. The transition is expected to commence in 2026 until 2032, with full implementation by 2033. The reform also creates a tax benefits compensation fund, to compensate legal entities between 2029 and 2032 that enjoy incentives granted under certain conditions for a fixed period.

The timing and the impact of the tax reforms on Knight's operation in Brazil remain uncertain. The Company may lose certain of its state grants and benefits with the reform. In addition, if enacted the tax reform may have a negative impact to Knight's operations, cash flows and profitability.

New Law over tax incentives in Brazil

On December 29, 2023, a new Law was published establishing relevant changes to the treatment of state and municipalities tax incentives in the calculation of federal taxes in Brazil. In accordance with the legislation in force up until December 31, 2023, tax incentives granted by other governmental bodies such as states and municipalities could be excluded from the calculation of the Corporate Income Tax (IRPJ) and the Social Contribution on Net Profit (CSLL). In addition, these tax incentives could be excluded from the calculation of the Program of Social Integration (PIS) and Contribution for the Financing of Social Security (COFINS), which are turnover taxes levied over gross revenue. With the enactment of this new Law, from January 1, 2024, there are uncertainties as to whether the amounts connected with these tax incentives could still be excluded from the taxable basis of IRPJ, CSLL, PIS and COFINS. This new measure may have a negative impact on Knight's net revenues and taxes payable in Brazil.

PFIC Rules Related to the Ownership and Disposition of Knight Shares

Knight may be a PFIC in accordance with the Internal Revenue Code and the U.S. Internal Revenue Service may now or in the future designate it as such. A U.S. holder of shares of a PFIC will generally be required to treat excess distributions or gain from the sale of shares as ordinary income and pay an interest charge to the extent the excess distribution or gain is allocated to prior taxable years for PFIC purposes. If Knight is a PFIC, U.S. holders who make a timely election could, either (a) mark their Common Shares to market each year and treat the gain or loss

(to the extent of previously recognized gain) as ordinary income or (b) include in their income annually their share of net earnings of Knight as income from a qualified electing fund (a “QEF Election”), whether or not Knight distributes cash to the U.S. holder. However, if Knight is not able to provide U.S. holders with the information required by them to make a QEF Election, such U.S. holders may not be able to avail themselves of the QEF Election. A PFIC is any non-U.S. corporation which meets either an asset or income test. The asset test is met if at least 50% of assets of a corporation consist of assets that produce or are held to produce passive income; and the income test is met if at least 75% of its gross income consists of passive income. Knight has raised considerable capital in anticipation of executing its business strategy and it is possible that such capital could be considered a passive asset under the PFIC asset test. Therefore, it cannot be assumed that Knight is not currently a PFIC and it is possible that it will remain or become a PFIC in the future.

Quarterly Fluctuations

Knight’s results of operations, and in particular, revenues, may vary from quarter to quarter due to many factors including the following: the level of acceptance of Knight’s products, which will affect the revenues associated therewith; the ability to sell meaningful amounts of Knight’s current product pipeline which may be dependent on approvals for an initial indication or additional indications in Canada, Latin America and select international markets; the timing and number of future product launches. Each new product launch may require significant promotional investment during the first three to five years from launch. The level of patient and physician acceptance of Knight’s existing and future products, as well as the availability of similar therapies, may impact Knight’s revenues by driving the level and timing of prescriptions for its products. Other factors include expenditures related to the acquisition, sale and promotion of pharmaceutical products, the availability and cost of raw materials, interruptions in supply by third-party manufacturers, new products introduced by Knight or its competitors, the mix of products that Knight sells, sales and marketing expenditures and general economic and industry conditions that may affect customer demand.

Compliance with Laws and Regulations Affecting Public Companies

Any future changes to the laws and regulations affecting public companies, compliance with existing provisions of National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings* of the Canadian Securities Administrators (“NI 52-109”) and the other applicable Canadian securities laws and regulation and related rules and policies, may cause Knight to incur increased costs as it evaluates the implications of new rules and responds to new requirements. Delays or a failure to comply with the new laws, rules and regulations could result in enforcement actions, the assessment of other penalties and civil suits.

New laws and regulations may make it more expensive for Knight to provide indemnities to its officers and directors and may make it more difficult to obtain certain types of insurance, including liability insurance for directors and officers; as such, Knight may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for Knight to attract and retain qualified persons to serve on its Board of Directors, or as executive officers. Knight may be required to hire additional personnel and utilize additional outside legal, accounting and advisory services—all of which could cause general and administrative costs to increase beyond what Knight currently has planned. Knight intends to evaluate and monitor developments with respect to these laws, rules and regulations, and cannot predict or estimate the amount of the additional costs it may incur or the timing of such costs. Knight is required to review and report annually on the effectiveness of its internal control over financial reporting in accordance with NI 52-109.

Knight’s CEO and CFO are expected to report on the effectiveness of Knight’s internal control over financial reporting. Management’s review is designed to provide reasonable assurance, not absolute assurance that all material weaknesses existing within Knight’s internal controls are identified. Material weaknesses will represent

deficiencies existing in Knight's internal controls that may not prevent or detect a misstatement occurring which could have a material adverse effect on the quarterly or annual financial statements of Knight. In addition, management cannot provide assurance that the remedial actions that will be taken by Knight to address any material weaknesses identified will be successful, nor can management provide assurance that no further material weaknesses will be identified within its internal controls over financial reporting in future years. If Knight fails to maintain effective internal controls over its financial reporting, there is the possibility of errors or omissions occurring or misrepresentations in Knight's disclosures which could have a material adverse effect on Knight's business, its financial statements, and the value of the Common Shares.

