

Annual Report 2025

Knight Therapeutics Inc.

A person wearing a yellow jacket and a backpack stands on a grassy mountain peak, facing away from the camera with arms raised in a 'V' shape. The background shows a vast, hazy mountain range under a clear blue sky. The image is framed by a curved yellow border at the bottom.

***DELIVERING RESULTS
TRANSFORMING LIVES***





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Delivering Results Transforming Lives

- Pan-American (ex US) platform of innovative and branded generic pharmaceuticals employing over 800 people
- Delivered record-high adjusted revenues^{1,2} of over \$450M and adjusted EBITDA^{1,3} of \$73M since inception
- Portfolio of over 150 products and over 20 partners across Canada and Latin America
- Our pipeline and early launch of over 25 products is across 11 countries

2020

Completed 100% acquisition of Grupo Biotoscana

Reported record-high adjusted revenues^{1,2} of \$202M and adjusted EBITDA^{1,3} of \$17M

Obtained regulatory approval for Ibsrela®, Imvexxy® and Bijuva® in Canada

Obtained regulatory approval for Lenvima® & Halaven® in Ecuador

Launched Trelstar® in Canada

Launched Cresemba® in Brazil

Launched Karfib® in Argentina

2022

Reported record-high adjusted revenues^{1,2} of \$292M and adjusted EBITDA^{1,3} of \$54M

In-licensed Tavalisse® for select LATAM territories

In-licensed a branded generic molecule in neurology (C402/403) for select LATAM territories

In-licensed Akynzeo® for Canada & select territories in LATAM and Aloxi® for Canada

Relaunched Akynzeo® in Canada, Brazil & Argentina and Aloxi® in Canada

Launched Rembre®, Lenvima® & Halaven® in Colombia and Xetrane® in Argentina

Reported record-high adjusted revenues^{1,2} of \$239M and adjusted EBITDA^{1,3} of \$38M

Acquired exclusive rights for Exelon® in Canada and Latin America

In-licensed Minjuvi® and Pemazyre® for Latin America

In-licensed two branded generic molecules in neurology (C401) and Oncology/Hematology (H401) for select LATAM territories

Obtained regulatory approval for Rembre®, Lenvima® and Halaven® in Colombia

Launched Ibsrela® in Canada

2021

Reported record-high adjusted revenues^{1,2} of \$343M and adjusted EBITDA^{1,3} of \$60M

In-licensed Qelbree® for Canada

In-licensed a branded generic molecule in Oncology/Hematology (H402) for Brazil

Obtained regulatory approval for Bapocil® & Xetrane® in Chile

Launched Palbocil® in Argentina

2023

¹ Adjusted Revenues and Adjusted EBITDA are non-GAAP measures and do not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies. Refer to Section 9 - Financial Results under Non-GAAP measures for additional details.

² Reported record-high adjusted revenues since inception to date of reporting

³ Reported record-high adjusted EBITDA since inception to date of reporting

2024

Reported record-high adjusted revenues^{1,2} of \$365M and an adjusted EBITDA¹ of \$58M

In-licensed Crexont® for Canada and Latin America

In-licensed two branded generic products molecule in Oncology/ Hematology (O401 and H403) for key territories in LATAM

In-licensed Jornay PM® for Canada and Latin America.

Submitted Tavalisse® for ANVISA approval in Brazil

Submitted Qelbree® for Health Canada approval

Obtained regulatory approval for Karfib® in Colombia

Obtained regulatory approval for Minjuvi® in Mexico

Obtained regulatory approval for Jornay PM® in Canada

Obtained regulatory approval for Tavalisse® in Mexico

Obtained regulatory approval for Pemazyre® in Brazil

Launched Minjuvi® in Brazil

Launched Imvexxy® and Bijuva® in Canada

2025

Reported record-high adjusted revenues^{1,2} of \$452M and adjusted EBITDA^{1,3} of \$73M

Returned \$255M to shareholders through the NCIB program

Closed a secured syndicated revolving credit facility for US\$100M

Expanded our portfolio with over 50 products

Executed an asset purchase agreement to acquire Paladin assets

Entered into an exclusive license and asset purchase agreement for certain products with Sumitomo

Expanded existing relationship with Incyte to add the exclusive rights to distribute Zynyz® and Niktimvo® in Latin America

Expanded existing partnership with Helsinn and in-licensed Onicit® for Mexico, Brazil, and select LATAM countries

In-licensed one branded generic product for Brazil

Submitted multiple products for regulatory approval across our territories:

Tavalisse® in Argentina

Crexont® in Canada, Mexico, Chile, Argentina and Peru

Supplemental indication of Minjuvi® for FL in Brazil

Obtained regulatory approval for multiple products across our territories:

Wynzora® in Canada

Pemazyre® in Argentina and Mexico

Minjuvi® in Argentina

Executed on 10 commercial launches

Onicit® in Brazil and Mexico

Pemazyre® in Brazil and Mexico

Minjuvi® in Argentina and Mexico

Xcopri®, Myfembree®, Orgovyx® and Jornay PM® in Canada

Submitted Niktimvo® for ANVISA in Brazil

Submitted supplemental indication of Minjuvi® for FL in Argentina and Mexico

Obtained regulatory approval of supplemental indication of Minjuvi® for the treatment of adult patients with relapsed or refractory FL in Brazil

Obtained regulatory approval and launched Bapocil® in Colombia

Executed an asset purchase agreement to acquire a manufacturing facility in Argentina

2026

¹ Adjusted Revenues and Adjusted EBITDA are non-GAAP measures and do not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies. Refer to Section 9 - Financial Results under Non-GAAP measures for additional details.

² Reported record-high adjusted revenues since inception to date of reporting

³ Reported record-high adjusted EBITDA since inception to date of reporting

Financial Highlights

17%^{1,3}

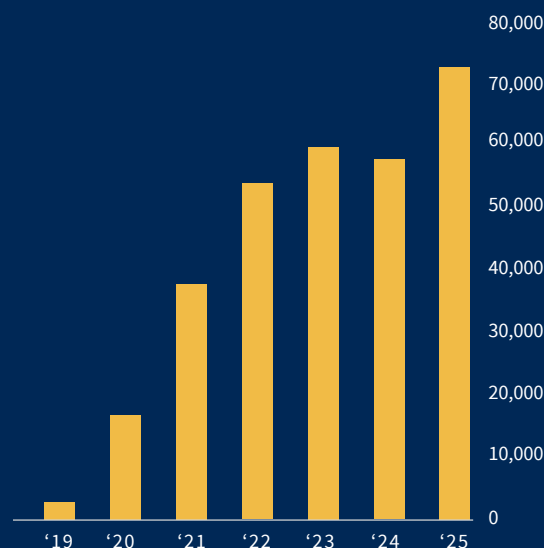
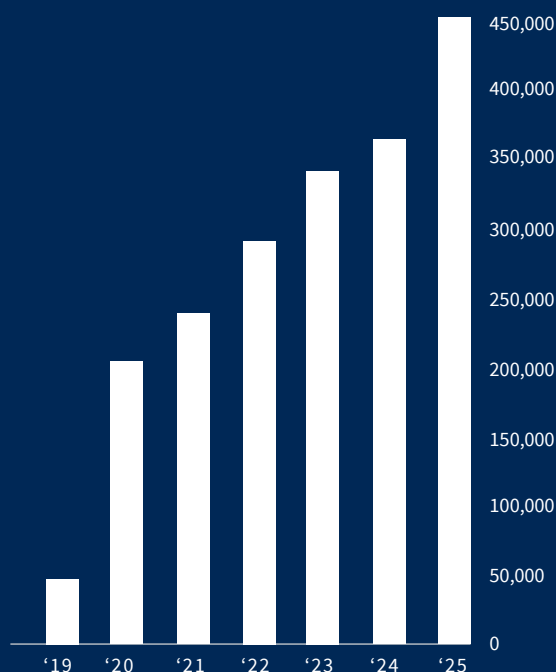
5-YEAR CAGR &
12 YEARS OF RECORD-HIGH
ADJUSTED REVENUE³
SINCE INCEPTION

For the years ended December 31
(in thousands of Canadian dollars)

34%^{2,3}

5-YEAR CAGR &
RECORD-HIGH
ADJUSTED EBITDA³
IN 2025

For the years ended December 31
(in thousands of Canadian dollars)



¹ Growth as CAGR on Adjusted Revenue represents the compound annual growth rate, calculated as $(\text{Adjusted Revenue for 2025} \div \text{Adjusted Revenue for 2020})^{(1/\text{number of years})} - 1$.

² Growth as CAGR on Adjusted EBITDA represents the compound annual growth rate, calculated as $(\text{Adjusted EBITDA for 2025} \div \text{Adjusted EBITDA for 2020})^{(1/\text{number of years})} - 1$.

³ Adjusted Revenues, Adjusted EBITDA, CAGR on Adjusted Revenues and CAGR on Adjusted EBITDA are non-GAAP measures and do not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies. Refer to Section 9 — Financial Results under Non-GAAP measures in the Management's Discussion and Analysis for additional details.

Delivering Results Transforming Lives

Message to our Shareholders

Dear Shareholders of Knight,

Our mission since the founding of Knight was to build a profitable multinational specialty pharmaceutical company to acquire, in-license, develop and commercialize pharmaceuticals products to improve the health of patients. Today, with our unique pan-American (ex-US) platform, we are delivering on that mission, across all our major markets. While doing so, we have **transformed** lives of patients in Canada and Latin America and **delivered** record results through execution of our strategy.

We delivered record-high adjusted revenues¹ of over \$452 million and a record-high adjusted EBITDA¹ of approximately \$73 million, which represented a five-year CAGR¹ of 17% and 34%, respectively. Our innovative promoted product portfolio **delivered** a growth of 12% on a constant currency¹ basis and achieved a three-year CAGR¹ of more than 20%. In addition, we generated record cash flows from operations and delivered \$69 million of cash.

Beyond financial performance, we **delivered** on the business development front as we added over fifty new products through the Paladin and Sumitomo transactions which **transformed** our growth trajectory and strengthened our position in the Canadian market. In addition, we **delivered** on our commitment to be a partner of choice by expanding our relationships with Incyte and Helsinn, adding, Zynyz®, Niktimvo® and Onicit® to our portfolio for Latin America.

We **delivered** meaningful progress on our pipeline with the submissions of Tavalisse®, Crexont® and Minjuvi® across multiple territories and the regulatory approval of Wynzora® in Canada, Minjuvi® in Argentina and Pemazyre® in Argentina and Mexico. We **transformed** lives of patients by providing additional innovative treatment options with our product launches. We launched Xcopri®, Myfembree®, Orgovyx® and Jornay PM® in Canada; Minjuvi® in Mexico and Argentina and Pemazyre® as well as Onicit® in Brazil and Mexico. The products that we have launched in 2024 and 2025 could generate over \$100 million in peak sales and pipeline products that we expect to launch between 2026 and 2028 could generate over another \$100 million in peak sales.

We are extremely proud of what we have **delivered** and **transformed** in the past year. We made a difference in the lives of over 250,000 patients in 2025 and transformed the growth trajectory of our organization. We built a profitable and cash flow generating platform with a healthy pipeline and strong balance sheet that can further support our growth. We will continue to focus on our mission to acquire, in-license, develop and commercialize medicines and high-quality pharmaceuticals to improve the health of patients in Canada and Latin America while driving long-term shareholder value.

(signed) Jonathan Ross Goodman

Jonathan Ross Goodman B.A., LL.B, MBA
Executive Chairman

(signed) Samira Sakhia

Samira Sakhia MBA
President & Chief Executive Officer

¹ Adjusted Revenues, revenues at constant currency, Adjusted EBITDA, CAGR on Adjusted Revenues, and CAGR on Adjusted EBITDA are non-GAAP measures and do not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies. Refer to Section 9 — Financial Results under Non-GAAP measures in the Management's Discussion and Analysis for additional details.

GLOSSARY OF ABBREVIATIONS

Abbreviation	Calendar
H2-25	Second half of 2025
Q4-25	Fourth quarter of 2025
Q3-25	Third quarter of 2025
Q2-25	Second quarter of 2025
Q1-25	First quarter of 2025
Q4-24	Fourth quarter of 2024
Q3-24	Third quarter of 2024
Q2-24	Second quarter of 2024
Q1-24	First quarter of 2024
Abbreviation	Company
60P	60° Pharmaceuticals LLC
Basilea	Basilea Pharmaceuticals Ltd.
BMS	Bristol-Myers Squibb
CIBC	Canadian Imperial Bank of Commerce
Crescita	Crescita Therapeutics Inc.
GBT	Knight Therapeutics Europe S.A.
Helsinn	Helsinn Healthcare SA
IFC	International Finance Corporation
Incyte	Incyte Biosciences International Sàrl
IQVIA	IQVIA Incorporated, a leading pharmaceutical market research organization
Knight or the Company	Knight Therapeutics Inc.
NBC	National Bank of Canada
Novartis	Novartis AG, Novartis Pharma AG or their affiliates
Paladin	Paladin Pharma Inc.
Profounda	Profound Medical Inc.
Rigel	Rigel Pharmaceuticals, Inc.
SK	SK biopharmaceuticals
Sumitomo	Sumitomo Pharma America Inc.
Synergy	Synergy CHC Corp.
TD	Toronto-Dominion Bank
Triumvira	Triumvira Immunologics Inc.
TXMD	TherapeuticsMD, Inc.
Veloxis	Veloxis Pharmaceuticals Inc.

Abbreviation	Financial
AIF	Annual information form
Annual Financial Statements	Audited annual consolidated financial statements
ARS	Argentine Peso
BOB	Bolivian Boliviano
BRL	Brazilian Real
C\$ or \$ or CAD	Canadian Dollar
CDI	Certificado de Depósitos Interbancários (Brazil interbank lending rate)
CGU	Cash generating unit
CHF	Swiss Franc
CLP	Chilean Peso
COP	Colombian Peso
CORRA	Canadian Overnight Repo Rate Average
DC&P	Disclosure Controls and Procedures
DCF	Discounted cash flows
DSU	Deferred share units
ECL	Expected credit loss
EPS	Earnings per share to common shareholders
EUR	Euro
FA	Financial Assets
FMV	Fair market value
FV	Fair value
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GAAP	Generally accepted accounting principles
G&A	General and administrative
GIC	Guaranteed Investment Certificate
IAS	International Accounting Standards
IBR	Indicador Bancario de Referencia (Central Bank of Colombia interbank lending rate)
ICFR	Internal control over financial reporting
IFC Loan	Five-year secured loan denominated in select LATAM currencies received from International Finance Corporation.
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering
MXN	Mexican Peso
NAV	Net asset value
PEN	Peruvian Sol
PSU	Performance share units
PYG	Paraguayan Guarani
R&D	Research and development
ROU	Right-of-use
RSU	Restricted share units
S&M	Selling and marketing
SOFR	Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York
TIIE	Tasa de Interés Interbancaria de Equilibrio (Mexico Interbank Equilibrium Interest Rate)
US\$/USD	U.S. Dollar
UYU	Uruguayan Peso
WACC	Weighted average cost of capital
WAFV	Weighted average fair value

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

Abbreviation	Other
ADHD	Attention-deficit hyperactivity disorder
ANVISA	Brazilian Health Regulatory Agency
ASCT	Autologous stem cell transplant
BGx	Branded Generic Pharmaceutical Product
CEO	Chief Executive Officer
CMED	Drugs Market Regulation Chamber
CONITEC	National Committee for Health Technology Incorporation
CRA	Canada Revenue Agency
DLBCL	Diffuse large B-cell lymphoma
ESPP	Employee and director share purchase plan
FDA	Federal Drug Agency
FGFR2	Fibroblast growth factor receptor 2
FL	Follicular Lymphoma
GnRH	Gonadotropin-releasing hormone
HER2	Human epidermal growth factor receptor 2
HIV	Human immunodeficiency virus infection
IBS-C	Irritable Bowel Syndrome with Constipation
ITP	Immune thrombocytopenia
MOH	Ministry of Health of Brazil
NCIB	Normal Course Issuer Bid
NCA	National Competition Authority
PRV	Priority Review Voucher
QRA	Quebec Revenue Agency
VVA	Vulvovaginal Atrophy

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

The following is Management's Discussion and Analysis of the financial condition and operating results of Knight Therapeutics Inc. ("Knight" or the "Company") for the year ended December 31, 2025. This document should be read in conjunction with the audited annual consolidated financial statements and notes thereto for the year ended December 31, 2025. Knight's audited annual consolidated financial statements as at December 31, 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS).

All 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. All positive variance represent a positive impact to net income (loss) and a negative variance represents a negative impact to net income (loss). All percentage changes are presented in absolute values. For a glossary of abbreviations used throughout this MD&A, refer to the Glossary of Abbreviations on pages 6 to 8 of this annual report.

This discussion and analysis was prepared by management from information available as of March 18, 2026. Further information about Knight Therapeutics Inc., including the Annual Information Form, is available online on SEDAR+ at www.sedarplus.ca.

Cautionary note regarding forward-looking statements

This Management's Discussion and Analysis may contain certain "forward-looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Company to control or predict, that may cause the Company's actual results, performance, or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein. Factors and risks which could cause actual results to differ materially from current expectations are discussed in the Company's Annual Report and in the Company's latest Annual Information Form found on SEDAR+ at www.sedarplus.ca. The Company undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on the information currently available. No forward-looking statement can be guaranteed, and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

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Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

OVERVIEW

Section 1 – About Knight Therapeutics Inc.

Knight Therapeutics Inc. is a specialty pharmaceutical company, headquartered in Montreal, Canada, and is 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 and monitors investments 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.

Section 2 – 2025 Highlights

Financial results

- Revenues were \$450,088, an increase of \$78,784 or 21% over the prior year. The increase was primarily driven by the incremental revenues from the Paladin and Sumitomo Transactions and the growth of our key promoted products, partly offset by declines in our mature and branded generic products, the termination of a non-strategic agreement in Colombia and the impact of hyperinflation¹.
- Gross margin was \$200,230 or 44% of revenues compared to \$174,405 or 47% of revenues in prior year. The increase in the gross margin was due to the growth of revenues. The decrease in the gross margin % was due to the impact of hyperinflation¹ and the fair value adjustment on the inventory acquired in the Paladin transaction.
- Operating loss was \$2,350 compared to an operating income of \$7,397 in prior year.
- Net loss was \$5,374, compared to a net income of \$4,332 in prior year.
- Loss per share was \$0.05, compared to an earnings per share of \$0.04 in prior year.
- Cash inflow from operations was \$68,957, an increase of \$32,677 or 90% over prior year.

Non-GAAP measures

- Adjusted Revenues² were \$452,351, an increase of \$86,939 or 24% or an increase of \$87,855 or 24% on a constant currency² basis, primarily driven by the incremental revenues from the Paladin and Sumitomo Transactions and the growth of our key promoted products, partly offset by declines in our mature and branded generic products and the termination of a non-strategic agreement in Colombia.
- Excluding the Paladin and Sumitomo acquisitions, the key promoted portfolio delivered a growth of 12% on a constant currency² basis and a three-year CAGR² exceeding 20%.
- The growth products³ acquired in the Paladin and Sumitomo transactions grew by 68% in the second half compared to the first half of 2025, according to IQVIA Canada.
- Adjusted Gross margin² was \$218,637 or 48% of Adjusted Revenues² compared to \$173,496 or 47% of Adjusted Revenues² in prior year. The increase in the Adjusted Gross Margin² and Adjusted Gross Margin² %, was mainly due to the contribution from the Paladin and Sumitomo portfolios as well as the growth of our key promoted products.
- Adjusted EBITDA² was \$73,056, an increase of \$15,273 or 26% over prior year.
- Adjusted EBITDA per share² was \$0.74, an increase of \$0.16 or 28% over prior year.