The Corporation's manufacturing and testing facilities are subject to laws and regulations at various government levels, including federal, state/provincial and municipal. These laws and regulations relate to the whole spectrum of production, starting from reception of raw materials and ingredients to finished products, and cover matters such as product safety, quality, processing, content, composition, labelling, packaging and storage. They also cover matters relating to product logistics and distribution in respect of products manufactured by the Corporation and products manufactured by third parties that are handled by the Corporation. The Corporation production facilities are subject to plant inspections by government authorities in order to ensure compliance with applicable laws and regulations.

As a public company, the Corporation is required to comply with the internal control evaluation and certification requirements of Canadian securities laws. As a result, based on the evaluation of Knight's ICFR, the Corporation's financial reporting internal controls are currently in compliance with those requirements.

Reliance on Information Technology and Cybersecurity

Knight is dependent on information technology systems, including internet-based systems, for internal communication as well as communication with customers and suppliers. Our business depends on the efficient and uninterrupted operation of our computer and communications systems and networks, hardware and software systems and our other information technology. As such, we continuously invest financial and other resources to maintain, enhance, further develop, replace or add to our information technology infrastructure. Such efforts carry risks such as cost overruns, project delays and business interruptions, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Additionally, these measures are not guaranteed to protect against all cybersecurity incidents.

In the ordinary course of our business, we collect and maintain information, which includes confidential, proprietary and personal information regarding our customers and employees, in digital form. Over the last year, in order to improve our processes, we have implemented several different systems and IT tools and policies, most of which are managed or hosted by third parties. Disruption, degradation, destruction or manipulation of these systems through intentional or accidental means by Knight employees, third parties with authorized access or cyber threat actors could adversely affect key business processes. The complexity of systems, and those of third-party providers with whom Knight contracts, make such systems potentially vulnerable to service interruptions. Data maintained in digital form is subject to risk of cyber-attacks, which are increasing in frequency and sophistication and are made by groups and individuals with a wide range of motives and expertise, including criminal groups, "hackers" and others. Cyber-attacks could include the deployment of harmful malware, viruses, worms, denial-of-service attacks, ransomware, phishing, social engineering and other means to affect service reliability and threaten data confidentiality, integrity and availability. Despite our efforts to monitor and safeguard our systems to prevent data compromise, the possibility of future data breaches cannot be eliminated entirely, and risks associated with intrusion, tampering and theft remain. If our systems were to fail or we are unable to successfully expand the capacity of these systems, or we are unable to integrate new technologies into our existing systems, our operations and financial results could suffer.

We also outsource certain elements and functions of our operations, including but not limited to our information technology infrastructure, electronic invoicing, third-party warehouse and logistics providers, pharmacovigilance and specialty pharmaceutical activities, to third parties. As a result, we manage many independent vendor relationships with third parties who may or could have access to our confidential information. The size and complexity of ours and our vendors' systems make such systems potentially vulnerable to service interruptions and to security breaches from inadvertent or intentional actions by our employees, our partners, our vendors or other third parties, or from attacks by malicious third parties.

The Company and its vendors' information technology operations are spread across multiple, sometimes inconsistent platforms, which pose difficulties in maintaining data integrity across systems. The ever-increasing use and evolution of technology, including cloud-based computing, creates opportunities for the unintentional or improper dissemination or destruction of confidential information stored in the Corporation's systems.

Any breach of our security measures or the accidental loss, inadvertent disclosure, unapproved dissemination, misappropriation or misuse of trade secrets, proprietary information or other confidential information, whether as a result of theft, fraud, cyber-attacks, hacking, trickery or other forms of deception or any other cause, could enable others to produce competing products, use our proprietary technology or information and/or adversely affect our business position. Further, any such interruption, security breach, loss or disclosure of confidential, proprietary or personal information could result in financial, legal, business and reputational harm to our company and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The Company's insurance coverage may not be sufficient to cover all potential losses including those related to cybersecurity incidents.

In addition, the Company deals with various third-party stakeholders such as CMOs, license partners, health regulatory agencies. Those stakeholders may also be reliant on their information technology to maintain their operations. Any failure of their IT systems could lead to a negative impact to the Company's business and result of operations. For example, in Q1-2022, the Corporation became aware that the Colombian Health Regulatory Authority, INVIMA, could have suffered cybersecurity attack. Such attacks could leads to delays of the Corporation's approval for new drugs, renewal of existing drugs or any other regulatory activities.

Artificial intelligence ("AI") is becoming more accessible and increasingly being used in the biopharmaceutical and global healthcare industries, with potential to transform the healthcare landscape. As with many developing technologies, artificial intelligence-based software presents risks and challenges. For example, external agents can utilize AI to attack our systems, or algorithms may be flawed; data sets may be insufficient, of poor quality, or contain biased information; and inappropriate or controversial data practices by data scientists, engineers, and end-users could impair results. If the analyses that artificial intelligence-based applications assist in producing are deficient or inaccurate, we could be subjected to competitive harm, potential legal liability and brand or reputational harm. In addition, the use of artificial intelligence for business intelligence by the competitors of Knight could lead to loss of Knight's competitiveness, market share and profitability. In turn, failing to keep up with emerging technologies like AI could undermine Knight's ability to compete and adversely affect its market share and profitability.

Global regulations for AI are evolving rapidly as legislators and regulators are increasingly focused on these emerging technologies and enacting new laws to encourage the responsible use of AI technologies. Knight may not be able to anticipate and adapt to rapidly evolving regulatory frameworks particularly if legal requirements differ across jurisdictions, which may require to allocate resources accordingly and adversely impacting operational results. Furthermore, given the complexity and rapid development of AI technology, it is difficult to determine all potential legal, operational, financial and technological risks associated with its use.

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Reliance on Data Obtained from IQVIA

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

Interest Rate Risk

The Company is subject to interest rate risk on the interest income generated on its cash, cash equivalents and marketable securities.

Assuming that all other variables remain constant, a 1% decline on the interest rate generated on cash, cash equivalents and marketable securities would have resulted in a reduction of interest income of \$1,423 over a one-year period.