¹ The impact of hyperinflation is due to the application of IAS 29 in Argentina. Refer to Section 4 - Results of Operations under Hyperinflation for additional details.

² Adjusted Revenues, revenues at constant currency, Adjusted Gross Margin, Adjusted EBITDA, Adjusted EBITDA per share and CAGR are non-GAAP measures and do not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies. Refer to Section 9 - Financial Results under Non-GAAP measures for additional details.

³ Include Xcopri®, Orgovyx®, Myfembree® and Envarsus®PA.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

Corporate developments

- Launched a NCIB in August 2025 to purchase up to 3,000,000 common shares of the Company over the next 12 months. In 2025, 1,130,600 common shares were purchased at an average price of \$5.69 for aggregate cash consideration of \$6,431.
- Closed a secured syndicated revolving credit facility with four lenders for US\$100 million with an accordion feature for an additional US\$100 million.
- Closed a working capital line of credit agreement with Citibank, N.A.
- Settled the Synergy loan agreement and collected \$13,758 [US\$10,000] in cash and received warrants with a fair value of \$1,116 [US\$811].
- Collected a strategic loan receivable with a life sciences company for \$3,840 [US\$2,771].

Products

- Added profitable and growth assets and expanded our portfolio with over fifty products including eight pipeline and early launch stage assets.
 - Executed an asset purchase agreement with Paladin Pharma Inc., to acquire the Paladin business. Knight paid \$90,002, an additional \$23,008 for inventory and expects to pay \$8,457 for the final and full settlement of the holdback from the purchase price. Furthermore, Knight may have to pay up to an additional US\$15,000 upon achieving certain sales milestones.
 - Entered into exclusive license and supply agreements with Sumitomo to commercialize Myfembree® (relugolix/estradiol/norethindrone acetate), Orgovyx® (relugolix), Gemtesa® (vibegron), and an asset purchase agreement to acquire certain mature products in Canada for \$25,400. Knight may pay up to an additional \$15,750 if certain sales milestones are met.
 - Expanded existing partnership with Helsinn and in-licensed Onicit® IV (palonosetron) for Mexico, Brazil, and select LATAM countries.
 - Expanded existing partnership with Incyte and amended the Supply and Distribution Agreement to add the exclusive rights to distribute Zynyz® (retifanlimab) and Niktimvo® (axatilimab) in Latin America.
 - In-licensed one branded generic product for Brazil.
- Submitted multiple products for regulatory approval across our territories:
 - Tavalisse® (fostamatinib) in Argentina.
 - Crexont® (carbidopa and levodopa) in Canada, Mexico, Chile, Argentina and Peru.
 - Supplemental indication of Minjuvi® (tafasitamab) for follicular lymphoma (FL) in Brazil.
- Obtained regulatory approval for multiple products across our territories:
 - Wyzora® (calcipotriene and betamethasone dipropionate) in Canada.
 - Pemazyre® (pemigatinib) in Argentina and Mexico.
 - Minjuvi® (tafasitamab) for the treatment of adult patients with relapsed or refractory diffuse large B-cell lymphoma (DLBCL) in Argentina.
- Received Notice of Non-Compliance from Health Canada requesting additional information for its New Drug Submission for Qelbree® (viloxazine) and expect to submit the response in 2026.
- Received rejection from ANVISA regarding the marketing authorization application for Tavalisse® in Brazil and submitted an appeal which was accepted by ANVISA.
- Executed on 10 commercial launches across our territories
 - Onicit® IV in Brazil and Mexico.
 - Pemazyre® in Brazil and Mexico.
 - Minjuvi® for the treatment of adult patients with relapsed or refractory diffuse DLBCL in Argentina and Mexico.
 - Xcopri®, Myfembree® and Orgovyx® in Canada.
 - Jornay PM® (methylphenidate HCl extended-release capsules) in Canada.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

Subsequent to year-end

- Submitted Niktimvo® for regulatory approval in Brazil.
- Submitted supplemental indication of Minjuvi® for FL for regulatory approval in Argentina and Mexico.
- Obtained regulatory approval of supplemental indication of Minjuvi® for the treatment of adult patients with relapsed or refractory FL in Brazil.
- Obtained regulatory approval and launched Bapocil® (palbociclib) in Colombia.
- Executed certain agreements with two partners to return the Canadian commercial rights of six non-core products in exchange for \$21,500 and, in accordance with the Asset Purchase Agreement, will settle the holdback to Paladin for \$8,457.
- Repaid principal of \$10,000 on the revolving credit facility.
- Executed an asset purchase agreement to acquire a manufacturing facility in Argentina.
- Up to March 12, 2026, the Company purchased additional 1,183,300 common shares at an average purchase price of \$6.17 for an aggregate cash consideration of \$7,296.

Section 3 – Acquisitions

[i] Business combination

On March 10, 2025, Knight entered into a definitive Asset Purchase Agreement to acquire the international business of Endo Operations Limited which was mainly its Canadian business operating as Paladin Pharma Inc. ("Paladin Transaction" or "Paladin"). On June 17, 2025, Knight closed the Paladin Transaction upon receipt of customary regulatory approvals including anti-trust clearance in Canada. Knight paid \$107,552 in cash, including \$23,008 for inventory, and held back \$15,458 which may be payable upon certain conditions. Furthermore, Knight may pay future contingent payments of up to US\$15,000 upon achieving certain sales milestones. The conditions for the release of the holdback amounts are as follow:

A) Settlement Agreement Holdback of \$10,000

The amount is payable upon the occurrence of specific contingent events related to an agreement with a partner to terminate the commercial rights for certain non-core products acquired as part of the Paladin Transaction ("Settlement Agreement"). On March 18, 2026, Knight executed the Settlement Agreement and in accordance with the Asset Purchase Agreement, as a final and full settlement, upon receipt of the Partner Payment, Knight will release \$8,457 of the Settlement Agreement Holdback to Paladin. As at December 31, 2025, this Settlement Agreement resulted in an adjustment to the estimate of the contingent consideration related to the holdback as it reflects facts and circumstances that existed at the acquisition date.

B) Liabilities Holdback of \$5,458

The amount may be paid or released depending on the settlement of certain liabilities including severance payments. As at December 31, 2025, an amount of \$2,529 related to the \$5,458 holdback amount payable was paid to Paladin, and \$2,929 was released as a change in the consideration payable by paying certain liabilities including severance payments, and recorded as a non-cash transaction in the audited consolidated statement of (loss) income. In 2025, as part of Knight's integrations activities, Paladin's headcount was reduced by approximately 30%.

The transaction was accounted for as a business combination in accordance with IFRS 3 Business Combinations. As at December 31, 2025, the Company has completed the measurement of the assets acquired and liabilities assumed, including deferred taxes and the fair value of the contingent consideration. Although the Company remains within the one-year measurement period permitted under IFRS 3 following the acquisition date of June 17, 2025, management does not expect any further measurement period adjustments.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

The fair value of the consideration for the acquisition of the assets and liabilities assumed, in accordance with IFRS 3 Business Combinations, is estimated as follows including adjustments made during the year ended December 31, 2025:

Fair value of consideration

	As previously reported ²	Adjustment ³	Revised amount
	\$	\$	\$
Amount settled in cash at closing	106,885	—	106,885
Contingent consideration ¹	16,338	2,745	19,083
Working capital adjustment	667	—	667
Total	123,890	2,745	126,635

¹ The contingent consideration of \$16,338 includes \$15,458 related to the holdback amounts payable as well as \$880 related to the fair value of future contingent payments upon achieving certain sales milestones, measured considering the likelihood of attainment of these payments and discounted by applying an appropriate rate of interest.

² As previously reported in the Company's unaudited interim condensed consolidated financial statements as at June 30, 2025.

³ The Company recorded an increase of \$4,288 in the fair value of future contingent payments expected to be paid upon achieving certain sales milestones, based on facts and circumstances that existed at the acquisition date. In addition, the Settlement Agreement resulted in a decrease of \$1,543 to the estimated contingent consideration related to the holdback of up to \$10,000, which had been reported in the Company's unaudited interim condensed financial statements as at June 30, 2025, as it reflects facts and circumstances that existed at the acquisition date.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

Fair value of identifiable net assets

	As previously reported ⁴	Adjustment ⁵	Revised amount
	\$	\$	\$
Current asset			
Inventories ¹	26,480	(257)	26,223
Other receivables ²	974	—	974
Non-current assets			
Right-of-use assets	810	—	810
Property, plant and equipment	103	—	103
Intangible assets ³	93,088	9,673	102,761
Deferred tax assets	1,429	(549)	880
Current liabilities			
Accounts payable and accrued liabilities	2,148	—	2,148
Lease liabilities	229	—	229
Non-current liabilities			
Lease liabilities	582	—	582
Other balances payable	—	4,597	4,597
Total identifiable net assets acquired	119,925	4,270	124,195
Goodwill	3,965	(1,525)	2,440
Net assets acquired	123,890	2,745	126,635

¹ Includes \$23,008 of cost paid according to the Asset Purchase Agreement with Paladin.² Other receivables corresponds to certain liabilities assumed by Knight that will be reimbursed by Paladin.³ Includes Licenses of \$71,365 and Intellectual Property of \$31,396.⁴ As previously reported in the Company's unaudited interim condensed consolidated financial statements as at June 30, 2025.⁵ The Company has recorded adjustments to the provisional estimates reported in the Company's unaudited interim condensed consolidated financial statements as at June 30, 2025. These adjustments arise from the evaluation of newly obtained information about facts and circumstances that existed at the acquisition date. The adjustments affect principally the fair value of certain intangible assets acquired, as well as the recognition of other balances payable separately from the related intangibles, pertaining to contractually defined future payments, contingent upon the achievement of specific regulatory or sales based milestones.

Goodwill is attributable primarily to the strategic and synergistic opportunities related to the Company's business in Canada, the assembled workforce of Paladin and other factors. None of the goodwill recognized is expected to be deductible for income tax purposes. The acquisition related costs are expensed as incurred and included in *General and administrative* expenses in the consolidated statements of (loss) income. For the year ended December 31, 2025, acquisition expenses amounted to \$4,630. From June 17, 2025, to December 31, 2025, the Company's consolidated statement of (loss) income included revenue of \$46,280 and net income of \$7,096 attributable to Paladin.

The consolidated pro-forma revenues and net loss for the year ended December 31, 2025 as though the acquisition date had occurred on January 1, 2025 amounted to \$484,001 and \$3,582, respectively. The pro-forma basis was calculated using historical information, by applying the Company's accounting policies, and assuming fair value adjustments that arose on acquisition would have been the same if the acquisition occurred on January 1, 2025. The pro-forma amounts exclude acquisition costs and benefits from integration initiatives or synergies and are not necessarily indicative of the results that would have resulted if the acquisition occurred on January 1, 2025, or the results that may be obtained in the future.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

[ii] Asset acquisition

On June 5, 2025, Knight entered into exclusive license and supply agreements with Sumitomo Pharma America Inc. and its affiliates to commercialize Myfembree®, Orgovyx® and Gemtesa® in Canada, as well as an asset purchase agreement under which Knight acquired certain mature products ("Sumitomo Transaction"). Under the terms of the agreements, Knight acquired the exclusive rights to distribute, promote, market and sell the in-licensed and acquired products in Canada.

The Sumitomo Transaction was accounted for as an asset acquisition. Knight paid \$25,400 and may have to pay certain future contingent sales milestones of up to \$15,750. An amount of \$29,718 was recorded as an addition to intangible assets, which included the payment of \$25,400 and the fair value of contingent payments of \$3,593 and directly attributable acquisition-related costs amounted to \$725. The fair value of the contingent payments was determined based on the probability to meet the related milestones and is discounted to current value using an appropriate rate of interest. The amount payable related to the contingent payments was recognized in non-current "Other balances payable" as at December 31, 2025.

FINANCIAL RESULTS

Section 4 – Results of Operations

Hyperinflation

The Company applies IAS 29, Financial Reporting in Hyperinflation Economies, as the Company's Argentine subsidiary use the Argentine Peso as their functional currency. IAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be adjusted based on an appropriate general price index to express the effects of inflation. After applying for the effects of hyperinflation, the statement of income (loss) is converted using the closing foreign exchange rate of the reporting period.

Revenues and operating expenses in the local currency, i.e. ARS, are restated from the month of the sales or the month in which the expense was incurred to the end of the reporting period using the inflation index during that period. The restatement calculation is performed on a year to date basis based on IAS29 ("Inflation Adjusted Figures"). For the years ended December 31, 2025 and 2024, the Company applied the following inflation index for the restatement of each respective month.

	January	February	March	April	May	June	July	August	September	October	November	December
2025	1.29	1.26	1.21	1.18	1.16	1.14	1.12	1.10	1.08	1.05	1.03	1.00
2024	1.81	1.59	1.44	1.32	1.27	1.21	1.16	1.12	1.08	1.05	1.03	1.00

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

Under IAS 29, the translation from the local currency, to the reporting currency is performed on the Inflation Adjusted Figures using the end of period rate at the reporting date. The Inflation Adjusted Figures were converted to the CAD using the following quarter-end closing rates for each of the respective periods.

	Q4-25	Q4-24
ARS	1,059	717

	Q4-25	Q4-24	2025	2024
ARS Variation % ¹	(7.9)%	(0.1)%	(48)%	(17)%

¹ Depreciation of ARS vs CAD during each period, calculated as follows: (End of period rate - Beginning of period rate) / Beginning of period rate.

In 2025 the inflation rate used for the hyperinflation adjustments on revenues and operating expenses of the Company's subsidiary in Argentina was lower than the ARS depreciation in the same period. For example, the revenues generated and operating expenses incurred in January 2025 were restated by applying an inflation index of 29% while the ARS to CAD depreciated by 48% in 2025. Consequently, this resulted in lower revenues and operating expenses reported under IAS 29 in CAD. Conversely, in 2024 the inflation index was higher than the ARS depreciation which resulted in higher revenues and operating expenses reported under IAS 29 in CAD. Therefore, the hyperinflation accounting under IAS 29 resulted in a decrease in the reported revenues and operating expenses of the Company's subsidiary in Argentina in CAD in both Q4-25 and 2025 when compared to the same periods in prior year ("Hyperinflation Impact").

Under hyperinflation accounting, the cost of goods sold in the local currency, i.e. ARS, is restated using the inflation index from the purchase or manufacturing date to the end of the reporting period, and is converted to CAD using the respective quarter-end closing rates. In Q4-25 and 2025, the cumulative inflation index applied on the inventory sold was higher than the prior year periods, leading to higher cost of goods sold reported under IAS 29 in CAD and consequently a lower gross margin both in Q4-25 and 2025 compared to the same periods in prior year ("Gross Margin Hyperinflation Impact").

Foreign exchange

The Company records its transactions and balances in the respective functional currencies of its subsidiaries. Generally, for the LATAM subsidiaries, the functional currency is the local currency in the country where the entity operates. In order to convert a foreign-denominated transaction to the functional currency, the exchange rate prevailing at the date of the transaction is used. Furthermore, upon consolidation, for all subsidiaries with a functional currency other than CAD, the respective statements of income are translated using the average exchange rates for the period.

Exchange rate fluctuations of foreign currencies impact the Company's results in two ways:

- i. Transactional impact: certain product purchases and operating expenses are denominated in foreign currencies (mainly USD, EUR and CHF); and,
- ii. Translational impact: translation of functional currency operating results to reporting currency in CAD.

For further details on the foreign currency rates used for the conversion of selected LATAM currencies to the CAD refer to Section 10 - Selected Quarterly Financial Information.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

The table below summarizes the functional currency of the subsidiaries of Knight:

Subsidiary	Country	Functional currency
Laboratorio LKM S.A. ¹	Argentina	ARS
Laboratorio LKM Bolivia S.A.	Bolivia	BOB
UM - Industria e Distribuidora de Medicamentos Ltda.	Brazil	BRL
United Medical Ltda.	Brazil	BRL
11718991 Canada Inc.	Canada	CAD
Laboratorio Biotoscana Farma S.p.A.	Chile	CLP
Laboratorio LKM Chile S.p. A.	Chile	CLP
Biotoscana Farma S.A.	Colombia	COP
Biotoscana Colveh 1 S.A.S	Colombia	COP
Biotoscana Colveh 2 S.A.S	Colombia	COP
Biotoscana Colveh 3 S.A.S	Colombia	COP
Biotoscana Colveh 4 S.A.S	Colombia	COP
Biotoscana Ecuador S.A.	Ecuador	USD
LKM Laboratorios Ecuador S.A.	Ecuador	USD
Knight Therapeutics Europe S.A.	Luxembourg	USD
Grupo Biotoscana de Especialidad S.A. de C.V.	Mexico	MXN
Grupo Biotoscana Panamá S.A.	Panama	USD
Laboratorio LKM Paraguay S.A.	Paraguay	PYG
Biotoscana Farma de Perú S.A.C.	Peru	PEN
Grupo Biotoscana S.L.U.	Spain	USD
Latin American Pharma Company ETVE S.L.U.	Spain	USD
Knight Therapeutics USA Inc.	U.S.	USD
Knight Therapeutics International S.A.	Uruguay	USD
Biotoscana Uruguay S.A.	Uruguay	UYU
GBT - Grupo Biotoscana S.A.	Uruguay	USD

¹ Effective January 1, 2025, Laboratorio LKM S.A. and Biotoscana Farma S.A. were merged.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

4.1 Consolidated statement of Income (Loss)

	Q4-25	Q4-24	Change		2025	2024	Change	
			\$	%			\$	%
Revenues	133,106	96,864	36,242	37%	450,088	371,304	78,784	21%
Cost of goods sold	68,383	56,512	(11,871)	21%	249,858	196,899	(52,959)	27%
Gross margin	64,723	40,352	24,371	60%	200,230	174,405	25,825	15%
<i>Gross margin (%)</i>	<i>49%</i>	<i>42%</i>			<i>44%</i>	<i>47%</i>		
Expenses								
Selling and marketing	20,421	14,576	(5,845)	40%	67,927	53,861	(14,066)	26%
General and administrative	15,033	10,741	(4,292)	40%	56,182	45,488	(10,694)	24%
Research and development	9,223	7,365	(1,858)	25%	28,984	23,304	(5,680)	24%
Amortization of intangible assets	13,836	10,630	(3,206)	30%	49,487	44,355	(5,132)	12%
Operating income (loss)	6,210	(2,960)	9,170	310%	(2,350)	7,397	(9,747)	132%
Interest income on financial instruments measured at amortized cost	(1,018)	(2,540)	(1,522)	60%	(5,961)	(9,094)	(3,133)	34%
Other interest income	(201)	(122)	79	65%	(245)	(1,316)	(1,071)	81%
Interest expense	3,924	2,447	(1,477)	60%	10,422	9,223	(1,199)	13%
Other (income) expense	(329)	1,135	1,464	129%	2,272	129	(2,143)	1661%
Net (gain) loss on financial instruments measured at fair value through profit or loss	(8,930)	(8,317)	613	7%	2,341	11,435	9,094	80%
Foreign exchange loss (gain)	2,260	(1,740)	(4,000)	230%	(1,856)	4,194	6,050	144%
Gain on hyperinflation	(720)	(1,698)	(978)	58%	(2,621)	(9,226)	(6,605)	72%
Income (loss) before income taxes	11,224	7,875	3,349	43%	(6,702)	2,052	(8,754)	427%
Income taxes								
Current	(221)	(3,813)	(3,592)	94%	2,483	963	(1,520)	158%
Deferred	2,591	953	(1,638)	172%	(3,811)	(3,243)	568	18%
Income tax expense (recovery)	2,370	(2,860)	(5,230)	183%	(1,328)	(2,280)	(952)	42%
Net income (loss)	8,854	10,735	(1,881)	18%	(5,374)	4,332	(9,706)	224%
Basic and diluted net income (loss) per share	0.09	0.11	(0.02)	18%	(0.05)	0.04	(0.10)	226%

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

Revenues For the quarter ended December 31, 2025, revenues increased by \$36,242 or 37% compared to the same period in prior year, including a reduction in revenues of \$2,895 due to the Hyperinflation Impact. Excluding IAS 29, the increase was \$39,137 or 42% and \$33,033 or 33% on a constant currency¹ basis. The Paladin and Sumitomo portfolios contributed \$29,134 of incremental revenues. The remaining variance was mainly driven by the growth of our key promoted products, the purchasing patterns of certain products partly offset by declines in our branded generic products and the termination of a non-strategic agreement in Colombia.