In connection with debt held in Knight, the Company is exposed to interest rate risks arising from its bank loans. The Bancolumbia and IFC loans have a variable interest rate that fluctuates with the CDI, IBR, and TIIE rates. The applicable CDI, IBR and TIIE are the average rates applicable during each interest period and therefore the accrued interest at year end with the loans are not exposed to any changes related to variation of the respective floating rates. Assuming that all other variables remain constant, a 1% increase in the interest rate would have resulted in an increase of interest expense of \$434 over a one-year period.

Details regarding maturity dates and effective interest rates are described in Notes 6 and 7 of the Corporation's Consolidated Financial Statements for the fiscal year ended December 31, 2024 which can be found under Knight's profile at www.sedarplus.ca.

Equity Price Risk

The carrying values of the available for sale investments subject to equity price risk are:

2024	2024	2023
	\$	\$
Equity investments	20,792	3,413
Investments in Funds	92,024	108,949
Derivatives	—	303
Net exposure	112,816	112,665

The Company monitors its equity investments for impairment on a periodic basis and at least every reporting period. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amounts realized in the sale of a particular security may be affected by the volume of trade, as well as Securities Exchange Regulations. The Company's Board of Directors regularly reviews and approves equity investment decisions.

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Foreign Exchange Risk

The reporting currency of Knight is Canadian dollars (CAD). While the Company generates a significant portion of its revenues from LATAM countries with currencies like the Brazilian real (BRL), Argentinian peso (ARS) and Colombian peso (COP), such currencies have been historically highly volatile and could create significant fluctuations on the Company's result when translated to CAD. Furthermore, Knight is exposed to a currency mismatch due to certain pharmaceutical products, active pharmaceutical ingredients and operating costs denominated in currencies of developed markets (CHF, USD, EUR). The currency mismatch exposes Knight to foreign exchange risks which could result in significant fluctuations of the Company's gross margin or net income.

The Company also maintains cash and cash equivalents, marketable securities, trade and other receivables, accounts payables, accrued liabilities and bank loans denominated in currencies like USD, EUR, BRL and ARS and is, therefore, exposed to foreign exchange risk on these balances as well.

December 31, 2024	USD	EUR	BRL	ARS	CLP	COP	MXN
Cash and cash equivalents	20,584	2,122	—	—	—	—	485
Marketable securities	39,592	—	—	—	—	—	—
Trade and other receivables	1,130	145	397,147	2,233,589	8,465,175	100,096,534	163,999
Other financial assets	8,735	18,758	—	—	—	—	—
Accounts payable and accrued liabilities	(4,786)	(712)	(124,072)	(158)	(5,005,468)	(11,890,171)	(74)
Financial liabilities	—	—	(77,134)	—	(4,527,452)	(29,877,082)	(33,725)
Other financial liabilities	—	—	—	—	—	—	—
Net exposure	55,042	20,313	195,940	2,233,431	(1,067,745)	58,329,281	130,684

December 31, 2023	USD	EUR	BRL	ARS	CLP	COP	MXN
Cash and cash equivalents	22,959	175	—	—	—	—	—
Marketable securities	59,682	—	—	—	—	—	—
Trade and other receivables	238	286	354,006	1,788,676	5,796,988	57,881,828	48,346
Other financial assets	2,909	17,281	—	—	—	—	—
Accounts payable and accrued liabilities	(6,918)	(3,230)	(61,576)	—	—	(3,853)	(401)
Other balances payable	(6,573)	(3,435)	—	—	—	—	—
Financial liabilities	—	—	(102,937)	—	(6,035,105)	(39,935,366)	(45,667)
Net exposure	72,297	11,077	189,493	1,788,676	(238,117)	17,942,609	2,278

¹ Includes intercompany loans in foreign currency between Company's subsidiaries

The Company is also exposed to foreign exchange risk on the BOB, CHF, PEN, PYG and UYU. The total net exposure, in CAD, for these currencies is \$741 (2023: \$3,250).

Argentina foreign exchange context: The previous National Government of Argentina imposed various restrictions on the access to foreign currency for the private companies to cancel their payables with foreign suppliers.

One of the first measures of the new elected Government (Javier Milei) that took office on December 10, 2023, was to release the restrictions imposed by the previous Government on the access to foreign currency for imports that took place after December 13, 2023. However, for those payables with foreign suppliers that were originated from imports prior to December 13, 2023, there are still restrictions to access to foreign currency to pay. For this reason, companies (as is the case with Knight) make capital contributions to their subsidiaries in Argentina in order to be able to cancel their payables with foreign suppliers and to avoid any impact on the supply and in the

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local operations.

On the other hand, the new Government carried out a devaluation of the ARS in December 2023 of 57%, that generated impacts on the working capital of the Argentine subsidiary measured in CAD.

Bolivia foreign exchange context: There has been a significant level of political and social unrest in Bolivia in recent years resulting from a number of factors, including Bolivia's history of political and economic instability under a variety of governments.

Since 2011, Bolivia has maintained a fixed exchange rate to the US dollar. Currently, Bolivia is experiencing a liquidity crisis of foreign reserves (US dollars) and increasing inflationary pressures, arising mainly from a contraction of exports and lack of foreign direct investments on key economic sectors, which has resulted in various restrictions to access to foreign currency for the private companies to cancel their payables with foreign suppliers. For this reason, companies (as is the case with Knight) have funded their subsidiaries to be able to cancel their payables with foreign suppliers, to avoid any impact on the supply and in the local operations.