For the year ended December 31, 2025, revenues increased by \$78,784 or 21% compared to the prior year, including a reduction in revenues of \$8,155 due to the Hyperinflation Impact. Excluding IAS 29, the increase was \$86,939 or 24% and \$87,855 or 24% on a constant currency¹ basis. The Paladin and Sumitomo portfolios contributed \$56,532 of incremental revenues. The remaining variance was mainly driven by the growth of our key promoted products which grew by \$32,488 or 12% on a constant currency¹ basis and the purchasing patterns of certain products, partly offset by declines in our branded generic products and the termination of a non-strategic agreement in Colombia.

Our revenues by therapeutic area is as follows:

Therapeutic Area	Q4-25	Q4-24 ¹	Change		2025	2024 ¹	Change	
			\$	%			\$	%
Oncology/Hematology	41,988	35,823	6,165	17%	146,373	140,837	5,536	4%
Infectious Disease	42,252	40,417	1,835	5%	160,381	150,986	9,395	6%
Neurology	26,989	12,480	14,509	116%	85,460	53,229	32,231	61%
Other Specialty	21,877	8,144	13,733	169%	57,874	26,252	31,622	120%
Total	133,106	96,864	36,242	37%	450,088	371,304	78,784	21%

¹ Comparative figures have been reclassified to align with the year-end 2025 reporting presentation. These reclassifications had no impact on total revenues.

Oncology/Hematology

Q4-25 vs Q4-24

- The oncology/hematology portfolio increased by \$6,165 or 17%. Excluding the termination of a non-strategic distribution agreement in Colombia in December 2024, the oncology/hematology portfolio increased by \$6,596 or 19%, which included a reduction in revenues of \$1,587 due to the Hyperinflation Impact. Excluding IAS 29, the oncology/hematology portfolio increased by \$8,183 or 24% and \$6,009 or 17% on a constant currency¹ basis. The revenues from our key promoted products increased by \$4,983 or 24% on a constant currency¹ basis. The increase was mainly due to the addition of Orgovyx® and Onicit®, the growth of Minjuvi® and the launch of Pemazyre®. The remainder of the increase was driven by purchasing patterns of certain customers.

2025 vs 2024

- The oncology/hematology portfolio increased by \$5,536 or 4%. Excluding the termination of a non-strategic distribution agreement in Colombia in December 2024, the oncology/hematology portfolio increased by \$9,036 or 7%, which included a reduction in revenues of \$4,333 due to the Hyperinflation Impact. Excluding IAS 29, the oncology/hematology portfolio increased by \$13,369 or 10% and \$12,808 or 10% on a constant currency¹ basis. The revenues from our key promoted products increased by \$14,531 or 20% on a constant currency¹ basis mainly driven by the addition of Orgovyx® and Onicit®, the growth of Minjuvi® and Akynzeo® as well as the launch of Pemazyre®. This growth was partly offset by declines in our mature and branded generics due to their lifecycle and the termination of a non-strategic agreement in Colombia.

Infectious Disease

Q4-25 vs Q4-24

- The infectious disease portfolio increased by \$1,835 or 5%, which included a reduction of revenues of \$930 due to the Hyperinflation Impact. Excluding IAS 29, the infectious disease portfolio increased by \$2,765 or 7% and \$802 or 2% on a constant currency¹ basis. The variance was not material.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

2025 vs 2024

- The infectious disease portfolio increased by \$9,395 or 6%, which included a reduction in revenues of \$2,622 due to the Hyperinflation Impact. Excluding IAS 29, the infectious disease portfolio increased by \$12,017 or 8% and \$13,638 or 9% on a constant currency¹ basis. The increase was primarily due to the growth of Cresemba® and Ambisome®, partly offset by the purchasing patterns of certain products.

The Company signed the following contracts with the MOH for Ambisome®, with the following deliveries:

Contract		Delivered				
N°	Total	2025	2024	2023	2022	Total
1	\$34,600	—	\$2,400	\$25,200	\$7,000	\$34,600
2	\$22,400	—	\$22,400	—	—	\$22,400
3	\$32,229	\$32,229	—	—	—	\$32,229
4 ¹	\$32,594	\$6,699	—	—	—	\$6,699
Total	\$121,823	\$38,928	\$24,800	\$25,200	\$7,000	\$95,928

Q4-25 vs Q4-24 and 2025 vs 2024

Contract N°	Q4-25	Q4-24	2025	2024
1	—	—	—	\$2,400
2	—	—	—	\$22,400
3	—	—	\$32,229	—
4 ¹	\$6,699	—	\$6,699	—
Total	\$6,699	—	\$38,928	\$24,800

¹ In November 2025, Knight signed a fourth contract with the MOH and expect to deliver \$25,895 in 2026.

- The sales to the MOH increased by \$6,699 in Q4-25 compared to the same period in prior year. The increase was due to the phasing of deliveries of Ambisome®. While the fourth and third contracts are expected to be of similar size, the first order for the fourth contract was shipped in December 2025 for a total value of \$6,699.
- The sales to the MOH increased by \$14,128 in 2025 compared to prior year. The increase was driven by the growth in demand of Ambisome®, a shift from direct decentralized purchases of certain public institutions to centralized procurement through the MOH as well as phasing of deliveries. While the fourth and third contracts are expected to be of similar size, the first order for the fourth contract was shipped in December 2025 for a total value of \$6,699.

Neurology

Q4-25 vs Q4-24

- The neurology portfolio increased by \$14,509 or 116%, which included an increase of revenues of \$19 due to the Hyperinflation Impact. Excluding IAS 29, the neurology portfolio increased by \$14,490 or 116% and \$13,496 or 100% on a constant currency¹ basis. The Paladin and Sumitomo portfolios contributed to \$14,810 of incremental revenues.

2025 vs 2024

- The neurology portfolio increased by \$32,231 or 61%, which included a reduction of revenues of \$45 due to the Hyperinflation Impact. Excluding IAS 29, the neurology portfolio increased by \$32,276 or 61% and \$32,680 or 62% on a constant currency¹ basis. The Paladin and Sumitomo portfolios contributed to \$28,184 of incremental revenues. The remaining variance was driven by purchasing patterns of certain customers and the launch of Jornay PM®.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

Other Specialty**Q4-25 vs Q4-24**

- The other specialty portfolio increased by \$13,733 or 169%, which included a reduction of revenues of \$397 due to the Hyperinflation Impact. Excluding IAS 29, the other specialty portfolio increased by \$14,130 or 182% and \$13,223 or 153% on a constant currency¹ basis. The Paladin and Sumitomo portfolios contributed to \$12,132 of incremental revenues. The rest of the variance was driven by growth of Imvexxy® and Bijuva® partly offset by the purchasing patterns of certain customers.

2025 vs 2024

- The other specialty portfolio increased by \$31,622 or 120%, which included a reduction of revenues of \$1,155 due to the Hyperinflation Impact. Excluding IAS 29, the other specialty portfolio increased by \$32,777 or 129% and \$32,279 or 125% on a constant currency¹ basis. The Paladin and Sumitomo portfolios contributed to \$24,267 of incremental revenues. The rest of the variance was driven by growth of Imvexxy® and Bijuva® as well as purchasing patterns of certain customers.

¹ Revenues at constant currency is a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies. Refer to Section 9 - Financial Results under Non-GAAP measures for additional details.

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All the pharmaceutical products sold by Knight are categorized as either innovative or BGx products. The description of each portfolio are as follows:

Innovative Portfolio: The portfolio consists of the pharmaceutical products with innovative molecules and includes both in-licensed products such as Lenvima®, Cresemba®, Halaven®, Trelstar®, Akynzeo®, Ambisome®, Minjuvi®, Imvexxy®, Onicit®, Orgovyx®, Envarsus®PA and Xcopri® as well as products owned (or partially owned) by Knight such as Exelon® and Impavido®. The categories of the portfolio are as follows:

- Innovative – Promoted portfolio: Consists of products on which the Company invest in commercial activities such as sales force promotion and medical activities.
- Innovative – Mature: Consists of products that require lower level of promotional activities and/or products that have reached their peak market capture potential.
- Innovative – Discontinued: Consists of products that the Company has stopped commercializing or is in the process of discontinuing sales.

BGx Portfolio: The portfolio consists of branded generic products which are pharmaceutically equivalent to an innovative molecule. The branded generics are given a brand name to differentiate the product from ordinary generics or other branded generics. The Company's branded generic portfolio currently primarily consists of products manufactured at our facilities in Argentina for commercialization in Argentina and the rest of Latin America (excluding Brazil and Mexico). The categories of portfolio are as follows:

- BGx – New Launches: Consists of branded generic pharmaceutical products in the first three years of launch as at December 31, 2025.
- BGx – Mature: Consists of products which have been launched for more than three years as at December 31, 2025.
- BGx – Discontinued: Consists of products that the Company has stopped commercializing or is in the process of discontinuing sales.

Product Portfolio	Change				Change			
Innovative	Q4-25	Q4-24 ¹	\$	%	2025	2024 ¹	\$	%
Promoted	89,259	71,769	17,490	24%	318,841	272,902	45,939	17%
Mature	32,253	10,689	21,564	202%	84,411	41,236	43,175	105%
Total excluding discontinued	121,512	82,458	39,054	47%	403,252	314,138	89,114	28%
Discontinued	24	454	(430)	95%	57	3,652	(3,595)	98%
Total	121,536	82,912	38,624	47%	403,309	317,790	85,519	27%
BGx								
New Launches	673	479	194	41%	2,088	2,087	1	—%
Mature	10,839	13,284	(2,445)	18%	44,353	50,731	(6,378)	13%
Total excluding discontinued	11,512	13,763	(2,251)	16%	46,441	52,818	(6,377)	12%
Discontinued	58	189	(131)	69%	338	696	(358)	51%
Total	11,570	13,952	(2,382)	17%	46,779	53,514	(6,735)	13%
Total Revenues	133,106	96,864	36,242	37%	450,088	371,304	78,784	21%

¹ Comparative figures have been reclassified to align with the year-end 2025 reporting presentation. These reclassifications had no impact on total revenues.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

Product portfolio	Change		Q4-25 vs Q4-24
	\$	%	
Innovative - Promoted	17,490	24%	- The variation included a reduction in revenues of \$718 due to the Hyperinflation Impact. - Excluding IAS 29, revenues increased by \$18,208 or 26% driven by: - Increase of \$13,003 or 17% on a constant currency basis¹ due to the continued growth of key promoted products including Lenvima®, Ambisome®, Imvexxy®, Bijuva® and Minjuvi®, as well as the addition of Onicit®, Orgovyx®, Myfembree®, Envarsus®PA and Xcopri®. - Increase of \$5,205 due to the appreciation of select LATAM currencies.
Innovative - Mature	21,564	202%	- Incremental revenues from the Paladin and Sumitomo Transactions. - Purchasing patterns of certain customers.
Innovative - Discontinued	(430)	95%	Termination of a non-strategic distribution agreement in Colombia in December 2024.
Total Innovative	38,624	47%	
BGx - New Launches	194	41%	No significant variance.
BGx - Mature	(2,445)	18%	Excluding IAS 29, the portfolio decreased by \$402 or 4% due to product lifecycle.
BGx - Discontinued	(131)	69%	No significant variance.
Total BGx	(2,382)	17%	
Total	36,242	37%	
Product portfolio	Change		2025 vs 2024
	\$	%	
Innovative - Promoted	45,939	17%	- The variation included a reduction in revenues of \$2,152 due to the Hyperinflation Impact. - Excluding IAS 29, revenues increased by \$48,091 or 18% driven by: - Increase of \$49,370 or 18% on a constant currency basis¹ due to continued growth of key promoted products including Akynzeo®, Cresemba® and Ambisome®, Imvexxy®, Bijuva® and Minjuvi® as well as the addition of Onicit®, Orgovyx®, Myfembree®, Envarsus®PA and Xcopri®. - Decrease of \$1,279 due to depreciation of select LATAM currencies.
Innovative - Mature	43,175	105%	- Incremental revenues from the Paladin and Sumitomo Transactions. - Purchasing patterns of certain customers.
Innovative - Discontinued	(3,595)	98%	Termination of a non-strategic distribution agreement in Colombia in December 2024.
Total Innovative	85,519	27%	
BGx - New Launches	1	—%	No significant variance.
BGx - Mature	(6,378)	13%	Excluding IAS 29, the portfolio decreased by \$741 or 2% due to product lifecycle.
BGx - Discontinued	(358)	51%	No significant variance.
Total BGx	(6,735)	13%	
Total	78,784	21%	

¹Revenues at constant currency is a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies. Refer to Section 9 - Financial Results under Non-GAAP measures for additional details.

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Gross margin	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, gross margin was \$64,723 or 49% compared to \$40,352 or 42% in Q4-24. - The gross margin included a reduction of \$2,080 due to the Gross Margin Hyperinflation Impact as well as \$1,411 due to the Step-Up Expense¹ on the Paladin Transaction. In Q4-24, the gross margin included a reduction of \$3,971 due to the Gross Margin Hyperinflation Impact. - Excluding the Gross Margin Hyperinflation Impact and the Step-Up Expense¹, the Adjusted Gross Margin² was \$68,214 in Q4-25, an increase of \$23,891 compared to Q4-24, mainly driven by the Paladin and Sumitomo portfolios as well as the growth of our key promoted products. - The Adjusted Gross Margin² as a % of Adjusted Revenues², was 51% in Q4-25 compared to 47% in Q4-24. The increase was driven by the higher contribution of the Canadian business in Q4-25 compared to Q4-24 as well as our product mix, which generates a higher adjusted gross margin as a % of Adjusted Revenues². 2025 vs 2024 - For the year ended December 31, 2025, gross margin was \$200,230 or 44% compared to \$174,405 or 47% in 2024. - The gross margin included a reduction of \$14,765 due to the Gross Margin Hyperinflation Impact as well as \$3,642 due to the Step-Up Expense¹ on the Paladin Transaction. In 2024, the gross margin included an increase of \$909 due to the Gross Margin Hyperinflation Impact. - Excluding the Gross Margin Hyperinflation Impact and the Step-Up Expense¹, the Adjusted Gross Margin² was \$218,637 in 2025, an increase of \$45,141 compared to 2024, mainly driven by the Paladin and Sumitomo portfolios as well as the growth of our key promoted products. - The Adjusted Gross Margin² as a % of Adjusted Revenues² was 48% in 2025 compared to 47% in 2024. The increase in the Adjusted Gross Margin² % was primarily driven by the higher contribution of the Canadian business in 2025 compared to 2024, which generates a higher adjusted gross margin as a % of Adjusted Revenues², partly offset by product mix.
	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, selling and marketing expenses increased by \$5,845 or 40%, which included a reduction of \$652 due to the Hyperinflation Impact. Excluding IAS 29, selling and marketing increased by \$6,497 or 47%. - The increase was mainly driven by an expansion in our sales and commercial structure behind the Paladin portfolio, the new launches in the Sumitomo portfolio and Jornay PM[®], as well as the launch of Minjuvi[®] in Mexico. In addition to structure, the increase also included our promotion and marketing expenses for the newly launched brands acquired in the Paladin and Sumitomo Transactions including Orgovyx[®], Myfembree[®], Xcopri[®] and Envarsus[®] PA as well as on our recently launched brands including Jornay PM[®] in Canada, Minjuvi[®] in Mexico and Argentina, Pemazyre[®] in Mexico and Brazil, Onicit[®] and pre-launch activities including Tavalisse[®] in Mexico.

¹Step-up Expense is defined as the impact in cost of goods sold of the difference between the fair value of inventory acquired and the cost paid in the Paladin Transaction, accounted under IFRS 3 - Business Combinations, when the inventory acquired as part of the transaction is sold.

²Adjusted Gross Margin and Adjusted revenues are non-GAAP measures and do not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies. Refer to Section 9 - Financial Results under Non-GAAP measures for additional details.

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	2025 vs 2024 - For the year ended December 31, 2025, selling and marketing expenses increased by \$14,066 or 26%, which included a reduction of \$1,774 due to the Hyperinflation Impact. Excluding IAS 29, selling and marketing increased by \$15,840 or 30%. - The increase was mainly driven by an expansion in our sales and commercial structure behind the Paladin portfolio, the new launches in the Sumitomo portfolio as well as the launch of Minjuvi® in Mexico and Jornay PM® in Canada. In addition to structure, the increase also included our promotion and marketing expenses for the newly launched brands acquired in the Paladin and Sumitomo Transactions including Orgovyx®, Myfembree®, Xcopri® and Envarsus® PA as well as on our recently launched brands including Jornay PM® in Canada, Minjuvi® in Mexico and Argentina, Pemazyre® in Mexico and Brazil, Onicit® and pre-launch activities including Tavalisse® in Mexico.
General and administrative	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, general and administrative expenses increased by \$4,292 or 40%, which included a reduction of \$502 due to the Hyperinflation Impact. Excluding IAS 29, general and administrative increased by \$4,794 or 46%. The increase was mainly due to an increase of \$2,903 in share-based compensation mainly as a result of periodic reassessment of achieving vesting targets. The remaining variance was driven by an increase in our structure due to the Paladin and Sumitomo Transactions and higher spending on professional and consulting fees. 2025 vs 2024 - For the year ended December 31, 2025, general and administrative expenses increased by \$10,694 or 24%, which included a reduction of \$567 due to the Hyperinflation Impact. Excluding IAS 29, general and administrative increased by \$11,261 or 26%. The increase was primarily driven by acquisition and transaction costs of \$4,567 related to the Paladin Transaction, as well as an increase of \$5,063 in share-based compensation mainly as a result of periodic reassessment of achieving vesting targets. The remaining variance was mainly driven by an increase in our structure due to the Paladin and Sumitomo transactions and higher spending on professional and consulting fees.
Research and development	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, research and development expenses increased by \$1,858 or 25%, which included a reduction of \$555 due to the Hyperinflation Impact. Excluding IAS 29, research and development expenses increased by \$2,413 or 35%. - The increase was mainly due to the expansion of our scientific affairs structure including field-based medical science liaison personnel related to the Paladin and Sumitomo portfolios. In addition to structure, the increase included incremental medical, regulatory and pharmacovigilance spend on the Paladin and Sumitomo portfolios as well as development, regulatory, pre-launch and launch expenses on our pipeline and new launches including Niktimvo®, Minjuvi®, Jornay PM® and Pemazyre®. 2025 vs 2024 - For the year ended December 31, 2025, research and development expenses increased by \$5,680 or 24%, which included a reduction of \$1,086 due to the Hyperinflation Impact. Excluding IAS 29, research and development increased by \$6,766 or 30%. - The increase was mainly due to the expansion of our scientific affairs structure including field-based medical science liaison personnel related to the Paladin and Sumitomo portfolios. In addition to structure, the increase included incremental medical, regulatory and pharmacovigilance spend on the Paladin and Sumitomo portfolio as well as development, regulatory, pre-launch and launch expenses on our pipeline and new launches including Niktimvo®, Minjuvi®, Jornay PM® and Pemazyre®.

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Amortization of intangible assets	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, amortization of intangible assets increased by \$3,206 or 30%, mainly due to the amortization of intangible assets acquired in June 2025 upon the close of the Paladin and Sumitomo Transactions. This increase was partly offset by the elimination of the amortization related to the branded generic intangible assets recognized as part of the acquisition of GBT, which were fully amortized in November 2024. 2025 vs 2024 - For the year ended December 31, 2025, amortization of intangible assets increased by \$5,132 or 12%, mainly due to the amortization of intangible assets acquired in June 2025 upon the close of the Paladin and Sumitomo Transactions. This increase was partly offset by the elimination of the amortization related to the branded generic intangible assets recognized as part of the acquisition of GBT, which were fully amortized in November 2024.
Interest income¹	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, interest income decreased by \$1,443 or 54%, mainly driven by the repayment of strategic loans receivable, as well as a lower average balance of cash and marketable securities compared to the prior year. 2025 vs 2024 - For the year ended December 31, 2025, interest income decreased by \$4,204 or 40%, mainly driven by the repayment of the strategic loans receivable, as well as a lower average balance of cash and marketable securities compared to the prior year.

¹ Includes Interest income on financial instruments measured at amortized cost and other interest income primarily from interest earned on loans.

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Interest expense	Q4-25 vs Q4-24 - The interest expense includes the interest expense on bank loans of \$2,014 (Q4-24: \$1,818), accretion expense of \$1,773 (Q4-24 \$452), and interest expense on lease liabilities of \$137 (Q4-24: \$177). - For the quarter ended December 31, 2025, interest expense on bank loans increased by \$196 or 11%. There was no significant increase in interest expense on loans despite the drawdown of \$60,000 from the revolving credit facility to finance the Paladin Transaction in June 2025. This was driven by the repayment of principal of \$6,123 on the LATAM and IFC loans. In addition, Knight repaid \$20,000 of the revolving credit facility from the free cash flows from operations. Subsequent to the end of the year, Knight repaid another \$10,000 of principal on the revolving credit facility. The resulting change in the loan mix with the addition of the revolving credit facility at an effective interest rate of 3.81% offset by repayments of LATAM currency denominated loans with effective interest rates between 7.62% and 16.96% led to a decrease in the average effective interest rate in Q4-25 compared to Q4-24. Refer to Section 7 - Liquidity and Capital Resources for further details. - The accretion expense relates to the increase in the carrying value of other balances payable. These balances represent obligations to pay certain contractually predefined amounts upon the achievement of specified timelines or development, regulatory, or sales-related milestones. The valuation of the other balances payable reflects the discounting of expected future payments to present value using appropriate interest rates. The accretion expense increased by \$1,321, or 292%, driven by a higher balance of other balances payable within 2025, resulting from new license agreements signed in 2025, including the Paladin and Sumitomo portfolios. 2025 vs 2024 - The interest expense includes the interest expense on bank loans of \$8,044 (2024: \$7,887), accretion expense of \$1,645 (2024 \$452), and interest expense on lease liabilities of \$733 (2024: \$884). - For the year ended December 31, 2025, interest expense on bank loans increased by \$157 or 2%. There was no significant increase in interest expense on loans despite the drawdown of \$60,000 from the revolving credit facility to finance the Paladin Transaction in June 2025. This was driven by the repayment of principal of \$15,134 on the LATAM and IFC loans. In addition, Knight repaid \$20,000 of the revolving credit facility from the free cash flows from operations. Subsequent to the end of the year, Knight repaid another \$10,000 of principal on the revolving credit facility. The resulting change in the loan mix with the addition of the revolving credit facility at an effective interest rate of 3.81% offset by repayments of LATAM currency denominated loans with effective interest rates between 7.62% and 16.96% led to a decrease in the average effective interest rate in 2025 compared to 2024. Refer to Section 7 - Liquidity and Capital Resources for further details. - The accretion expense increased by \$1,193, or 264%, driven by a higher balance of other balances payable within 2025 resulting from new license agreements signed in 2025, including the Paladin and Sumitomo portfolios.
Other (income) expense	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, other income was \$329 compared to other expense of \$1,135 in Q4-24. There was no significant variance. 2025 vs 2024 - For the year ended December 31, 2025, other expense was \$2,272 compared to \$129 in 2024, mainly driven by the repayment of the Synergy loan during Q2-25. Refer to Section 13 - <i>Strategic investments</i> for further information.
Net gain or loss on financial assets measured at fair value through profit or loss	Q4-25 vs Q4-24 - Net gain on financial assets measured at fair value through profit and loss was \$8,930 compared to \$8,317 in Q4-24, mainly driven by the revaluation of our strategic fund investments. 2025 vs 2024 - Net loss on financial assets measured at fair value through profit and loss was \$2,341 compared to \$11,435 in 2024, mainly driven by the revaluation of our strategic fund investments.

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Net gain or loss on equity investments at fair value through other comprehensive income	Q4-25 vs Q4-24 - Net loss on financial assets measured at fair value through OCI was \$1,283 in Q4-25, mainly due to a decrease in the fair value of the common shares of Synergy. - Net loss on financial assets measured at fair value through OCI was \$5,958 in Q4-24, mainly due to a decrease in the fair value of the common shares of Synergy. - Refer to Section 13 - Strategic investments for further information. 2025 vs 2024 - Net loss on financial assets measured at fair value through OCI was \$4,066 in 2025, mainly due to a decrease in the fair value of the common shares of Synergy. - Net gain on financial assets measured at fair value through OCI was \$8,640 in 2024, mainly due to the increase in the fair value of the common shares of Synergy. - Refer to Section 13 - <i>Strategic investments</i> for further information.
Foreign exchange loss (gain)	Q4-25 vs Q4-24 - The foreign exchange loss was \$2,260 in Q4-25, mainly driven by the appreciation of CAD vs USD and losses on intercompany balances due to the depreciation of the BRL. - The foreign exchange gain was \$1,740 in Q4-24, mainly driven by the depreciation of CAD vs USD, partly offset by losses on intercompany balances due to the depreciation of the BRL. 2025 vs 2024 - The foreign exchange gain was \$1,856 in 2025, mainly driven by the revaluation of intercompany balances due to the appreciation of the BRL and COP vs USD, partly offset by the appreciation of CAD vs USD. - The foreign exchange loss was \$4,194 in 2024, mainly driven by losses on intercompany balances due to the depreciation of the BRL and COP.
Gain on hyperinflation	- The gain on hyperinflation was \$720 in Q4-25 compared to \$1,698 in Q4-24. The gain on hyperinflation was \$2,621 in 2025 compared to \$9,226 in 2024. - Relates to gain on net monetary position (monetary assets less monetary liabilities) under hyperinflation accounting. Refer to "Impact of Hyperinflation" below for further details. - Refer to Note 2.3 - <i>Summary of significant accounting policies</i> in the Annual Financial Statements for further details on hyperinflation accounting.
Income tax expense (recovery)	Q4-25 vs Q4-24 - The income tax expense was \$2,370 in Q4-25, mainly driven by timing differences related to certain intercompany transactions and temporary differences partly offset by the recognition of certain deferred tax assets. - The income tax recovery was \$2,860 in Q4-24, driven by the reversal of income taxes payable related to prior years in a certain jurisdiction in light of new information and the decrease in current income tax expense due to our operating income in certain jurisdictions, offset by timing differences related to certain intercompany transactions. 2025 vs 2024 - The income tax recovery was \$1,328 in 2025, driven by timing differences, as well as the recognition of deferred tax assets in connection with tax losses generated in certain jurisdictions, partly offset by current tax expense due to our operating income. - The income tax recovery was \$2,280 in 2024, driven by the reversal of income taxes payable related to prior years in certain jurisdiction in light of new information and the decrease in current income tax expense due to our operating income in certain jurisdictions as well as the recognition of deferred tax assets in connection with tax losses in certain jurisdictions, offset by the timing differences related certain intercompany transactions.

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FINANCIAL CONDITION

Section 5 – Consolidated Balance Sheets

5.1 Hyperinflation

Under IAS 29, all non-monetary assets and liabilities are restated in ARS by applying the inflation index from the beginning of the reporting period to the end of the reporting period. Those assets and liabilities are then translated from ARS to CAD by applying the exchange rate at the end of the reporting period. The inflation index from January 1, 2025 to December 31, 2025 was 31.5%, while the ARS to CAD depreciated by 18%. Consequently, non-monetary assets and liabilities held in Argentina increased in value when converted to CAD under IFRS.

5.2 Impact of foreign exchange volatility

Assets and liabilities on the balance sheet are converted from foreign currency to CAD using the quarter-end closing rates at the end of each reporting period. For further details on the foreign currency rates used for the conversion of selected LATAM currencies to the CAD refer to Section 10 - *Selected Quarterly Financial Information*.

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5.3 Consolidated Balance sheet

As at	December 31, 2025	December 31, 2024	Change	
			\$	%
ASSETS				
Current				
Cash and cash equivalents	76,449	80,106	(3,657)	5%
Marketable securities	18,834	62,225	(43,391)	70%
Trade receivables	127,775	105,196	22,579	21%
Other receivables	6,063	4,339	1,724	40%
Inventories	135,866	102,698	33,168	32%
Prepays and deposits	6,505	7,744	(1,239)	16%
Other current financial assets	18,946	30,506	(11,560)	38%
Income taxes receivable	4,397	3,999	398	10%
Total current assets	394,835	396,813	(1,978)	—%
Prepays and deposits	8,883	7,217	1,666	23%
Right-of-use assets	9,919	5,912	4,007	68%
Property, plant and equipment	12,006	14,110	(2,104)	15%
Intangible assets	379,510	283,612	95,898	34%
Goodwill	89,982	86,477	3,505	4%
Other financial assets	79,484	103,426	(23,942)	23%
Deferred tax assets	26,921	21,247	5,674	27%
Other long-term receivables	44,760	44,983	(223)	—%
Total non-current assets	651,465	566,984	84,481	15%
Total assets	1,046,300	963,797	82,503	9%

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As at	December 31, 2025	December 31, 2024	Change	
			\$	%
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	120,868	78,345	42,523	54%
Lease liabilities	3,398	2,640	758	29%
Other liabilities	12,878	1,876	11,002	586%
Bank loans	16,730	17,486	(756)	4%
Income taxes payable	580	213	367	172%
Other balances payable	10,806	10,688	118	1%
Total current liabilities	165,260	111,248	54,012	49%
Accounts payable and accrued liabilities	4,887	4,828	59	1%
Lease liabilities	6,618	3,434	3,184	93%
Bank loans	51,165	25,899	25,266	98%
Other balances payable	48,105	19,443	28,662	147%
Deferred tax liabilities	2,993	3,840	(847)	22%
Total liabilities	279,028	168,692	110,336	65%
Shareholders' equity				
Share capital	530,140	534,266	(4,126)	1%
Warrants	—	117	(117)	100%
Contributed surplus	32,449	25,708	6,741	26%
Accumulated other comprehensive income	55,741	80,220	(24,479)	31%
Retained earnings	148,942	154,794	(5,852)	4%
Total shareholders' equity	767,272	795,105	(27,833)	4%
Total liabilities and shareholders' equity	1,046,300	963,797	82,503	9%

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12-31-2025 vs 12-31-2024	
Cash and cash equivalents and marketable securities (current and long term)	Cash and cash equivalents and marketable securities were \$95,283, a decrease of \$47,048 or 33%, mainly driven by the payment of \$141,867 related to the Paladin and Sumitomo Transactions and certain intangibles, the repurchase of common shares through the NCIB for \$6,352, interest on bank loans and lease liabilities of \$11,945, partly offset by cash inflows from operations of \$68,957, as well as collection from strategic loan repayments and distribution from funds of \$25,250. In addition, during the year, Knight drewdown \$60,000 on the revolving credit facility and used free cash flows generated for the principal repayments of \$35,134. Subsequent to the end of the year, Knight repaid another \$10,000 of principal on the revolving credit facility.
Trade receivables	Trade receivables were \$127,775, an increase of \$22,579 or 21%, mainly due to the trade receivables generated by the revenues from the Paladin and Sumitomo portfolios and the growth across the remainder of the portfolio.
Other receivables (current)	Other receivables were \$6,063, an increase of \$1,724 or 40%, mainly due to certain liabilities assumed by Knight that will be reimbursed by Paladin Pharma Inc. as well as sales and other taxes receivable.
Inventories	Inventories were \$135,866, an increase of \$33,168 or 32% of which approximately \$26,000 related to inventory balance of the Paladin and Sumitomo portfolios as at December 31, 2025. The remaining variance was due to the timing of purchases as well as investments on our new product launches, partly offset by the Balance Sheet Hyperinflation Impact on inventory held in Argentina as well as foreign exchange revaluation.
Prepays and deposits (current and long term)	Prepays and deposits were \$15,388, an increase of \$427 or 3%. There was no significant variance.
Other financial assets (current and long term)	Other financial assets were \$98,430, a decrease of \$35,502 or 27%, mainly explained by the following: Loans: All outstanding strategic loan balances were repaid in 2025, resulting in a decrease of \$21,116 or 100%. Funds: decreased by \$12,540 or 14% driven by a decrease in capital of \$7,626 and a decrease in fair value of \$4,914. Refer to Section 13 - <i>Strategic investments</i> for further information.
Income taxes receivable	Income taxes receivable were \$4,397, an increase of \$398 or 10%. There was no significant variance.
Right-of-use assets	Right-of-use assets were \$9,919, an increase of \$4,007 or 68%, mainly driven by right-of-use assets recognized as part of the Paladin Transaction and an office lease agreement executed in 2025.
Property, plant and equipment	Property, plant and equipment was \$12,006, a decrease of \$2,104 or 15%, mainly due to foreign exchange revaluation and depreciation, partly offset by certain additions.
Intangible assets	Intangible assets were \$379,510, an increase of \$95,898 or 34%, mainly due to the recognition of the intangible assets acquired in the Paladin Transaction for \$102,761 and the Sumitomo Transaction for \$29,718, partly offset by amortization, foreign exchange revaluation and the de-recognition of certain milestones not expected to be met.
Goodwill	Goodwill was \$89,982, an increase of \$3,505 or 4%. The increase was driven by \$2,440 of goodwill recognized on the Paladin Transaction. The remainder of the variance is due to the foreign exchange revaluation on the goodwill recognized on the acquisition of GBT.

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Deferred tax assets	Deferred tax assets were \$26,921, an increase of \$5,674 or 27%, mainly driven by the recognition of deferred tax assets related to tax losses in a certain jurisdiction, the impact of foreign currency fluctuations related to foreign operations, deferred tax assets recognized as part of the Paladin Transaction and the deferred tax assets in connection with other temporary differences.
Other receivables (long-term)	Other receivables were \$44,760, which is mainly related to the deposits made to the Canadian tax authorities in relation to 2014 disposition of the PRV. There was no significant variance between Q4-25 and Q4-24.
12-31-2025 vs 12-31-2024	
Accounts payable and accrued liabilities (current and long term)	Accounts payable and accrued liabilities were \$125,755, an increase of \$42,582 or 51%. The increase was driven by a higher level of payables in our Canadian operations due to the increase in the portfolio as a result of the Paladin and Sumitomo Transactions, as well as the purchase of inventory for our key promoted products.
Lease liabilities (current and long term)	Lease liabilities were \$10,016, an increase of \$3,942 or 65%, mainly due to lease liabilities recognized as part of Paladin Transaction and an office lease agreement executed in 2025.
Other liabilities	- Other liabilities were \$12,878, an increase of \$11,002 or 586%, mainly driven by the remaining holdback of \$8,457 recognized as part of the Paladin Transaction. - Refer to Section 3 - <i>Acquisitions</i> for additional details on the holdback.
Bank loans (current and long term)	- Bank loans were \$67,895, an increase of \$24,510 or 56%, mainly driven by the drawdown of \$60,000 from the revolving credit facility on June 17, 2025, partly offset by loan repayments of \$34,771, including repayments of \$20,000 on the revolving credit facility and \$12,690 to IFC. Subsequent to year end, Knight repaid principal of \$10,000 on the revolving credit facility. - Refer to Section 7 - <i>Liquidity and Capital Resources</i> for further information.
Income taxes payable	Income taxes payable were \$580, an increase of \$367 or 172%. There was no significant variance.
Other balances payable (current and long term)	Other balances payable was \$58,911, an increase of \$28,780 or 96%, mainly driven by milestones payable recognized as part of Paladin Transaction, certain amendments to product license agreements and the recognition of contingent payments related to the Sumitomo Transaction.
Deferred tax liabilities	Deferred tax liabilities were \$2,993, a decrease of \$847 or 22%, mainly in connection with certain intercompany transactions and temporary differences related to intangible assets.
Share capital	- Share capital was \$530,140, a decrease of \$4,126. The decrease was due to the purchase of common shares through the NCIB, partly primarily offset by the issuance of common shares under the stock-based compensation plans and ESPP. - Refer to the statement of changes in equity in the Annual Financial Statements for further information.
Contributed surplus	- Contributed surplus was \$32,449, an increase of \$6,741 or 26%. - Refer to the consolidated statement of changes in equity in the Annual Financial Statements for further information.
Accumulated other comprehensive income (loss)	- Accumulated other comprehensive income was \$55,741, a decrease of \$24,479, driven by (i) an unrealized loss on translation of foreign operations of \$20,413, mainly due to the appreciation of the CAD vs USD and ARS, (ii) a net loss on equity investments at fair value through other comprehensive income of \$4,066, reflecting a decrease in the fair value of the Synergy shares (refer to Section 13 - <i>Strategic Investments</i> for further information). - Refer to the consolidated statement of changes in equity in the Annual Financial Statements for further information.
Retained earnings	- Retained earnings were \$148,942, a decrease of \$5,852 or 4%, mainly driven by the net loss of the year. - Refer to the consolidated statement of changes in equity in the Annual Financial Statements for further information.