Risks Associated with Our Internal Controls Over Financial Reporting

Any controls and procedures or ICFR, despite how well they may be designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the Corporation's control system are met and that all control issues, including instances of fraud, if any, within the Corporation have been prevented or detected. Any failure of Corporation's internal controls could have an adverse effect on results of operations. Ensuring compliance with reporting and other obligations places significant demands on management, administrative, operational and accounting resources and may result in higher than anticipated operating expenses, as well as higher independent auditor fees. In addition, a failure to maintain an effective system of disclosure controls and internal control over financial reporting, may impact Corporation's ability to produce timely and accurate financial statements or comply with applicable regulations. Moreover, despite Corporation's efforts to implement controls in Knight's domestic and international operations, there can be no assurance that these controls will prove to be effective in all instances.

Risk Factors Related to the Common Shares

Volatility of Share Price

The market price of the Common Shares is unpredictable and may be volatile, which could cause the value of a shareholder's investment to decline. Publicly-traded securities such as those of the Corporation will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Common Shares will trade cannot be predicted. The market price of the Common Shares could fluctuate significantly for various reasons, many of which are beyond the Corporation's control, including the following:

- changes or perceived changes in the condition (including financial condition), operations, results or prospects of the Company's businesses and market assessments of these changes or perceived changes;
- the Corporation's announcements or those of its competitors' regarding new products or services, enhancements, significant contracts, acquisitions or strategic investments;
- changes in the Corporation's capital structure, such as future issuances of securities or sales of large blocks of Common Shares by the Corporation's shareholders;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors;
- changes in governmental regulations or proposals, or new government regulations or proposals, affecting

the Corporation;

- the addition or departure of the Corporation's executive officers and other key personnel;
- the Corporation's quarterly or annual earnings or those of other companies in the Corporation's industry and anticipated fluctuations in respect thereof;
- operating and stock price performance of companies that investors deem comparable to the Corporation;
- changes in earnings estimates or recommendations by securities analysts who track the Common Shares;
- changes in industry conditions;
- developments related to investigations, regulatory proceedings, or litigation that involve the Corporation;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Corporation's industry or target markets; and
- changes in general market, economic and political conditions in the U.S., Canada, the EU and global economies or financial markets in which the Corporation does business, including those resulting from natural disasters, terrorist attacks, acts of war and responses to such events.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated or disproportionate to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Absence of dividends

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

Dilution

The number of Common Shares the Company is authorized to issue is unlimited. We cannot predict the size of future issuances of the Common Shares or the effect, if any, that future issuances and sales of the Common Shares will have on the market price of the Common Shares. Sales of substantial amounts of the Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares and the interests of Shareholders may be diluted thereby.

Shareholders have limited control over our Company's operations

Shareholders have limited control over changes in our policies and operations, which increases the uncertainty and risks of an investment in our Company. Our Board determines major policies, including policies regarding financing, growth, debt capitalization and any future dividends to Shareholders. Generally, our Board may amend or revise these and other policies without a vote of the Shareholders. Shareholders will only have a right to vote, as a class, in the limited circumstances described elsewhere in this Annual Information Form. Our Board's broad discretion in setting policies and the limited ability of Shareholders to exert control over those policies increases the uncertainty and risks of an investment in our Company.

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Financial Reporting and Other Public Company Requirements

We are subject to reporting and other obligations under applicable Canadian securities laws and rules of any stock exchange on which the Common Shares are listed, including National Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings. These reporting and other obligations place significant demands on our management, administrative, operational and accounting resources. If we are unable to accomplish any such necessary objectives in a timely and effective manner, our ability to comply with our financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause us to fail to satisfy our reporting obligations or result in material misstatements in our financial statements. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in our reported financial information, which could result in a reduction in the trading price of the Common Shares.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system’s objectives will be 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. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a control system, misstatements due to error or fraud may occur and may not be detected in a timely manner.

We will be subject to disclosures related to Environment, Social and Governance (ESG) depending on its jurisdiction of operations. The additional disclosure requirements will require Knight to develop additional processes and controls which may require the Company to incur incremental costs.

DIVIDEND RECORD AND POLICY

Knight intends to retain its earnings to finance growth and does not expect to pay dividends on its Common Shares in the foreseeable future. No dividend was declared or paid by the Corporation on its Common Shares since the Corporation came into existence.

CAPITAL STRUCTURE

The authorized share capital of the Corporation is comprised of an unlimited number of Common Shares of which 100,048,271 Common Shares, 5,073,547 stock options, 200,120 Deferred Stock Units, 344,732 Restricted Stock Units, 923,304 Performance Stock Units and 174,228 warrants to purchase Common Shares were issued and outstanding as at March 19, 2025. 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 the Corporation and to vote at such meetings. The holders of the Common Shares are entitled to receive, as and when declared by the Board of Directors, dividends in such amounts as shall be determined by the Corporation’s Board of Directors. The holders of Common Shares have the right to receive the remaining property of the Corporation in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

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MARKET FOR SECURITIES

The Common Shares of the Corporation are posted and listed for trading on the TSX and are traded under the symbol "GUD".

Price Range and Trading Volume

The following table sets forth, for the periods indicated, the reported high and low closing prices and the total trading volume of the Common Shares on the TSX on a monthly basis:

Month	Low	High	Volume
2024			
January	5.13	5.75	1,547,800
February	5.24	5.69	1,462,100
March	5.21	5.58	1,837,700
April	5.23	5.95	1,201,500
May	5.71	6.22	1,605,800
June	5.38	6.01	990,500
July	5.49	5.88	1,015,700
August	5.43	5.88	1,104,100
September	5.44	6.23	1,637,200
October	5.50	5.98	1,356,400
November	5.09	5.82	4,577,900
December	5.11	5.45	1,445,200
2025			
January	5.25	5.81	1,341,400
February	5.29	5.78	767,500
Up until March 14, 2025	5.42	6.22	1,231,615

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DIRECTORS AND OFFICERS

The following table sets forth the name, province or state, and country of residence of each of the directors of the Corporation as at December 31, 2024, as well as their position with the Corporation, as applicable, or their principal occupation, as well as the year in which they became directors of the Corporation.