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Section 6 – Notices of Reassessment**PRV Tax Case**

Knight received notices of reassessment from the CRA and the QRA in July 2018 and January 2019, respectively. The notices relate to the 2014 disposition of a PRV held by Knight's wholly-owned subsidiary, Knight Therapeutics International S.A. A PRV is a transferable asset that entitles the holder to a priority review for a drug of its choice.

The Company's PRV was granted on March 19, 2014 upon the FDA approval of Impavido® and was disposed of to a third party in November 2014 for gross proceeds of US\$125,000. 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 2018 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. The amount, as at December 31, 2025 is estimated at \$9,056 and has not been recorded by the Company.

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 at the Tax Court of Canada ("TCC") started in February 2026 and is expected to resume and end in August 2026. Once the hearing is completed, Knight expects a decision to be delivered by the TCC in the next 18 to 24 months. Either party may 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 \$9,056 as at December 31, 2025.

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. 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.

Goodwill Tax Case

In July 2021, Knight's Brazilian subsidiary received a tax reassessment from the Brazilian Federal Internal Revenue Service ("IRS"). The reassessment mainly relates to tax amortization of goodwill claimed from 2016 to 2018. The reassessment deemed that such tax amortization is not deductible for the purposes of taxable income calculation and Knight is liable to pay an aggregate of \$20,600 (BRL 82,400) in taxes, penalties and interest. Knight did not make any payment with respect to this reassessment.

Knight strongly disagrees with the reassessment, considers it unfounded and has filed an administrative defense. The Company received a favorable decision at the administrative court in 2025 by a majority of five votes to one. The IRS filed an appeal in January 2026 and the case has moved to the Superior Chamber of Tax Appeals ("CSRF"). The CSRF generally takes up to 2 years to provide a judgment which is expected to have two possible outcomes explained as follows:

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Favorable to Knight:

Knight is not liable for the taxes, penalties and interest reassessed. The IRS will not be permitted to appeal to the judicial courts.

Unfavorable to Knight:

Knight is liable for the taxes and penalties of \$20,600 (BRL 82,400) and additional interest of \$9,425 (BRL 37,715) as at December 31, 2025. However, Knight has the right to appeal to the judicial courts.

Based on the Company's view, it is more-likely-than-not that CSRF will render a favorable decision to Knight. Therefore, the Company has not recorded any tax provision related to this reassessment in its consolidated financial statements. However, there can be no assurance regarding the outcome or when the resolution may be reached.

Although the Company 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.

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Section 7 – Liquidity and Capital Resources

The Company's Investment Policy governs the investment activities relating to cash resources. An Investment Committee composed of representatives from management and the Board of Directors monitors compliance with said policy. The Company invests in strategic investments in the form of equity or liquid investment securities with varying terms to maturity, selected with regard to the expected timing of investments and expenditures for continuing operations and prevailing interest rates.

The Company believes its existing cash, cash equivalents and marketable securities as well as cash generated from operations are sufficient to finance its current operations, working capital requirements and future product and corporate acquisitions.

The table below sets forth a summary of cash flow activity and should be read in conjunction with our consolidated statements of cash flows.

			Change				Change	
	Q4-25	Q4-24	\$	%	2025	2024	\$	%
Net cash inflow from operating activities	34,872	1,469	33,403	2274%	68,957	36,280	32,677	90%
Net cash inflow (outflow) from investing activities	(4,584)	18,049	(22,633)	125%	(75,158)	16,963	(92,121)	543%
Net cash outflow from financing activities	(34,798)	(15,354)	(19,444)	127%	5,406	(33,540)	38,946	116%
Decrease in cash and cash equivalents during the period	(4,510)	4,164	(8,674)	208%	(795)	19,703	(20,498)	104%
Net foreign exchange difference	(917)	2,187	(3,104)	142%	(2,862)	1,642	(4,504)	274%
Cash and cash equivalents beginning of the period	81,876	73,755	8,121	11%	80,106	58,761	21,345	36%
Cash and cash equivalents, end of the period	76,449	80,106	(3,657)	5%	76,449	80,106	(3,657)	5%
Marketable securities, end of the period	18,834	62,225	(43,391)	70%	18,834	62,225	(43,391)	70%
Cash and cash equivalents, and marketable securities, end of the period	95,283	142,331	(47,048)	33%	95,283	142,331	(47,048)	33%
Cash and cash equivalents, and marketable securities, net of bank loans	27,388	98,946	(71,558)	72%	27,388	98,946	(71,558)	72%

	Q4-25	2025
Net cash inflow from operating activities		Primarily relates to cash generated through revenues and interest received, offset by operating expenses including salaries, research and development expenses, advertising and promotion costs and other corporate expenses. Cash flows from operating activities exclude revenues and expenses not affecting cash, such as unrealized and realized gains or losses on financial assets, share based compensation expense, depreciation and amortization, unrealized foreign exchange gains or losses, hyperinflation gains, deferred other income, and net changes in non-cash balances relating to operations.

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	Q4-25	2025
Net cash inflow from operating activities	For the three-month period ended December 31, 2025, cash inflow from operations was \$34,872, driven by the operating results adjusted for non-cash items such as depreciation and amortization, and a decrease in working capital of \$11,820. The cash flow from operations for the three-month period ended December 31, 2025 included a payment of \$852 in connection with certain post closing liabilities including severance payments for the Paladin Transaction ("Paladin Post Closing Liabilities). The payment of the Paladin Post Closing Liabilities reduced the holdback amount payable to Paladin. The decrease in working capital was mainly due to: • an increase of \$11,734 in accounts payable and other liabilities driven by a higher level of payables in our Canadian operations resulting from the Paladin and Sumitomo portfolios as well as the inventory purchases of our key promoted products; • a decrease of \$7,039 in inventories mainly driven by sales during the quarter as well as timing of purchases offset by higher inventories related to Paladin and Sumitomo portfolios, partly offset by • an increase of \$9,075 in account receivables and other receivables mainly due to the higher revenues in Q4-25 compared to Q3-25. Furthermore, the net cash from operating activities included an inflow of \$1,618 mainly related to interest received upon maturity of marketable securities, bank accounts yields and other short-term investments.	For the year ended December 31, 2025, cash inflow from operations was \$68,957 driven by the operating results adjusted for non-cash items such as depreciation and amortization, and a decrease in working capital of \$1,894. The cash flow from operations for the year ended December 31, 2025 included a payment of \$2,929 in connection with certain post closing liabilities including severance payments for the Paladin Transaction ("Paladin Post Closing Liabilities). The payment of the Paladin Post Closing Liabilities reduced the holdback amount payable to Paladin. The decrease in working capital was mainly due to: • an increase of \$44,629 in accounts payable and other liabilities driven by a higher level of payables in our Canadian operations resulting from the Paladin and Sumitomo portfolios as well as the inventory purchases of our key promoted products, partly offset by • an increase of \$26,134 in accounts receivable and other receivables mainly due to the trade receivables generated by the revenues from the Paladin and Sumitomo portfolios; • an increase of \$17,823 in inventories. The inventory acquired in the Paladin Transaction for \$26,223 was classified as a cash outflow from investing activities. The increase of \$17,823 was mainly due to timing of purchases, inventories related to Sumitomo Transaction, as well as investments on our new product launches and foreign exchange revaluation. Refer to Note 29 - <i>Statement of Cash Flows</i> of the <i>Annual Consolidated Financial Statements</i> for further details on the changes in the working capital. Furthermore, the net cash from operating activities included an inflow of \$6,923 mainly related to interest received upon maturity of marketable securities, bank accounts yields and other short-term investments.

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	Q4-25	2025
Net cash inflow (outflow) from investing activities	For the three-month period ended December 31, 2025, cash flows were mainly driven by: • net payment for the purchase of marketable securities of \$5,502; • payment of holdback amount of \$1,300 to Sumitomo, partly offset by • net proceeds from funds of \$2,314.	For the year ended December 31, 2025, cash flows were mainly driven by: • payment for the Paladin and Sumitomo Transactions of \$135,481, partly offset by • net proceeds from marketable securities of \$42,208; • proceeds from repayment of the loan with Synergy and a secured loan from a life sciences company of \$17,598; • net proceeds from funds of \$7,984.
Net cash outflow from financing activities	For the three-month period ended December 31, 2025, cash flows were mainly driven by: • Principal repayment on bank loans of \$26,990, including the repayment of \$20,000 of the revolving credit facility with NBC; • interest paid on bank loans of \$2,952; • principal repayments on lease liabilities of \$917.	For the year ended December 31, 2025, cash flows were mainly driven by: • Withdrawal of \$60,000 from the revolving credit facility with NBC, from which the Company repaid \$20,000; • withdrawal and repayment of \$50,316 from the credit facility with Citibank, N.A.; • principal repayment of bank loans of \$16,990; • interest paid on bank loans of \$7,604; • repurchase of common shares through the NCIB of \$6,352; • principal repayments on lease liabilities of \$4,341.

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	Q4-24	2024
Net cash from operating activities	Primarily relates to cash generated through revenues and interest received, offset by operating expenses including salaries, research and development expenses, advertising and promotion costs and other corporate expenses. Cash flows from operating activities exclude revenues and expenses not affecting cash, such as unrealized and realized gains or losses on financial assets, share based compensation expense, depreciation and amortization, unrealized foreign exchange gains or losses, hyperinflation gains, deferred other income, and net changes in non-cash balances relating to operations. For the three-month period ended December 31, 2024, cash outflow from operations was \$1,469, driven by the operating results adjusted for non-cash items such as depreciation and amortization, offset by an increase in working capital of \$12,208. The increase was mainly due to: • a decrease of \$9,468 in accounts payable mainly related to payments of inventory purchases of our key promoted products; • an increase of \$3,928 in account receivables and other receivables mainly due to the timing of collections from certain customers and the growth in revenues, offset by • a decrease of \$5,193 in inventories mainly driven by timing of purchases as well as investments on our new product launches. Furthermore, the net cash from operating activities included an inflow of \$4,274 mainly related to interest received upon maturity of marketable securities, bank accounts yields and other short-term investments.	For the year ended December 31, 2024, cash inflow from operations was \$36,280 driven by the operating results adjusted for non-cash items such as depreciation and amortization, offset by an increase in working capital of \$19,624. The increase was mainly due to: • an increase of \$8,327 in accounts receivable and other receivables mainly due to the timing of collections from certain customers and the growth in revenues; • an increase of \$5,911 in inventories mainly driven by timing of purchases as well as investments on our new product launches. Refer to Note 29 - <i>Statement of Cash Flows</i> of the <i>Annual Consolidated Financial Statements</i> for further details on the changes in the working capital. Furthermore, the net cash from operating activities included an inflow of \$10,578 mainly related to interest received upon maturity of marketable securities, bank accounts yields and other short-term investments.
Net cash from investing activities	For the three-month period ended December 31, 2024, cash flows were mainly driven by: • net proceeds from of marketable securities of \$19,439; • net proceeds from funds of \$9,058, offset by • acquisition of certain equity investment of \$9,395.	For the year ended December 31, 2024, cash flows were mainly driven by: • acquisition of intangibles of \$29,003 primarily for upfront and milestone payments in connection with certain licensing agreements including Crexont®, Jornay PM®, Onicit® and certain other products; • net proceeds from marketable securities of \$46,793; • net proceeds from funds of \$10,840, offset by • acquisition of certain equity investment of \$9,395.
Net cash from financing activities	Cash flows from financing activities were mainly due to the repurchase of common shares through the NCIB, principal and interest repayments on bank loans, principal repayments on lease liabilities, proceeds from bank loans and proceeds from the participation of employees and directors in the Company's share purchase plan.	

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The Company had the following indebtedness, including accrued interest expense, as at the end of the following years:

As at December 31,			2025			2024		
	Currency	Maturity	Interest rate	Effective interest rate	Total \$	Interest rate	Effective interest rate	Total \$
Banks								
Bancolombia	COP	Oct 12, 2026	2.28% + IBR	11.50%	2,758	2.28% + IBR	11.39%	4,937
Banco ICBC Argentina ¹	ARS	N/A	N/A	N/A	—	44% ²	N/A	116
Banco Macro Argentina ¹	ARS	N/A	N/A	N/A	—	46% ²	N/A	559
Citibank Argentina ¹	ARS	N/A	28% ²	N/A	186	44% ²	N/A	1,116
Santander Argentina ¹	ARS	N/A	35% ²	N/A	—	45% ²	N/A	326
IFC	BRL	Oct 15, 2027	1.0% + CDI	16.96%	12,906	1.6% + CDI	13.08%	17,767
IFC	CLP	Oct 15, 2027	7.11%	7.62%	4,505	7.71%	7.86%	6,496
IFC	COP	Oct 15, 2027	1.0% + IBR	10.19%	7,324	1.6% + IBR	11.27%	9,756
IFC	MXN	Oct 15, 2027	1.0% + TIIE	8.51%	1,654	1.6% + TIIE	12.72%	2,312
Revolving Credit Facility ³	CAD	Jun 17, 2028	1.57% + CORRA	3.81%	38,562	—	—	—
Total Bank Loans					67,895			43,385
Current					16,730			17,486
Non-current					51,165			25,899

¹ Overdraft balances

² The interest rate is calculated and compounded on a monthly basis.

³ Revolving Credit Facility with a Syndicate of Lenders (NBC, CIBC, TD and Citibank), with NBC acting as Lead Arranger.

The Company's bank loans as at December 31, 2025 and 2024 excluding overdrafts, had the following repayment terms of principal and interest as well as security and guarantee:

Banks	Currency of debt	Maturity	Repayment terms	Security/Guarantee
Bancolombia	COP	Oct 12, 2026	Semi-annual	• None
IFC	BRL	Oct 15, 2027	Semi-annual	• Restricted cash collateral of 70% of the principal balance outstanding
IFC	CLP	Oct 15, 2027	Semi-annual	
IFC	COP	Oct 15, 2027	Quarterly	
IFC	MXN	Oct 15, 2027	Monthly	
Revolving Credit Facility	CAD	Jun 17, 2028	At maturity	• Secured by Knight's assets held in Canada, Luxembourg and Uruguay

Bancolombia

The loan includes financial covenants to maintain certain financial metrics and, as at December 31, 2025, the Company is in compliance with these debt covenants.

International Finance Corporation ("IFC")

As at December 31, 2024, the loan was secured by the pledge of shares of certain Knight's subsidiaries as well as a restricted cash collateral of \$14,018 [USD \$9,742] or 35% of the principal balance outstanding which may be held in the form of marketable securities. In 2025, the Company amended the collateral agreement with IFC and excluded the security over the pledge of shares of certain Knight's subsidiaries and increased the restricted cash collateral to 70% of the principal balance outstanding. In addition, effective December 2025, the interest rate was reduced by 0.6%.

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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. As at December 31, 2025, the Company is in compliance with all the covenants of the IFC loan.

Working Capital Line of Credit with Citibank, N.A.

In March 2025, Knight closed an unsecured uncommitted working capital line of credit of US\$40,000 [\$57,504] with Citibank, N.A. On April 7, 2025, US\$35,000 [\$50,316] was withdrawn under this facility, at an interest rate of SOFR+2.30%. The line of credit was fully repaid in June 2025. Subsequent to the close of the syndicated Credit Facility, the line of credit with Citibank, N.A. was reduced to US\$20,000 [\$27,200].

Revolving Credit Facility

On June 17, 2025, Knight entered into a secured revolving credit facility (the "Credit Facility") with National Bank of Canada ("NBC") for a total amount of US\$50,000 [\$68,215], of which \$60,000 was withdrawn at closing to fund a portion of the Paladin Transaction. On October 31, 2025, Knight closed the syndication of its credit facility. As part of the syndication process, three additional banks were included as Lenders: Citibank N.A., CIBC, and TD (together with NBC, the "Lenders"). The syndicate has four banks, with NBC as the Lead Arranger. The Credit Facility was increased to US\$100,000 with an accordion feature for an additional US\$100,000, subject to receipt of acceptance by the Lenders.

The Credit Facility is secured by Knight's assets held in Canada, Luxembourg and Uruguay, and has an initial term of 3 years, with the option to extend annually for additional one-year term. The Credit Facility is subject to customary stand-by fees for the undisbursed portion and can be drawn in USD or CAD at the SOFR or CORRA rate plus an applicable margin between 1.25% to 2.75% depending on Knight's debt leverage plus applicable credit spread adjustments. During the year ended December 31, 2025, Knight has incurred fees related to the structuring of the Credit Facility of approximately \$1,899. These fees were capitalized as transaction costs and are included in the carrying amount of the Credit Facility. Such costs are subsequently amortized to profit or loss over the term of the Credit Facility using the effective interest rate method. On December 17, 2025, Knight repaid \$20,000 of principal of the Credit Facility. Subsequent to year-end, on February 18, 2026, Knight repaid \$10,000 of principal of the Credit Facility and the outstanding principal balance was \$30,000.

In addition, the Credit Facility includes certain customary financial and non-financial covenants that the Company must maintain over the period of the agreement and are tested on a quarterly basis. As at December 31, 2025, Knight was in compliance with the financial and non-financial covenants.

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Section 8 – Segment Reporting

The Company has one reportable segment, namely the development, acquisition, in-licensing, out-licensing, marketing and distribution of innovative pharmaceutical products, consumer health products and medical devices. This reflects the current management structure and the way the chief operating decision-maker evaluates the business.

Geographic information

The following table represents the revenues per country, based on where the customer is located.

Revenue	Three months ended December 31,				Year ended December 31,			
	2025	2024	Change		2025	2024	Change	
			\$	%			\$	%
Brazil	49,817	47,332	2,485	5%	182,519	180,632	1,887	1%
Canada	36,180	8,997	27,183	302%	84,281	25,693	58,588	228%
Colombia	14,747	9,983	4,764	48%	54,999	51,480	3,519	7%
Argentina	10,067	13,151	(3,084)	23%	40,746	45,902	(5,156)	11%
Mexico	6,326	3,954	2,372	60%	24,502	18,987	5,515	29%
Rest of LATAM	10,442	10,298	144	1%	43,022	38,827	4,195	11%
Other ¹	5,527	3,149	2,378	76%	20,019	9,783	10,236	105%
Total	133,106	96,864	36,242	37%	450,088	371,304	78,784	21%
Adjusted Revenues²								
Argentina	10,164	10,353	(189)	2%	43,009	40,010	2,999	7%
Total	133,203	94,066	39,137	42%	452,351	365,412	86,939	24%

¹ Includes Europe, US and other countries.

² Excluding the impact of hyperinflation under IAS 29. Adjusted Revenues is a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies. Refer to Section 9 - Financial Results under Non-GAAP measures for additional details.

Brazil	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, revenues increased by \$2,485 or 5% and decreased by \$1,262 or 2% on a constant currency¹ basis, mainly due to the generic impact of Lenvima®, partly offset by growth of Ambisome® and the purchasing patterns on certain products. 2025 vs 2024 - For the year ended December 31, 2025, revenues increased by \$1,887 or 1% and \$4,422 or 2% on a constant currency¹ basis, mainly due to mainly due to Ambisome® including deliveries to the MOH, the growth of Minjuvi® and the addition of Onicit®, partly offset by the generic impact of Lenvima® and the purchasing patterns on certain products.
Canada	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, revenues increased by \$27,183 or 302%, mainly driven by the incremental revenues of \$27,206 from the Paladin and Sumitomo Transactions. 2025 vs 2024 - For the year ended December 31, 2025, revenues increased by \$58,588 or 228%, mainly driven by the incremental revenues of \$51,775 from the Paladin and Sumitomo Transactions, and the growth of Akynzeo®, Imvexxy® and Bijuva®.

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Colombia	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, revenues increased by \$4,764 or 48% and \$3,338 or 29% on a constant currency¹ basis. The variance was driven by the growth of key promoted products including Lenvima® as well as the purchasing patterns on certain products, partly offset by the impact of the termination of non-strategic distribution agreement in December 2024. 2025 vs 2024 - For the year ended December 31, 2025, revenues increased by \$3,519 or 7% or \$2,502 or 5% on a constant currency¹ basis, mainly driven by the growth of key promoted products including Lenvima® as well as the purchasing patterns on certain products, partly offset by the impact of the termination of a non-strategic distribution agreement in December 2024.
Argentina	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, revenues decreased by \$3,084 or 23%, of which \$2,895 is explained by the Hyperinflation Impact. Excluding IAS 29, the variance was not significant. 2025 vs 2024 - For the year ended December 31, 2025, revenues decreased by \$5,156 or 11%, of which \$8,155 is explained by the Hyperinflation Impact. Excluding IAS 29, revenues increased by \$2,999 or 7%, mainly driven by the growth of Cresemba® and Akynzeo®, partly offset by the purchasing patterns on certain products.
Mexico	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, revenues increased by \$2,372 or 60% and \$1,995 or 46% on a constant currency¹ basis, mainly driven by the growth Exelon®, the launch of Minjuvi® and the addition of Onicit®, partly offset by the purchasing patterns on certain products. 2025 vs 2024 - For the year ended December 31, 2025, revenues increased by \$5,515 or 29% and \$6,214 or 34% on a constant currency¹ basis, mainly driven by the growth Exelon®, the launch of Minjuvi®, the addition of Onicit®, partly offset by the purchasing patterns on certain products.
Rest of LATAM	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, revenues increased by \$144 or 1%. There was no significant variance. 2025 vs 2024 - For the year ended December 31, 2025, revenues increased by \$4,195 or 11% mainly driven by the growth of our key promoted products as well as purchasing patterns on certain products.
Other countries	Q4-25 vs Q4-24 - For the quarter ended December 31, 2025, revenues increased by \$2,378 or 76% mainly driven by purchasing patterns and the incremental revenues generated from the international business of the Paladin portfolio. 2025 vs 2024 - For the year ended December 31, 2025, revenues increased by \$10,236 or 105%, mainly driven by purchasing patterns and the incremental revenues generated from the international business of the Paladin portfolio.

¹ Revenues at constant currency is a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies. Refer to Section 9 - Financial Results under Non-GAAP measures for additional details.

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Non-current operating assets consisting of property, plant and equipment, intangible assets, goodwill, right-of-use assets and other long-term receivables were held in the following geographic areas:

As at	December 31, 2025	December 31, 2024
	\$	\$
Non-current operating assets		
Canada	209,813	71,115
Brazil	46,411	45,757
Argentina	30,674	37,795
Mexico	5,206	5,465
Colombia	16,399	13,634
Uruguay	159,807	184,589
Luxembourg	29,306	36,786
Rest of LATAM	38,561	39,953
Total	536,177	435,094

Section 9 – Financial Results under Non-GAAP measures

The Company discloses non-GAAP measures and ratios that do not have standardized meanings prescribed by IFRS. The Company believes that shareholders, investment analysts and other readers find such measures helpful in understanding the Company's financial performance. Non-GAAP financial measures and adjusted EBITDA per share ratio do not have any standardized meaning prescribed by IFRS and may not have been calculated in the same way as similarly named financial measures presented by other companies. The Company uses the following non-GAAP measures.

[i] Financial results excluding the impact of hyperinflation under IAS 29

The Company applies IAS 29, Financial Reporting in Hyperinflation Economies, as the Company's Argentine subsidiary uses the Argentine Peso as their functional currency. IAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be adjusted based on an appropriate general price index to express the effects of inflation.

Financial results under IFRS are adjusted to remove the impact of hyperinflation under IAS 29. The impact of hyperinflation under IAS 29 is calculated by applying an appropriate general price index to express the effects of inflation. After applying the effects of translation, the statement of income is converted using the closing foreign exchange rate of the month.

The Company believes that financial results excluding the impact of hyperinflation under IAS 29 represents a useful measure to investors as allow results to be viewed without the impact of IAS 29, thereby facilitating the comparison of results period over period. The presentation of financial results excluding the impact of hyperinflation under IAS 29 is considered to be a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

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The following tables are reconciliations of financial results under IFRS to financial results excluding the impact of hyperinflation under IAS 29.

	Q4-25			2025		
	Reported under IFRS	IAS 29 Adjustment	Excluding the Impact of IAS 29	Reported under IFRS	IAS 29 Adjustment	Excluding the Impact of IAS 29
Revenues	133,106	97	133,203	450,088	2,263	452,351
Cost of goods sold	68,383	(1,983)	66,400	249,858	(12,502)	237,356
Gross margin	64,723	2,080	66,803	200,230	14,765	214,995
<i>Gross margin (%)</i>	<i>49%</i>		<i>50%</i>	<i>44%</i>		<i>48%</i>
Expenses						
Selling and marketing	20,421	26	20,447	67,927	521	68,448
General and administrative	15,033	132	15,165	56,182	(839)	55,343
Research and development	9,223	53	9,276	28,984	434	29,418
Amortization of intangible assets	13,836	—	13,836	49,487	—	49,487
Operating income (loss)	6,210	1,869	8,079	(2,350)	14,649	12,299

	Q4-24			2024		
	Reported under IFRS	IAS 29 Adjustment	Excluding the Impact of IAS 29	Reported under IFRS	IAS 29 Adjustment	Excluding the Impact of IAS 29
Revenues	96,864	(2,798)	94,066	371,304	(5,892)	365,412
Cost of goods sold	56,512	(6,769)	49,743	196,899	(4,983)	191,916
Gross margin	40,352	3,971	44,323	174,405	(909)	173,496
<i>Gross margin (%)</i>	<i>42%</i>		<i>47%</i>	<i>47%</i>		<i>47%</i>
Expenses						
Selling and marketing	14,576	(626)	13,950	53,861	(1,253)	52,608
General and administrative	10,741	(370)	10,371	45,488	(1,406)	44,082
Research and development	7,365	(502)	6,863	23,304	(652)	22,652
Amortization of intangible assets	10,630	(9)	10,621	44,355	(27)	44,328
Operating (loss) income	(2,960)	5,478	2,518	7,397	2,429	9,826

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Select financial results excluding the impact of hyperinflation under IAS 29¹

	Q4-25	Q4-24	Change		2025	2024	Change	
			\$	%			\$	%
Adjusted Revenues	133,203	94,066	39,137	42%	452,351	365,412	86,939	24%
Cost of goods sold	66,400	49,743	(16,657)	33%	237,356	191,916	(45,440)	24%
Gross margin	66,803	44,323	22,480	51%	214,995	173,496	41,499	24%
Gross margin (%)	50%	47%			48%	47%		
Expenses								
Selling and marketing	20,447	13,950	(6,497)	47%	68,448	52,608	(15,840)	30%
General and administrative	15,165	10,371	(4,794)	46%	55,343	44,082	(11,261)	26%
Research and development	9,276	6,863	(2,413)	35%	29,418	22,652	(6,766)	30%
Amortization of intangible assets	13,836	10,621	(3,215)	30%	49,487	44,328	(5,159)	12%
Operating income	8,079	2,518	5,561	221%	12,299	9,826	2,473	25%
Adjusted EBITDA¹	24,449	14,996	9,453	63%	73,056	57,783	15,273	26%
Adjusted EBITDA ¹ (%)	18%	16%			16%	16%		
Adjusted EBITDA per share¹	0.25	0.15	0.10	67%	0.74	0.58	0.16	28%

¹ Adjusted EBITDA, Adjusted EBITDA per share and financial results excluding the impact of IAS 29 are non-GAAP measures and do not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

Adjusted Revenues¹ by Therapeutic Area

Therapeutic Area	Q4-25	Q4-24 ²	Change		2025	2024 ²	Change	
			\$	%			\$	%
Oncology/Hematology	42,074	34,322	7,752	23%	147,480	137,611	9,869	7%
Infectious Disease	42,250	39,485	2,765	7%	161,215	149,198	12,017	8%
Neurology	26,994	12,504	14,490	116%	85,501	53,225	32,276	61%
Other Specialty	21,885	7,755	14,130	182%	58,155	25,378	32,777	129%
Total Adjusted Revenues	133,203	94,066	39,137	42%	452,351	365,412	86,939	24%

¹ Excluding the impact of hyperinflation under IAS 29. Adjusted Revenues is a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

² Comparative figures have been reclassified to align with the year-end 2025 reporting presentation. These reclassifications had no impact on total revenues.

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Adjusted Revenues¹ by Product Portfolio

Product Portfolio			Change				Change	
	Q4-25	Q4-24 ²	\$	%	2025	2024 ²	\$	%
Innovative								
Promoted	89,301	71,093	18,208	26%	319,590	271,499	48,091	18%
Mature	32,254	10,663	21,591	202%	84,422	41,176	43,246	105%
Total excluding discontinued	121,555	81,756	39,799	49%	404,012	312,675	91,337	29%
Discontinued	24	454	(430)	95%	57	3,652	(3,595)	98%
Total	121,579	82,210	39,369	48%	404,069	316,327	87,742	28%
BGx								
New Launches	678	407	271	67%	2,139	1,930	209	11%
Mature	10,894	11,296	(402)	4%	45,793	46,534	(741)	2%
Total excluding discontinued	11,572	11,703	(131)	1%	47,932	48,464	(532)	1%
Discontinued	52	153	(101)	66%	350	621	(271)	44%
Total	11,624	11,856	(232)	2%	48,282	49,085	(803)	2%
Total Adjusted Revenues	133,203	94,066	39,137	42%	452,351	365,412	86,939	24%

¹ Excluding the impact of hyperinflation under IAS 29. Adjusted Revenues is a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

² Comparative figures have been reclassified to align with the year-end 2025 reporting presentation. These reclassifications had no impact on total revenues.

[ii] Financial results at constant currency

Financial results at constant currency are obtained by translating the prior period revenues and financial results from the functional currencies to CAD using the conversion rates in effect during the current period. Furthermore, with respect to Argentina, the Company excludes the impact of hyperinflation and translates the revenues and results at the average exchange rate in effect for each of the periods.

The Company believes that financial results at constant currency represents a useful measure to investors because it eliminates the effect that foreign currency exchange rate fluctuations may have on period-to-period comparability given the volatility in foreign currency exchange markets and therefore, provides greater transparency to the underlying performance of our consolidated financial results. The presentation of revenues and financial results under constant currency is considered to be a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

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The following tables are reconciliations of select financial results under IFRS to financial results and financial results at constant currency.

	Q4-25	Q4-24			Change	
	Excluding the impact of IAS 29 ¹	Excluding the impact of IAS 29 ¹	Constant Currency Adjustment	Constant Currency	\$	%
Adjusted Revenues	133,203	94,066	6,104	100,170	33,033	33%
Cost of goods sold	66,400	49,743	3,282	53,025	(13,375)	25%
Gross margin	66,803	44,323	2,822	47,145	19,658	42%
Gross margin (%)	50%	47%		47%		
Expenses						
Selling and marketing	20,447	13,950	744	14,694	(5,753)	39%
General and administrative	15,165	10,371	305	10,676	(4,489)	42%
Research and development	9,276	6,863	261	7,124	(2,152)	30%
Amortization of intangible assets	13,836	10,621	(17)	10,604	(3,232)	30%
Operating income (loss)	8,079	2,518	1,529	4,047	4,032	100%
Adjusted EBITDA²	24,449			16,520	7,929	48%
Adjusted EBITDA ² (%)	18%			16%		
Adjusted EBITDA per share²	0.25			0.17	0.08	49%

¹Refer to Subsection - [i] Financial results excluding the impact of hyperinflation under IAS 29 for additional details.

²EBITDA, Adjusted EBITDA and Adjusted EBITDA per share are non-GAAP measures and do not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

	2025	2024			Change	
	Excluding the impact of IAS 29 ¹	Excluding the impact of IAS 29 ¹	Constant Currency Adjustment	Constant Currency	\$	%
Adjusted Revenues	452,351	365,412	(916)	364,496	87,855	24%
Cost of goods sold	237,356	191,916	(841)	191,075	(46,281)	24%
Gross margin	214,995	173,496	(75)	173,421	41,574	24%
Gross margin (%)	48%	47%		48%		
Expenses						
Selling and marketing	68,448	52,608	(19)	52,589	(15,859)	30%
General and administrative	55,343	44,082	192	44,274	(11,069)	25%
Research and development	29,418	22,652	49	22,701	(6,717)	30%
Amortization of intangible assets	49,487	44,328	635	44,963	(4,524)	10%
Operating income (loss)	12,299	9,826	(932)	8,894	3,405	38%
Adjusted EBITDA²	73,056			57,498	15,558	27%
Adjusted EBITDA ² (%)	16%			16%		
Adjusted EBITDA per share²	0.74			0.57	0.16	28%

¹Refer to Subsection - [i] Financial results excluding the impact of hyperinflation under IAS 29 for additional details.

²EBITDA, Adjusted EBITDA and Adjusted EBITDA per share are non-GAAP measures and do not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

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Adjusted Revenues at Constant Currency¹ by Therapeutic Area

Therapeutic Area	Three months ended December 31,				Year ended December 31,			
	Excluding impact of IAS 29				Excluding impact of IAS 29			
	2025	Constant Currency ¹ 2024 ²	\$	%	2025	Constant Currency ¹ 2024 ²	\$	%
Oncology/Hematology	42,074	36,562	5,512	15%	147,480	138,222	9,258	7%
Infectious Disease	42,250	41,448	802	2%	161,215	147,577	13,638	9%
Neurology	26,994	13,498	13,496	100%	85,501	52,821	32,680	62%
Other Specialty	21,885	8,662	13,223	153%	58,155	25,876	32,279	125%
Total	133,203	100,170	33,033	33%	452,351	364,496	87,855	24%

¹ Adjusted Revenues at constant currency is a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

² Comparative figures have been reclassified to align with the year-end 2025 reporting presentation. These reclassifications had no impact on total revenues.

Adjusted Revenues at Constant Currency¹ by Product Portfolio

Innovative	Three months ended December 31,				Year ended December 31,			
	Excluding impact of IAS 29				Excluding impact of IAS 29			
	2025	Constant Currency ¹ 2024 ²	\$	%	2025	Constant Currency ¹ 2024 ²	\$	%
Promoted	89,301	76,298	13,003	17%	319,590	270,220	49,370	18%
Mature	32,254	11,187	21,067	188%	84,422	41,142	43,280	105%
Total excluding discontinued	121,555	87,485	34,070	39%	404,012	311,362	92,650	30%
Discontinued	24	521	(497)	95%	57	3,708	(3,651)	98%
Total	121,579	88,006	33,573	38%	404,069	315,070	88,999	28%
BGx								
New Launches	678	418	260	62%	2,139	1,925	214	11%
Mature	10,894	11,594	(700)	6%	45,793	46,882	(1,089)	2%
Total excluding discontinued	11,572	12,012	(440)	4%	47,932	48,807	(875)	2%
Discontinued	52	152	(100)	66%	350	619	(269)	43%
Total	11,624	12,164	(540)	4%	48,282	49,426	(1,144)	2%
Total Revenues	133,203	100,170	33,033	33%	452,351	364,496	87,855	24%

¹ Adjusted Revenues at constant currency is a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

² Comparative figures have been reclassified to align with the year-end 2025 reporting presentation. These reclassifications had no impact on total revenues.

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Adjusted Revenues at Constant Currency¹ by Country

The following table represents the revenues excluding IAS 29 compared to constant currency per country, based on where the customer is located.

	Three months ended December 31,				Year ended December 31,			
	Excluding impact of IAS 29							
	Constant Currency ¹		Change		Constant Currency ¹		Change	
Revenue	2025	2024	\$	%	2025	2024	\$	%
Brazil	49,817	51,079	(1,262)	2%	182,519	178,097	4,422	2%
Canada	36,180	8,997	27,183	302%	84,281	25,693	58,588	228%
Colombia	14,747	11,409	3,338	29%	54,999	52,497	2,502	5%
Argentina	10,164	10,353	(189)	2%	43,009	40,011	2,998	7%
Mexico	6,326	4,331	1,995	46%	24,502	18,288	6,214	34%
Rest of LATAM	10,442	10,851	(409)	4%	43,022	39,873	3,149	8%
Other ²	5,527	3,150	2,377	75%	20,019	10,037	9,982	99%
Total	133,203	100,170	33,033	33%	452,351	364,496	87,855	24%

¹ Adjusted Revenues at constant currency is a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

² Includes US and other countries.

[iii] Adjusted Gross Margin

Adjusted Gross Margin is defined as revenues less cost of goods sold, adjusted for the impact of IAS 29 (accounting under hyperinflation) and the impact in cost of goods sold of the difference between the fair value of inventory acquired and the cost paid in the Paladin Transaction, accounted under IFRS 3 - Business Combinations, when the inventory acquired as part of the transaction is sold ("Step-Up Expense").

The Company believes that Adjusted Gross Margin represents a useful measure to investors as allow Gross Margin to be viewed without the impact of hyperinflation under IAS 29 and Step-Up Expense, thereby facilitating the comparison period over period. The presentation of Adjusted Gross Margin is considered to be a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

	Q4-25		Q4-24		Change		2025		2024		Change	
					\$	%					\$	%
Gross margin	64,723	40,352			24,371	60%	200,230	174,405			25,825	15%
Adjustments to gross margin:												
Impact of IAS 29	2,080	3,971			(1,891)	48%	14,765	(909)			15,674	1724%
Step-Up Expense	1,411	—			1,411	—%	3,642	—			3,642	—%
Adjusted Gross Margin	68,214	44,323			23,891	54%	218,637	173,496			45,141	26%
Adjusted Gross Margin (%) ¹	51%	47%					48%	47%				

¹ Adjusted Gross Margin as a percentage of Adjusted Revenues.

For the quarter ended December 31, 2025, Adjusted Gross Margin increased by \$23,891 or 54%. For the year ended December 31, 2025, Adjusted Gross Margin increased by \$45,141 or 26%. Refer to Section 4.1 - Consolidated Statement of Income (Loss) for explanations of the increase of Adjusted Gross Margin in both QTD and YTD.

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[iv] EBITDA

EBITDA is defined as operating income or loss adjusted to exclude amortization and impairment of non-current assets, depreciation, but to include costs related to leases.