Name. Province/State of Residence	Principal Occupation	Director Since	Other Principal Occupations Held in Last Five Years
Jonathan Ross Goodman Québec, Canada	Executive Chairman of the Corporation	2013	CEO of the Corporation from 2014 to August 2021
James C. Gale ⁽¹⁾ New York, USA	Managing Partner, Signet Healthcare Partners (healthcare investing)	2014	None
Samira Sakhia Québec, Canada	President and Chief Executive Officer of the Corporation	2016	President of the Corporation from 2016 to August 2021
Robert N. Lande ⁽¹⁾⁽²⁾ New York, USA	President, Stratos Global International LLC (foreign exchange trading services)	2014	None
Michael J. Tremblay ⁽²⁾ Ontario, Canada	Corporate Director	2019	None
Nicolás Sujoy ⁽¹⁾⁽²⁾ Buenos Aires, Argentina	Partner, Clara Capital Executive Chairman of Grupo Prisma	2020	None
Janice Murray ⁽¹⁾⁽²⁾ Beaconsfield, Quebec	President of VOBOC — Cancer Patient Organization / Treasurer of West Island Palliative Care	2020	Director of Boondoc Technology from September 2019 to August 2022

⁽¹⁾ Member of the Audit Committee

⁽²⁾ Member of the Compensation, Corporate Governance and Nominating Committee

The following table sets forth the name, province and country of residence and position within the Corporation of each person who is an executive officer as of the date hereof.

Name, Province of Residence	Position within Knight	Other Principal Occupations Held in Last Five Years
Samira Sakhia Québec, Canada	President and Chief Executive Officer	President & COO of the Corporation from June 2020 to Aug 2021 / President of the Corporation from March 2020 to June 2020 / President & CFO of the Corporation from November 2017 to March 2020 / President of the Corporation from August 2016 to November 2017
Arvind Utchanah Montevideo, Uruguay	Chief Financial Officer	VP Finance of the Corporation from August 2019 to March 2020 / Director Finance of the Corporation from June 2016 to August 2019
Amal Khouri Québec, Canada	Chief Business Officer	Vice President, Business Development at Knight (2014-2021)

As at March 19, 2025, the directors and executive officers of Knight, as a group, beneficially own or exercise control or direction over, directly or indirectly, 23,262,809 Common Shares, representing approximately 23.3% of the issued and outstanding Common Shares.

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Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the knowledge of the Directors and officers of the Corporation, none of the Directors or executive officers is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For purpose of the foregoing, an “order” means (i) a cease trade order, (ii) an order similar to a cease trade order, or (iii) an order that denied the relevant company access to any exemption under securities legislation.

Bankruptcies

Except as described below, to the knowledge of the Directors and officers of the Corporation, none of the Directors or executive officers of the Corporation i) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or ii) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Prior to his current position as President of Stratos Global International LLC, Mr. Lande served as Chief Financial Officer of Global Brokerage Inc. (“GLBR”), a shareholder of Stratos. On December 11, 2017, GLBR filed a Prepackaged Chapter 11 Plan of Reorganization (the “GLBR Plan”) pursuant to the terms of a Restructuring Support Agreement (the “RSA”) signed with approximately 70% by value of the bondholders of a GLBR bond that was maturing in 2018. The overall purpose of the GLBR Plan was to enable GLBR to extend the maturity of the bond for five additional years. The GLBR Plan was confirmed on January 22, 2018, and GLBR emerged from bankruptcy on February 8, 2018. The overall purpose of the GLBR Plan was successful, and the new secured notes have been distributed in accordance with the GLBR Plan.

Mr. Gale served as a board member of Sancilio & Company Inc. (“Sancilio”) since 2017 until 2018, pursuant to a stockholder’s agreement between Signet Healthcare Partners and other shareholders of Sancilio. Within one year following his resignation from Sancilio’s board of directors, Sancilio and certain of its affiliates filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code.

Amal Khouri served as a director of Antibe Therapeutics Inc. (“Antibe”), a clinical-stage biotech company developing a non-addictive opioid replacement drug candidate. Antibe, a reporting issuer listed on the TSX, initiated proceedings under the Companies’ Creditors Arrangement Act (CCAA) on April 9, 2024. The Ontario Superior Court of Justice appointed a receiver and manager, without security, of the assets, undertakings and properties of Antibe, effective April 22, 2024. Amal Khouri and one other director resigned as directors of Antibe effective April 8, 2024. All other Board Directors resigned as directors of Antibe on April 22, 2024 to allow the court-appointed receiver to assume control. Antibe’s shares were suspended from trading on April 9, 2024 and delisted on May 24, 2024.

Penalties or Sanctions

None of the Directors or executive officers of the Corporation was subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflict of interest

To the knowledge of Knight, there are no known real, potential or perceived conflicts of interest between Knight and directors or officers of Knight.

Knight has adopted a Conflict of Interest policy which members of the Board, officers and all employees must report any real, potential or perceived Conflict of Interest to the Chair of the Board. The Chair will then in turn report the Conflict of Interest to the Compensation, Corporate Governance and Nominating Committee, which will determine the further handling of the matter.

In addition, if a member of the Board has reasonable cause to believe that a fellow member of the Board has failed to appreciate and disclose a Conflict of Interest, he or she shall inform the fellow member of the Board. If the Conflict of Interest is not disclosed to the Board in accordance with the above procedure, the Director will inform the Chair of the Board of the perceived Conflict of Interest.

The Conflict of Interest Policy can be reviewed on our website at www.knighttx.com.