The Company believes that EBITDA represents a useful measure to investors to assess profitability and measure the Company's ability to generate liquidity through operating activities. The presentation of EBITDA is considered to be a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

[v] Adjusted EBITDA

Adjusted EBITDA is defined as EBITDA adjusted for the impact of IAS 29 (accounting under hyperinflation), acquisition and transaction costs, Step-Up Expense and non-recurring expenses.

The Company believes that Adjusted EBITDA represents a useful measure to investors to assess profitability and measure the Company's ability to generate liquidity through operating activities, without the impact of hyperinflation under IAS 29, thereby facilitating the comparison period over period. The presentation of adjusted EBITDA is considered to be a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

The following table is a reconciliation of operating income (loss) to EBITDA and adjusted EBITDA:

	Q4-25	Q4-24	Change		2025	2024	Change	
			\$	%			\$	%
Operating income (loss)	6,210	(2,960)	9,170	310%	(2,350)	7,397	(9,747)	132%
Adjustments to operating income (loss):								
Amortization of intangible assets	13,836	10,630	3,206	30%	49,487	44,355	5,132	12%
Depreciation of property, plant and equipment and ROU assets	1,243	3,340	(2,097)	63%	7,082	8,754	(1,672)	19%
Lease payments	(956)	(1,052)	96	9%	(4,341)	(3,913)	(428)	11%
EBITDA	20,333	9,958	10,375	104%	49,878	56,593	(6,715)	12%
Impact of IAS 29	2,068	5,038	(2,970)	59%	13,589	963	12,626	1311%
Acquisition and transaction costs	149	—	149	—	4,780	121	4,659	3850%
Step-Up Expense	1,411	—	1,411	—	3,642	—	3,642	—%
Other non-recurring expenses	488	—	488	—	1,167	106	1,061	1001%
Adjusted EBITDA	24,449	14,996	9,453	63%	73,056	57,783	15,273	26%
Adjusted EBITDA per share	0.25	0.15	0.10	67%	0.74	0.58	0.16	28%

For the quarter ended December 31, 2025, adjusted EBITDA increased by \$9,453 or 63%. For the year ended December 31, 2025, adjusted EBITDA increased by \$15,273 or 26%. The increase was mainly driven by higher Adjusted Gross Margin, partly offset by higher operating expenses. Refer to Section 4.1 - *Consolidated Statement of Income (Loss)* for further detail.

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Explanation of adjustments from EBITDA to Adjusted EBITDA

Impact of IAS 29	Impact of hyperinflation accounting under IAS 29 over the operating income (loss).
Acquisition and transaction costs	Acquisition and transaction costs relate to costs incurred on legal, consulting and advisory fees for the acquisitions.
Step-Up Expense	Step-up expense relates to the impact in cost of goods sold of the difference between the fair value of inventory acquired and the cost paid in a transaction, accounted under IFRS 3 - Business Combinations, when the inventory acquired as part of the transaction is sold.
Other non-recurring expenses	Other non-recurring expenses relate to expenses incurred by the Company that are not due to, and are not expected to occur in, the ordinary course of business.

[vi] Adjusted EBITDA per share

Adjusted EBITDA per share is defined as Adjusted EBITDA over number of common shares outstanding at the end of the respective period.

The Company believes that Adjusted EBITDA per share represents a useful measure to investors to assess profitability and measure the Company's ability to generate liquidity through operating activities on a per common share basis, without the impact of hyperinflation under IAS 29, thereby facilitating the comparison period over period. The presentation of adjusted EBITDA per share is considered to be a non-GAAP ratio and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

The Company calculated adjusted EBITDA per share as follows:

	Q4-25	Q4-24	2025	2024
Adjusted EBITDA	24,449	14,996	73,056	57,783
Adjusted EBITDA per share	0.25	0.15	0.74	0.58
Number of common shares outstanding at period end (in thousands)	99,192	100,048	99,192	100,048

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Section 10 – Selected Quarterly Financial Information

	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24
Revenues	133,106	121,548	107,358	88,076	96,864	92,263	95,573	86,604
Gross margin %	49%	46%	42%	40%	42%	49%	50%	48%
Net income (loss)	8,854	(3,791)	(12,622)	2,185	10,735	85	(1,942)	(4,546)
EPS - Basic and diluted	0.09	(0.04)	(0.13)	0.02	0.11	—	(0.02)	(0.04)
Common shares outstanding (in thousands)	99,192	99,678	99,653	99,448	100,048	100,976	101,327	101,187
Cash, cash equivalents and marketable securities	95,283	95,558	91,191	141,505	142,331	151,500	152,668	181,859
Total assets	1,046,300	1,048,576	1,037,944	1,003,042	963,797	962,294	945,364	968,205
Total non-current liabilities	113,768	129,108	120,941	54,993	57,444	70,233	76,734	89,831
Non-GAAP measures¹:								
Adjusted Revenues	133,203	122,628	108,541	87,979	96,066	91,430	94,121	85,795
Adjusted Gross margin %	51%	49%	46%	47%	47%	47%	48%	47%
Adjusted EBITDA	24,449	20,987	15,507	12,113	14,996	13,454	15,744	13,589
Adjusted EBITDA %	18%	17%	14%	14%	16%	15%	17%	16%
Adjusted EBITDA per share	0.25	0.21	0.16	0.12	0.15	0.13	0.16	0.13

¹ Refer to Section 9 - Financial Results under Non-GAAP measures for additional details. Non-GAAP measures do not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

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Foreign currency exchange rate

The table below summarizes the average foreign exchange rates used for the conversion of the statement of income (loss) for selected currencies:

Rates	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24
BRL	3.87	3.95	4.09	4.08	4.18	4.07	3.81	3.67
ARS	1,031	966	829	735	714	690	647	619
COP	2,739	2,908	3,033	2,922	3,115	3,006	2,876	2,910
CLP	671	697	685	672	690	682	683	703
MXN	13.13	13.52	14.09	14.23	14.38	14.47	13.25	12.40
USD	0.72	0.73	0.72	0.70	0.72	0.73	0.73	0.74

The below table summarizes the variances quarter over quarter for selected currencies:

Variance (%)	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24
BRL	2%	3%	—%	2%	(3%)	(7%)	(4%)	(1%)
ARS	(7%)	(17%)	(13%)	(3%)	(3%)	(7%)	(5%)	(103%)
COP	6%	4%	(4%)	6%	(4%)	(5%)	1%	3%
CLP	4%	(2%)	(2%)	3%	(1%)	—%	3%	(7%)
MXN	3%	4%	1%	1%	1%	(9%)	(7%)	3%
USD	1%	(1%)	(4%)	3%	1%	—%	1%	(1%)

The following table represents Knight's quarter-end closing rates to convert the assets and liabilities on the balance sheet at the end of each reporting period.

Rates	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24
BRL	4.00	3.82	4.00	3.99	4.30
ARS	1,059	981	874	746	717
COP	2,747	2,819	2,980	2,911	3,069
CLP	658	693	687	661	692
MXN	13.12	13.17	13.80	14.20	14.43
USD	0.73	0.72	0.73	0.70	0.69

The below table summarizes the variances quarter over quarter for selected currencies:

Variance (%)	Q4-25	Q3-25	Q2-25	Q1-25
BRL	(5%)	5%	—%	7%
ARS	(8%)	(12%)	(17%)	(4%)
COP	3%	5%	(2%)	5%
CLP	5%	(1%)	(4%)	4%
MXN	—%	5%	3%	2%
USD	(1%)	2%	(5%)	(1%)

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PRODUCT ACQUISITION STRATEGY

Section 11 – Products

The Company's focus is to market and sell innovative products and engage in the development, manufacturing and marketing of specialty pharmaceutical branded generic products in Latin America and Canada, as well as select international markets.

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 mature 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
Q2-25	Portfolio of products	Acquired the Paladin business under the terms of the definitive asset purchase agreement
Q2-25	Portfolio of products	Exclusive license and supply agreements and asset purchase agreement to commercialize Sumitomo's Canadian portfolio
Q2-21	Exelon®	Exclusive rights to manufacture, market and sell Exelon® in Canada and Latin America
Q3-20	—	Acquired remaining public float for a 100% acquisition of Grupo Biotoscana
Q4-19	—	Controlling stake of 51.2% in Grupo Biotoscana
Q1-14	Impavido®	Worldwide rights to Impavido® as part of its business separation agreement with Paladin Labs Inc.

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 consider 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
Q3-25	Niktimvo® (axatilimab)	LATAM
Q3-25	Zynyz® (retifanlimab)	LATAM
Q2-25	Gemtesa® (vibegron)	Canada
Q2-25	Orgovyx® (relugolix)	Canada
Q2-25	Myfembree® (relugolix/estradiol/norethindrone acetate)	Canada
Q1-25	Onicit® (palonosetron)	Brazil, Mexico and select LATAM territories
Q2-24	Jornay PM® (methylphenidate extended-release capsules)	Canada and LATAM
Q1-24	Crexont® (carbidopa and levodopa extended-release capsules)	Canada and LATAM
Q4-23	Qelbree® (viloxazine)	Canada
Q2-22	Aloxi® (palonosetron)	Canada
Q2-22	Akynzeo® (netupitant/palonosetron/fosnetupitant/palonosetron)	Canada and select LATAM territories
Q2-22	Tavalisse® (fostamatinib)	LATAM
Q3-21	Pemazyre® (pemigatinib)	LATAM
Q3-21	Minjuvi® (tafasitamab)	LATAM
Q1-20	Trelstar® (triptorelin)	Canada
Q1-19	Nerlynx® (neratinib)	Canada
Q3-18	Bijuva® (estradiol and progesterone)	Canada
Q3-18	Imvexxy® (estradiol vaginal inserts)	Canada
Q4-16	Movantik (naloxegol)	Canada

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
Q1-25	O402 (Oncology / Hematology)	Brazil
Q4-24	H403 (Oncology / Hematology)	Brazil and Colombia
Q4-24	O401 (Oncology / Hematology)	Brazil
Q3-23	H402 (Oncology / Hematology)	Brazil and Colombia
Q4-21	C401 (Neurology)	Select LATAM territories

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Prescription pharmaceutical products

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

PRODUCT	INDICATION	TERRITORY ¹					PARTNER
		Canada	Brazil	Argentina	Colombia	Mexico	
Oncology/Hematology							
Minjuvi®	ASCT ineligible patients with relapsed or refractory DLBCL		Q1-24	Q4-25		Q1-25	Incyte
Minjuvi®	Relapsed or refractory FL		■	●		●	Incyte
Pemazyre®	Unresectable locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion		Q4-25	■		Q4-25	Incyte
Akynzeo®	Prevention of chemotherapy-induced acute and delayed nausea and vomiting	Q4-22	Q3-22	Q3-22			Helsinn
Aloxi® / Onicit®	Prevention of acute nausea and vomiting associated with moderate and highly emetogenic cancer chemotherapy	Q4-22	Q1-25			Q1-25	Helsinn
Tavalisse®	Previously treated chronic immune thrombocytopenia		●	●	●	■	Rigel
Trelstar®	Advanced prostate cancer	Q2-20					Debiopharm
Orgovyx®	Advanced prostate cancer	Q1-24 ²					Sumitomo
Vidaza®	Myelodysplastic syndrome		Q2-10				BMS
Abraxane®	Metastatic adenocarcinoma of the pancreas		Q4-17				BMS
Halaven®	Metastatic breast cancer and liposarcoma subtype of soft tissue sarcoma		Q4-17	Q4-19	Q2-22		Eisai
Lenvima®	Locally advanced or metastatic differentiated thyroid cancer and previously untreated advanced or unresectable hepatocellular carcinoma		Q4-17		Q1-22		Eisai
Lenvima®	Advanced renal cell cancer		Q4-17				Eisai
BGx							
Ladevina® (lenalidomide)	Multiple myeloma; myelodysplastic syndrome			2011	Q3-19		Own
Ladevina® (lenalidomide)	Mantle Cell Lymphoma; previously treated FL			2011			Own
Zyvalix® (abiraterone)	Metastatic castration-resistant prostate cancer			2014	Q2-18		Own
Karfib® (carfilzomib)	Relapsed or refractory multiple myeloma			Q4-19	■		Own
Leprid® (leuprolide)	Palliative treatment of advanced prostate cancer			2007			Own
Rembre® (dasatinib)	Philadelphia chromosome-positive (Ph+) chronic myeloid leukemia; Ph+ acute lymphoblastic leukemia			2013	Q1-22		Own
Palbocil®, Bapocil® (palbociclib)	Hormone receptor (HR)-positive, HER2-negative advanced or metastatic breast cancer			Q1-23	Q1-26		Own
Xetrane® (pomalidomide)	Multiple myeloma			Q2-19	●		Own
Xetrane® (pomalidomide)	AIDS-related Kaposi sarcoma			Q2-22			Own

¹ The products with an associated date are currently marketed by Knight in the respective territory. Unless otherwise noted, 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.

² Date refers to the date of launch by Paladin or Sumitomo in partnership with Pfizer.

▲ Pre-registration: Not yet submitted for regulatory review. The indication is the anticipated indication upon regulatory approval.

● Submitted: Currently under regulatory review. The indication is the anticipated indication upon regulatory approval.

■ Approved: Approved by regulatory authorities but not yet commercially launched.

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PRODUCT	INDICATION	TERRITORY ¹					PARTNER
		Canada	Brazil	Argentina	Colombia	Mexico	
Infectious Disease							
Ambisome®	Invasive fungal infection		1997				Gilead
Cresemba®	Invasive fungal infection		Q2-20	Q3-19	Q3-19	Q2-19	Basilea
Impavido®	Leishmaniasis						Own
BGx							
Dolufevir® (dolutegravir)	HIV infection			Q2-21			Own
Neurology							
Jornay PM®	ADHD	Q4-25	▲			▲	Collegium
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
Dexedrine®	ADHD	1940's ²					Own
Xcopri®	Adjunctive therapy in the management of partial-onset seizures in adults with epilepsy	Q1-24 ²					SK
Other Specialty							
Imvexxy®	Moderate-to-severe dyspareunia	Q1-24					TXMD
Myfembree®	Treatment for heavy menstrual bleeding associated with uterine fibroids and moderate to severe pain associated with endometriosis in pre-menopausal women	Q1-24 ²					Sumitomo
Envarsus®PA	Prophylaxis of organ rejection in allogenic kidney or liver transplant in combination with other immunosuppressants	Q2-19 ²					Veloxis
Bijuva®	Moderate-to-severe vasomotor symptoms due to menopause	Q1-24					TXMD
Salofalk®	Acute ulcerative colitis			2007	Pre-2019		Dr. Falk
Ursofalk®	Primary biliary cirrhosis			2007	Pre-2019		Dr. Falk
Testim®	Testosterone deficiency	2007 ²					Endo
BGx							
Fibridoner® (pirfenidone)	Idiopathic pulmonary fibrosis			2017			Own

¹ The products with an associated date are currently marketed by Knight in the respective territory. Unless otherwise noted, 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.

² Date refers to the date of launch by Paladin or Sumitomo in partnership with Pfizer.

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IQVIA sales in Canada	Q4-25	Q4-24	Change		2025	2024	Change	
			\$	%			\$	%
Akynzeo®	3,343	3,051	292	10%	12,853	11,020	1,833	17%
Trelstar®	2,034	2,286	(252)	(11%)	8,176	8,455	(279)	(3%)
Orgovyx® ¹	2,841	659	2,182	331%	7,265	659	6,606	1002%
Jornay PM®	99	—	99	—%	99	—	99	—%
Xcopri® ³	3,615	741	2,874	388%	8,600	741	7,859	1061%
Imvexxy®	3,002	1,133	1,869	165%	8,521	2,438	6,083	250%
Myfembree® ²	2,400	1,324	1,076	81%	8,092	1,324	6,768	511%
Envarsus®PA ³	3,284	2,422	862	36%	11,494	2,422	9,072	375%
Total	20,619	11,617	9,002	77 %	65,101	27,059	38,042	141 %

¹ Added to Knight's portfolio through the Sumitomo Transaction and Knight started recording revenues effective June 5, 2025.

² Added to Knight's portfolio through the Sumitomo Transaction and Knight started recording revenues effective July 1, 2025.

³ Added to Knight's portfolio through the Paladin Transaction and Knight started recording revenues effective June 17, 2025.

IQVIA sales in Canada	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24
Akynzeo®	3,343	3,359	3,163	2,988	3,051	2,935	2,659	2,375
Trelstar®	2,034	1,988	2,090	2,063	2,286	2,001	2,211	1,957
Orgovyx® ¹	2,841	2,130	1,356	938	659	398	143	4
Jornay PM®	99	—	—	—	—	—	—	—
Xcopri® ³	3,615	2,736	1,350	899	741	571	381	151
Imvexxy®	3,002	2,284	1,887	1,348	1,133	692	487	126
Myfembree® ²	2,400	2,133	1,959	1,600	1,324	876	468	73
Envarsus®PA ³	3,284	3,073	2,635	2,502	2,422	2,153	1,993	1,694
Total	20,619	17,704	14,440	12,338	11,617	9,626	8,342	6,380

¹ Added to Knight's portfolio through the Sumitomo Transaction and Knight started recording revenues effective June 5, 2025.

² Added to Knight's portfolio through the Sumitomo Transaction and Knight started recording revenues effective July 1, 2025.

³ Added to Knight's portfolio through the Paladin Transaction and Knight started recording revenues effective June 17, 2025.

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 Minjuvi® and Pemazyre® in Latin America. Under the terms of the agreement, Knight is responsible for seeking the necessary regulatory approvals and distributing both products in Latin America.

Monjuvi®/Minjuvi® (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 DLBCL who are not eligible for 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 2025, Incyte announced that the FDA and the European Commission approved Monjuvi®/Minjuvi®, in combination with rituximab and lenalidomide for the treatment of adult patients with relapsed or refractory FL. The approvals were based on data from the Phase 3 inMIND trial evaluating the efficacy and safety of Minjuvi in combination

¹ Globocan 2020.

² Li S, Young KH, Medeiros LJ. Diffuse large B-cell lymphoma. Pathology. 2018;50(1):74-87. doi:10.1016/j.pathol.2017.09.006

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with rituximab and lenalidomide as a treatment for patients with relapsed or refractory FL. Furthermore, in January 2026, Incyte announced positive topline results from the pivotal study of tafasitamab as a first-line treatment for DLBCL based on the Phase 3 frontMIND trial evaluating the efficacy and safety of Monjuvi®/Minjuvi®, and lenalidomide in addition to R-CHOP (rituximab, cyclophosphamide, doxorubicin, vincristine and prednisone) compared to R-CHOP alone as a first-line treatment for adults with newly diagnosed DLBCL with an International Prognostic Index (IPI) score of three to five (3-5) for patients >60 years of age, or age-adjusted IPI (aaIPI) of two to three (2-3) for patients ≤60 years of age.

In July 2023, Knight obtained ANVISA approval for Minjuvi® 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 CMED and subsequently launched the drug in Q1 2024.