Committees of the Board of Directors and their Responsibilities

Prior to March 2017, the committees of the Board of the Directors were the Corporate Governance and Compensation Committee, the Nominating Committee and the Audit Committee. In March 2017, the Board approved a merger of its Nominating Committee and Corporate Governance and Compensation Committee to form the Compensation, Corporate Governance and Nominating Committee ("CCGNC"). The principal duties of the CCGNC include all responsibilities of the predecessor committees.

CCGNC

The members of the CCGNC are Michael J. Tremblay (Chairperson), Robert N. Lande, Nicolás Sujoy and Janice Murray. The principal functions of the CCGNC are as follows:

- a) to address matters of corporate governance and to review and approve the compensation of the senior management of the Corporation, to review management's development of the compensation philosophy and then to independently monitor the Corporation's compensation systems and practices to ensure they encourage and reward behavior which supports the achievement of the Corporation's strategic goals. The CCGNC's role is also to make recommendations to the Board as to which directors and fulltime employees should be granted shared-based awards and stock options pursuant to the Omnibus Plan; and
- b) to evaluate the size of the Board; identify the skill sets currently available and skill sets that may be required; assess the performance of the Board, its committees and the contributions of individual directors, taking into consideration knowledge, experience and personal attributes (e.g., professional experience, skills, background, race and gender); and, without disproportionately weighting any single

attribute, recommend to the Board the director nominees to be put before the shareholders at the annual meetings.

Audit Committee Disclosure

Audit Committee's Charter

The principal duties of the Audit Committee of the Board (the "Audit Committee") include assisting the Board in its oversight of (i) the integrity of the Corporation's financial statements, financial reporting process, system of internal controls over financial reporting, and audit process, (ii) compliance with, and process for monitoring compliance with, legal and regulatory requirements, (iii) the independent auditors' qualifications and independence, (iv) the performance of the independent auditors, and (v) pre-approval of all audit and non-audit services provided by the independent auditors. The Audit Committee charter is attached hereto as Schedule "A".

The Audit Committee meetings for fiscal year 2024 took place on a quarterly basis.

Composition of the Audit Committee

The Audit Committee is composed of Robert N. Lande (Chairperson), James C. Gale, Janice Murray and Nicolás Sujoy, each of whom is (i) independent and (ii) financially literate. Each member has the ability to read and understand financial statements that present a breadth and complexity of accounting issues comparable to the breadth and complexity of the issues raised by the Knight's financial statements, understand the accounting principles Knight uses to prepare its financial statements and have the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves.

Relevant Education and Experience

Robert N. Lande – Chairman

Mr. Lande is the President of Stratos Global International LLC, an online brokerage firm offering trading in foreign exchange, equity indices and commodities. Formerly, he was Chief Financial Officer of Stratos and prior to that was a managing partner and Chief Operating Officer of Riveredge Capital Partners LLC, an investment management firm. Prior to Riveredge, Mr. Lande worked for over 16 years within the BCE/Bell Canada group where his last position was Chief Financial Officer of Telecom Américas Ltd., a joint venture between Bell Canada International, AT&T (then SBC Communications) and America Movil. Mr. Lande was a member of the board of directors of Paladin from 1995 to 2014. Mr. Lande is a chartered financial analyst and holds an M.B.A. from the John Molson School of Business of Concordia University and a B.A. in Economics from McGill University.

James C. Gale, Director

Mr. Gale is the founding partner of Signet Healthcare Partners. He is currently the Chairman of the Board of Bionpharma, Inc., and also serves on the board of directors of Ascendia Pharmaceuticals, Lee's Pharmaceutical Holdings Ltd, Juno Pharmaceuticals Inc, Pharma Nobis LLC, RK Pharma Inc., and Chr. Olesen Synthesis A/S. Prior to Signet, Mr. Gale worked for Gruntal & Co., LLC as head of principal investment activities and investment banking. Prior to joining Gruntal, he worked in Home Insurance Co., Gruntal's parent. Earlier in his career, Mr. Gale was a senior investment banker at E.F. Hutton & Co. Mr. Gale holds an M.B.A. from the University of Chicago. Mr. Gale was a member of the Board of Directors of Paladin Labs Inc. from 2008 to 2014.

Nicolás Sujoy

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Mr. Sujoy has more than 25 years of private equity experience in Latin America. He is a founding partner of the private equity firm Clara Capital and is currently the Executive Chairman of Grupo Prisma, a leading Argentinian payment processing company. Formerly, Mr. Sujoy worked for Advent International where he was a director and country manager, participating in transactions in the pharma, banking and business services sectors, and serving on the Board of Directors of several companies. With Advent, where he worked for 7 years, Mr. Sujoy led or co-led investments in Nuevo Banco Comercial and Pronto in Uruguay, and in Laboratorios LKM and Fada Pharma in Argentina, among others. He also participated in the acquisition of Biotoscana Farma in Colombia, and the assembly of the regional pharmaceutical company GBT. Prior to joining Advent, he was an investment manager at HSBC Private Equity Latin America, where he participated in transactions in telecommunications and energy sectors, among others. Mr. Sujoy holds a degree in economics from the Torcuato di Tella University in Argentina.

Janice Murray

Ms. Murray has a wealth of pharmaceutical experience as well as leadership in general management, strategy, finance and sales & marketing. She served as Chief Financial Officer of Novartis Pharmaceuticals Canada Inc., for several years before becoming Vice-President of the Ophthalmics Business Franchise. Ms. Murray then became Chief Financial Officer of the Latin America & Canada Region where she was responsible for 10 reporting units and \$2 billion in sales. Before her retirement in 2019, she became President of Novartis Canada where she led multiple therapeutic areas, launched several innovative medicines and served on the Innovative Medicines Canada Industry Board. Prior to Novartis Canada, Ms. Murray held several roles at Canadian National Railways, including Vice-President Network Strategy Development, Vice-President of Sales and Market Development and Chief of Internal Audit where she led several strategic projects during key acquisitions and privatization. She completed her CPA, CA designation while working at KPMG LLP where she became an Audit Manager. Ms. Murray holds a Bachelor of Commerce from University of Ottawa and a Graduate Diploma in Accounting from McGill University. Ms. Murray serves on the boards of the VOBOC Foundation, and the Teresa Dellar Palliative Care Residence Foundation. Ms. Murray holds a CPA designation from the CPA Ontario, as well as ICD.D designation from the Institute of Corporate Directors' program at the University of Toronto - Rotman School of Management.

Pre-Approval Policies and Procedures

The Audit Committee has instituted a policy to pre-approve audit and non-audit services. The Chair of the Audit Committee is given limited delegated authority from time to time by the Audit Committee to pre-approve permitted non-audit services. The Audit Committee also considers on a continuing basis whether the provision of non-audit services is compatible with maintaining the independence of the external auditors.

External Auditor Service Fees

The table below provides the fees that Ernst & Young LLP billed the Corporation for the fiscal years ended December 31, 2024 and December 31, 2023:

Category	2024	2023
	\$	\$
Audit services	1,640,750	2,566,000
Audit-related services	286,000	127,500
Tax services	476,435	281,700
All other services	—	244,200
Total Fees	2,403,185	3,219,400

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Fees for audit services include fees associated with the annual audit, translation services, accounting assistance, involvement with public offerings and fees associated with regulatory filings. Tax fees include tax compliance, tax advice and tax planning, including expatriate tax services. All other services refer to the aggregate fees billed for products and services provided by the Company's independent auditors, other than "Audit services", "Audit-related services" and "Tax services", consisting primarily of certain permissible consulting and advisory services. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the independence of the Company's independent auditors. The Audit Committee has adopted a policy that prohibits the Company from engaging its independent auditors for "prohibited" categories of non-audit services and requires pre-approval by such Committee of audit services and other services within certain permissible categories of non-audit services.

LEGAL PROCEEDINGS

To the knowledge of the Corporation there are no material legal proceedings to which the Corporation is a party or to which their property is subject, and no such proceedings are contemplated.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this AIF, to the knowledge of the Corporation, no (a) director or executive officer of the Corporation, (b) person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the Common Shares, nor (c) associate or affiliate of any of the persons or companies referred to in (a) or (b) has, or has had within the three most recently completed financial years before the date hereof, any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Corporation or any of its subsidiaries.

MATERIAL CONTRACTS

The Corporation has entered into the following material contracts, the particulars of which are described elsewhere in this Annual Information Form:

- Asset purchase agreement by and between Knight and Novartis AG and Novartis Pharma AG dated April 22, 2021.
- Loan agreement dated June 30, 2022, between Knight Therapeutics Inc. and INTERNATIONAL FINANCE CORPORATION.
- Asset purchase agreement by and among Knight, Endo Operations Limited and Paladin Pharma Inc. dated March 10, 2025.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare at its principal offices located in Montreal, Quebec.

INTEREST OF EXPERTS

The Corporation's Annual Audited Consolidated Financial Statements for the year ended December 31, 2024 included in the Corporation's Annual Report filed under *National Instrument 51-102 – Continuous Disclosure Obligations*, portions of which are incorporated by reference in this AIF, have been audited by Ernst & Young LLP. Ernst & Young LLP is independent of the Corporation within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

ADDITIONAL INFORMATION

Additional information regarding the Corporation can be found under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and the securities authorized for issuance under our equity compensation plan, if applicable, is contained in our management information circular for our annual meeting of shareholders filed on an annual basis. Additional financial information is provided in our Financial Statements and MD&A for the most recent completed financial year.

The foregoing documents may be obtained by contacting our Chief Executive Officer at our head office, 3400 De Maisonneuve Blvd. W., Suite 1055, Montreal, Québec H3Z 3B8, telephone: (514) 484-4483.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

APPROVED BY THE BOARD OF DIRECTORS ON MARCH 22, 2023

The Audit Committee (the "**Committee**") is created by the Board of Directors of the Corporation (the "**Board**") with the purpose, composition, duties and responsibilities that follow:

Purpose of the Committee: The Committee represents and assists the Board in discharging its oversight responsibility relating to: (i) the accounting, reporting, and financial practices of the Corporation and any subsidiaries, including the integrity of the Corporation's financial statements; (ii) the surveillance of administration and financial controls and the Corporation's compliance with legal and regulatory requirements; (iii) the External Auditor's qualifications and independence; (iv) the performance of the Corporation's External Auditor; and (v) prepares the report required to be included in the Corporation's annual information form pursuant to the rules of the governing regulatory bodies including *National Instrument 52-110 – Audit Committees* ("52-110").

Definitions and Interpretation:

In this Charter:

"**Board**" means the board of directors of the Corporation;

"**Chairman**" means the chairman of the Committee;

"**Committee**" means the audit committee of the Board;

"**Corporation**" means Knight Therapeutics Inc.;

"**Director**" means a member of the Board; and

"**External Auditor**" means the Corporation's independent auditor.

Composition: The members of the Committee shall be appointed by the Board. The Committee shall be composed of at least three Directors. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed. The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining members shall exercise all of their powers so long as a quorum remains in office. Any member of the Committee may be removed from the Committee by a resolution of the Board.

Independence and Financial Literacy of the Members: Each member shall be "independent" within the meaning of 52-110. Each member of the Committee must be "financially literate" as defined in 52-110 and at least one member must have accounting or related financial management expertise, as determined by the Board.

Committee Chairman: The Chairman of the Committee (the "Chairman") shall be designated by the Board. The designation of the Committee's Chairman shall take place annually at the first meeting of the Board after a meeting of the members at which Directors are elected, provided that if the designation of Chairman is not so made, the Director who is then serving as Chairman shall continue as Chairman until his or her successor is appointed.

Meetings: Any of the Chairman of the Board, any member of the Committee, the Chief Financial Officer, the Secretary of the Corporation or the auditor (either internal or the External Auditor), may, acting alone, require that the Chairman call a meeting of the Committee within a reasonable time. The Committee shall meet at least four times per year, either in person or telephonically, and at such times and places as the Committee shall determine. The External Auditor shall receive notice of each meeting of the Committee and shall be entitled to attend any such meetings at the Corporation's expense. The Committee shall meet separately in executive session, at least once per year, with the External Auditor. The Committee shall report regularly to the full Board with respect to its activities. The majority of the members of the Committee shall constitute a quorum.

External Advisors: The Committee shall have the authority to retain such external counsel, accountants, experts and other advisors as it determines appropriate to assist it in the performance of its functions and shall receive appropriate funding, as determined by the Committee, from the Corporation for payment of compensation to any such advisors.

Remuneration of Committee Members: Members of the Committee and the Chairman shall receive such remuneration for their service on the Committee as the Board may determine from time to time. No member of the Committee may earn fees from the Corporation or any of its subsidiaries other than directors' fees. For greater certainty, no member of the Committee shall accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation.

Duties and Responsibilities:

Among its specific duties and responsibilities, the Committee shall:

- i) Recommend to the Board the appointment and compensation of the External Auditor and oversee the External Auditor's work. The Board shall appoint and retain, subject to ratification by the Corporation's shareholders, compensate, evaluate, and terminate, when appropriate, the External Auditor, which shall report to the Board.
- ii) Obtain and review, at least annually, a report by the External Auditor describing: the External Auditor's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review.
- iii) Approve in advance all audit services to be provided by the External Auditor. (By approving the audit engagement, the audit services within the scope of the engagement shall be deemed to have been pre-approved.)
- iv) Establish policies and procedures for the engagement of the External Auditor to provide audit and permissible non-audit services, which shall include pre-approval of all permissible non-audit services to be provided by the External Auditor.
- v) Consider, at least annually, the independence of the External Auditor, including whether the External Auditor's performance of permissible non-audit services is compatible with the auditor's independence, and obtain and review a report by the External Auditor describing any relationships between the External Auditor and the Corporation or any other relationships that may adversely affect the independence of the auditor.
- vi) Review and discuss with the External Auditor:
 - a) the scope of the audit, the results of the annual audit examination by the auditor, and any difficulties the

auditor encountered in the course of their audit work, including any restrictions on the scope of the External Auditor's activities or on access to requested information and any significant disagreements with management; and

- b) the reports of the External Auditor with respect to interim periods.
- vii) Review, analyze and discuss with management and the External Auditor the annual audited financial statements of the Corporation, and, in relation thereto, if any:
- a) the auditor's judgment as to the quality of the Corporation's accounting principles, setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements;
 - b) the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," including accounting policies that may be regarded as critical;
 - c) major issues regarding the Corporation's accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles and financial statement presentations;
 - d) the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented;
 - e) reports from the External Auditor as required by applicable securities rules; and
 - f) review earnings press releases.

These reviews must be completed before any of the above items are publicly disclosed.

- viii) Recommend to the Board based on the review and discussion described in paragraph vii) above, whether the annual financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" relating thereto should be approved.
- ix) Review, analyze and discuss with management and (if and where applicable) the External Auditor the interim financial statements of the Corporation, and, in relation thereto, if any:
- a) an analysis of the auditor's judgment as to the quality of the Corporation's accounting principles, setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements;
 - b) major issues regarding the Corporation's accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles and financial statement presentations;
 - c) reports from the External Auditor as required by applicable securities rules; and
 - d) review earnings press releases.

These reviews must be completed before any of the above items are publicly disclosed.

- x) Approve, on behalf and in the name of the Board, based on the review and discussion described in paragraph vii) above, the interim financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” relating thereto.
- xi) Resolve disagreements, if any, between management and the External Auditor with respect to issues relating to financial reporting.
- xii) Review and discuss the adequacy and effectiveness of the Corporation’s internal controls, including any significant deficiencies in internal controls and significant changes in such controls reported to the Committee by the External Auditor or management.
- xiii) Periodically review and discuss the adequacy and effectiveness of the Corporation’s disclosure controls over financial information, procedures, and management reports thereon.
- xiv) Review and discuss with the principal internal auditor of the Corporation the scope and results of the internal audit program.
- xv) Review and discuss corporate policies with respect to earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies.
- xvi) Review and discuss the Corporation’s policies with respect to risk assessment and risk management including reviewing the Corporation’s processes for identifying and managing data, cyber and other information technology risks and processes for development of data security programs and practices.
- xvii) Oversee the Corporation’s compliance systems with respect to legal and regulatory requirements.
- xviii) Establish procedures for handling complaints regarding accounting, internal accounting controls and auditing matters, including procedures for confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.
- xix) Establish policies for the hiring of employees and former employees of the External Auditor and any former external auditor.
- xx) Annually evaluate the performance of the Committee and assess the adequacy of the Committee’s charter.

Stock Exchange Listing
Toronto Stock Exchange
Trading Symbol: GUD

Transfer Agent
Computershare
1500, boul. Robert-Bourassa, 7th Floor
Montreal, Quebec H3A 3S8
T: 1 (800) 564-6253

Investor Relations
Samira Sakhia
President and Chief Executive Officer
T: (514) 484-4483
E-mail: IR@knighttx.com

Arvind Utchanah
Chief Financial Officer
T: +598 2626 2344
E-mail: IR@knighttx.com

Head Office and Registered Office
Knight Therapeutics Inc.
3400 De Maisonneuve W., Suite 1055
Montreal, Quebec H3Z 3B8
T. (514) 484-4483
F. (514) 481-4116