Furthermore, Knight obtained regulatory approval for Minjuvi® in combination with lenalidomide followed by Minjuvi® monotherapy for the treatment of adult patients with relapsed or refractory DLBCL, who are not eligible for ASCT in Mexico in Q4 2024 and in Argentina in Q4 2025. Knight launched Minjuvi® in Mexico in Q1 2025 and in Argentina in Q4 2025.

Knight submitted supplemental applications seeking regulatory approvals for an additional indication of Minjuvi® in combination with rituximab and lenalidomide for the treatment of adult patients with previously treated FL. Those applications were submitted in Brazil in Q2 2025 and received approval in Q1 2026. In addition, Knight filed supplemental applications for this second indication in Argentina and Mexico in Q1 2026.

Pemazyre® (pemigatinib)

Pemazyre® is approved in the U.S., Europe and Japan for the treatment of adult patients with locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement that have progressed after at least one prior line of systemic therapy.¹ Cholangiocarcinoma is the most common cancer of the bile duct. FGFR2 fusions or rearrangements have been observed in 10-16% 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 America². Pemazyre® is also approved in the U.S. for the treatment of adults with relapsed or refractory myeloid/lymphoid neoplasms with FGFR1 rearrangement.

Knight obtained the regulatory approval of Pemazyre® as monotherapy 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 Brazil, Mexico and Argentina. Furthermore, Knight launched Pemazyre® in Brazil and Mexico in Q4 2025 and expects to launch in Argentina in the first half of 2026.

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

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. 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^{3,4}. Aloxi® oral is approved in Canada for use in adults for the prevention of acute and delayed nausea and vomiting associated with moderately emetogenic cancer chemotherapy; adults for the prevention of acute nausea and vomiting associated with highly emetogenic cancer chemotherapy and for pediatric patients aged 2 to 17 years for the prevention of acute nausea and vomiting associated with moderately and highly

¹ Jain A, Borad MJ, Kelley RK, et al. Cholangiocarcinoma With FGFR Genetic Aberrations: A Unique Clinical Phenotype. *JCO Precis Oncol*. 2018;2:1-12. doi:10.1200/PO.17.00080

² Laffaro KJ, Cosgrove D, Geschwind JF, Kamel I, Herman JM, Pawlik TM. Multidisciplinary Care of Patients with Intrahepatic Cholangiocarcinoma: Updates in Management. *Gastroenterol Res Pract*. 2015;2015:860861. doi:10.1155/2015/860861

³ Rojas C, Slusher BS. Pharmacological mechanisms of 5-HT₃ and tachykinin NK₁ receptor antagonism to prevent chemotherapy-induced nausea and vomiting. *Eur J Pharmacol*. 2012;684(1-3):1-7. doi:10.1016/j.ejphar.2012.01.046

⁴ Navari RM, Aapro M. Antiemetic Prophylaxis for Chemotherapy-Induced Nausea and Vomiting. *N Engl J Med*. 2016;374(14):1356-1367. doi:10.1056/NEJMra1515442

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emetogenic cancer chemotherapy. Onicit® is approved in Mexico, Brazil and select LATAM countries for the prevention of acute nausea and vomiting associated with the initial and repeated cycles of moderately and highly emetogenic chemotherapy for cancer, and for the prevention of delayed nausea and vomiting associated with the initial and repeated cycles of moderately emetogenic chemotherapy for cancer in adults. Additionally, Onicit®, marketed under the trademark Aloxi® in Canada, is indicated in adults for the prevention of postoperative nausea and vomiting (PONV), for up to 24 hours after surgery.

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. Knight assumed commercial activities and re-launched Akynzeo® in Brazil, Argentina and Canada, and Aloxi® in Canada in 2022. In addition, on January 28, 2025, Knight expanded its relationship with Helsinn and added the exclusive rights to distribute, and commercialize Onicit® in Mexico, Brazil and select LATAM countries, Knight assumed commercial activities for Onicit® in Mexico and Brazil in Q1-25. Akynzeo® competes in the antiemetic market which was over \$173 million in 2025 and grew at a CAGR of 8% since 2020, according to IQVIA.

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 ITP who have had an insufficient response to a previous treatment, for regulatory approval in Mexico and Colombia in July 2023, Brazil in Q1 2024, and Argentina in Q1 2025. Knight obtained regulatory approval of Tavalisse® in Mexico in Q4 2024 and expects to launch in the first half of 2026.

In September 2025, Knight received a rejection from ANVISA regarding its marketing authorization application for Tavalisse® in Brazil and has filed an appeal in December 2025. Knight's appeal was accepted and ANVISA is continuing its review.

Trelstar® (triptorelin)

On January 8, 2020, Knight announced that it had entered into an agreement with Debiopharm for the Canadian commercial rights of Trelstar®, for the palliative treatment of hormone dependent 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. Trelstar® competes in the GnRH agonist and antagonist market for prostate cancer which was over \$233 million in 2025 and grew at a CAGR of 10% since 2020, according to IQVIA.

Orgovyx® (relugolix)

Orgovyx® is the first and only oral GnRH receptor antagonist approved by Health Canada for the treatment of adult patients with advanced prostate cancer.¹ Orgovyx® was approved in October 2023 and was launched by Sumitomo in March 2024 and relaunched by Knight in Q3 2025. The negotiation with the pan-Canadian Pharmaceutical Alliance (pCPA) was successfully concluded in February 2025. Knight concluded the, listing agreements with all major Canadian provinces. Orgovyx® competes in the GnRH agonist and antagonist market for prostate cancer which was over \$233 million in 2025 and grew at a CAGR of 10% since 2020, according to IQVIA.

¹ Sumitomo Pharma Switzerland GmbH. ORGOVYX (relugolix tablets, 120 mg): Product monograph. Health Canada, 06 Oct. 2023, https://pdf.hres.ca/dpd_pm/00073150.PDF. Accessed 24 July 2025.

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Vidaza® (azacitidine)

Vidaza® is indicated for the treatment of patients with Myelodysplastic Syndromes (MDS) subtypes, including refractory anemia with excess blasts (RAEB) per FAB classification, acute myeloid leukemia (AML) with 20–30% blasts in bone marrow with multilineage dysplasia per WHO classification, and chronic myelomonocytic leukemia (CMML) (modified FAB classification). 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 regimen¹ 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 thyroid carcinoma (papillary/follicular/Hürthle cell), 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 everolimus². 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 approval for generic lenvatinib in Brazil. During 2024, both of those companies received the approval for a branded generic lenvatinib. Additionally, in Q3 2024, a competitor received the approval of a generic lenvatinib in Chile.

In Q3 2024, a competitor in Brazil launched both a branded generic and a generic of Lenvima®. The introduction of generics and branded generics has increased competitive pressures and will continue to negatively impact sales and margins of Lenvima® in Brazil.

¹ In Colombia after at least two chemotherapeutic regimen for advanced disease

² Indication not included in Colombia.

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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 ASCT, in patients with relapsed or refractory mantle cell lymphoma¹, and in combination with Rituximab for the treatment of adult patients who have received prior therapy for FL (Grade 1-3a); (2) the treatment of adult patients with transfusion-dependent anemia due to low-risk and intermediate-1 myelodysplastic syndromes linked to a 5q deletion cytogenetic abnormality when other therapies are insufficient or inadequate, (3) the treatment, in combination therapy, of adult patients with multiple myeloma without prior treatment who are not candidates for a transplant¹, and (4) the treatment, in combination with dexamethasone 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.

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.

Leprid® (leuprolide acetate)

Leprid® is indicated for palliative treatment of advanced hormone-dependent prostate cancer and for the treatment of high-risk localized and locally advanced hormone-dependent prostate carcinoma in combination with radiotherapy.

Rembre® (dasatinib)

Rembre® is indicated for treatment of chronic myeloid leukemia (CML) with positive Philadelphia chromosome (Ph+) and is indicated in adults for Ph+ acute lymphoblastic leukemia (ALL) and lymphoid blast crisis from CML with resistance or lack of tolerance to prior treatment.

Palbocil® and Bapocil® (palbociclib)

Palbocil® / Bapocil® is indicated for the treatment of patients with hormone receptor positive, 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 and launched in Colombia in Q1-26.

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.

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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 treatment of presumed fungal infections in febrile, neutropenic patients¹, (2) for the treatment of cryptococcal meningitis¹, (3) for the treatment of severe deep mycotic infections, endemic and opportunistic systemic mycosis, caused by organisms susceptible to this anti-infective agent and in the treatment of some cases of American mucocutaneous leishmaniasis, (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, 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.

Ambisome® does not currently have a generic competitor in Brazil and while Knight does not have rights to Ambisome® beyond Brazil, Knight is aware that there are four generic competitors in the US. In the second half of 2025, Knight identified two generic submissions to ANVISA for regulatory approval of Amphotericin B. If approved, one to two generics to Ambisome® may launch in Brazil. The estimated timelines of approval by ANVISA may vary from fourteen to twenty months.

Cresemba® (isavuconazonium sulfate)

Cresemba® is an azole antifungal agent, available in both injectable and oral formulations in 200 mg and 100 mg strengths, indicated for use in adults for the treatment of invasive aspergillosis and invasive mucormycosis² as well as mucormycosis in patients where amphotericin B is not suitable. Cresemba® is licensed from Basilea and Knight holds the rights to commercialize the product in Latin America. In 2022, Cresemba® was incorporated into the Brazilian public health system following a favorable recommendation from the CONITEC.

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 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.

¹ Indication approved in Brazil, in the rest of the markets, mucormycosis in patients where amphotericin B is not suitable

² Indication not available in Brazil

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Neurology

Jornay PM® (methylphenidate HCl extended-release capsules)

Knight launched Jornay PM® in Canada in Q4 2025. Jornay PM® is the first and only evening-dosed methylphenidate product commercially available in Canada to treat ADHD in children from 6 to 12 years of age.¹ 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 starting in the morning and continuing throughout the day. This unique formulation provides a pharmacokinetic profile that allows ADHD symptom control from the time patients wake up until the evening. Jornay PM® competes in the ADHD market which was over \$1 billion in 2025 of which methylphenidate is over \$500 million and grew at a CAGR of 10% since 2020, according to IQVIA.

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 2023, a branded generic drug of Exelon® was launched by a competitor in Brazil. In Q1 2026, a second competitor received approval for a generic drug of Exelon®.

Dexedrine® (dextroamphetamine sulfate)

Dexedrine® is indicated in the adjunctive treatment of narcolepsy and for the treatment of ADHD.

Xcopri® (cenobamate)

Xcopri® (cenobamate tablets) is indicated as adjunctive therapy in the management of partial-onset seizures in adults with epilepsy who are not satisfactorily controlled with conventional therapy. It is taken orally, once daily.² Xcopri® is an anti-seizure medication (ASM) discovered and developed by SK Biopharmaceuticals and SK Life Science. It is a novel molecule with a dual mechanism of action. In pre-clinical studies, Xcopri® has been demonstrated to reduce repetitive neuronal firing by inhibiting voltage-gated sodium currents. It is also a modulator of the γ -aminobutyric acid (GABAA) ion channel. The efficacy and safety of Xcopri® for the treatment of adults with uncontrolled partial-onset seizures (also known as focal-onset seizures) were assessed in two randomized, placebo-controlled, double-blind clinical trials (C013 and C017).^{3,4} The long-term safety of cenobamate in this population has been studied in an open-label safety study (C021).⁵

During Studies C013 and C017, a total of 441 patients were exposed to Xcopri®. In both studies, the primary efficacy endpoint was median percent reduction from baseline in seizure frequency per 28 days. The key secondary endpoint was responder rates, defined as the proportion of patients with 50% or greater reduction in seizure frequency. Xcopri® significantly reduced seizure frequency and demonstrated a significantly higher $\geq 50\%$ responder rate compared to placebo.

¹ Jornay PM, Health Canada Product monograph, November 2025, https://pdf.hres.ca/dpd_pm/00078457.PDF. Accessed 07 January 2026.

² Paladin Labs Inc. XCOPRI (cenobamate tablets): Product monograph. Health Canada, 06 June 2023, https://pdf.hres.ca/dpd_pm/00071217.PDF. Accessed 24 July 2025.

³ Chung, Steve S et al. "Randomized phase 2 study of adjunctive cenobamate in patients with uncontrolled focal seizures." *Neurology* vol. 94,22 (2020): e2311-e2322. doi:10.1212/WNL.0000000000009530.

⁴ Krauss, Gregory L et al. "Safety and efficacy of adjunctive cenobamate (YKP3089) in patients with uncontrolled focal seizures: a multicentre, double-blind, randomised, placebo-controlled, dose-response trial." *The Lancet. Neurology* vol. 19,1 (2020): 38-48. doi:10.1016/S1474-4422(19)30399-0.

⁵ Sperling, Michael R et al. "Cenobamate (YKP3089) as adjunctive treatment for uncontrolled focal seizures in a large, phase 3, multicenter, open-label safety study." *Epilepsia* vol. 61,6 (2020): 1099-1108. doi:10.1111/epi.16525.

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Xcopri® is marketed in Europe under the trademark Ontozry®. Xcopri® was launched in Canada in January 2024 and obtained in all major Canadian provinces during 2025. Xcopri® competes in the anti-epileptics adjunctive therapies market segment which according to IQVIA, was valued between \$100 million to \$130 million in 2025 and grew at a CAGR of 5% since 2021.

Other Specialty Therapeutic Areas

INNOVATIVE

Imvexxy® (estradiol vaginal inserts)

On July 31, 2018, Knight entered into an exclusive licensing agreement for the commercial rights of Imvexxy® 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. In Q1 2024, Knight launched Imvexxy® in Canada. Imvexxy® competes in the VVA market which was over \$148 million in 2025 and grew at a CAGR of 14% since 2020, according to IQVIA.

Myfembree® (relugolix/estradiol/norethindrone acetate)

Myfembree® is a fixed-dose combination of relugolix, estradiol, and norethindrone acetate and is the first oral prescription treatment for both the management of heavy menstrual bleeding associated with uterine fibroids and the management of moderate to severe pain associated with endometriosis in pre-menopausal women.¹ Myfembree® was approved by Health Canada in September of 2023, launched by Sumitomo in January 2024 and relaunched by Knight in Q3 2025 and received publicly reimbursement in Ontario, Quebec and Nova Scotia during Q1-26. Myfembree® competes in the GnRH market, agonist and antagonist sales for endometriosis and uterine fibroids, which was over \$48 million in 2025 and grew at a CAGR of 13% since 2020, according to IQVIA.

Envarsus®PA (tacrolimus)

Envarsus®PA (tacrolimus prolonged-release tablets) is indicated for the prophylaxis of organ rejection in allogenic kidney or liver transplant adult patients in combination with other immunosuppressants. Envarsus®PA is currently marketed in Canada, Europe and in the US. Envarsus®PA was launched in Canada in July 2019. Envarsus®PA is listed for public reimbursement across all provinces in Canada. Envarsus®PA competes in the tacrolimus market which was over \$200 million in 2025 and grew at a CAGR of 7% since 2020, according to IQVIA.

Bijuva® (estradiol and progesterone)

On July 31, 2018, Knight entered into an exclusive licensing agreement for the commercial rights of Bijuva® in Canada and Israel. 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 associated with menopause in women with an intact uterus. In Q1 2024, Knight launched Bijuva® in 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.

¹ Sumitomo Pharma Switzerland GmbH. MYFEMBREE (relugolix, estradiol, and norethindrone acetate tablets): Product monograph. Health Canada, 13 Oct. 2023, https://pdf.hres.ca/dpd_pm/00072888.PDF. Accessed 24 July 2025.

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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.

Testim® (testosterone)

Testim® is a topical gel containing 1% of testosterone, indicated for testosterone replacement therapy in adult males for conditions associated with a deficiency or absence of endogenous testosterone.

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 launched since 2024

Knight has generated \$27,920 in 2025 (2024: \$6,413) of revenues from the products in early launch stage which include Minjuvi® and Pemazyre® in Brazil and Mexico, Bapocil® in Argentina, and Imvexxy®, Bijuva®, Jornay PM®, Xcopri®, Myfembree® and Orgovyx® in Canada. The Company expects that its pipeline, including products launched or relaunched by Knight since January 2024 could achieve total revenues over \$200,000¹ in combined revenues in their peak years.

¹ This forward looking information is based on assumptions specific to the nature of the Company's activities with regard to annual revenue growth considering industry information, expected market share, pricing assumptions, actions of competitors, sales erosion rates after the end of patent or other intellectual property rights protection, the timing of the entry of generic competition, the expected results of tenders, among other variables.

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PRODUCT	INDICATION OR THERAPEUTIC AREA	TERRITORY					EXPECTED LAUNCH YEAR
		Canada	Brazil	Argentina	Colombia	Mexico	
Oncology/Hematology							
Minjuvi®	ASCT ineligible patients with relapsed or refractory DLBCL		Q1-24	Q4-25		Q1-25	—
Minjuvi®	Relapsed or refractory FL		■	●		●	2026-2027
Zynyz®	Squamous cell carcinoma of the anal canal Advanced Merkel cell carcinoma		▲	▲	▲	▲	2027-2029
Niktimvo®	Chronic graft-versus-host disease		●	▲		▲	2027-2029
Pemazyre®	Unresectable locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion		Q4-25	■		Q4-25	2026
Tavalisse®	Previously treated of chronic immune thrombocytopenia		●	●	●	■	2026-2027
Bapocil® ¹	Breast Cancer				Q1-26		2026
Xetrane® ¹	Multiple myeloma			Q2-19	●		2029
O501 ¹	Oncology/Hematology			■			2026
O502 ¹	Oncology/Hematology			■			2026
O503 ¹	Oncology/Hematology			▲			2027
O504 ¹	Oncology/Hematology			◆			2030
O401	Oncology/Hematology		◆				2029
O402	Oncology/Hematology		◆				2029
H403	Oncology/Hematology		◆		◆		2028
H402	Oncology/Hematology		◆		◆		2028-2029
Neurology							
Crexont®	Parkinson’s disease	●	▲	●	▲	●	2027-2030
Qelbree®	ADHD	●					2027
Jornay PM®	ADHD	Q4-25	▲			▲	2028-2030
Xcopri®	Adjunctive therapy in the management of partial-onset seizures in adults with epilepsy who are not satisfactorily controlled with conventional therapy	Q1-24 ²					—
C401	Other Specialty				■		2026
Other Specialty							
Imvexxy®	Moderate-to-severe dyspareunia	Q1-24					—
Bijuva®	Moderate-to-severe vasomotor symptoms due to menopause	Q1-24					—
Myfembree®	Treatment for heavy menstrual bleeding associated with uterine fibroids and moderate to severe pain associated with endometriosis in pre-menopausal women	Q1-24 ²					—
Orgovyx®	Advanced prostate cancer	Q1-24 ²					—
Wynzora®	Plaque psoriasis	■					2026
Gemtesa®	Treatment of overactive bladder, or OAB	▲					2028

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

² Date refers to the date of launch by Paladin or Sumitomo in partnership with Pfizer.

◆ Development: Products under development stage.

▲ Pre-registration: Not yet submitted for regulatory review. The indication is the anticipated indication upon regulatory approval.

● Submitted: Currently under regulatory review. The indication is the anticipated indication upon regulatory approval.

■ Approved: Approved by regulatory authorities but not yet commercially launched.

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Minjuvi® (tafasitamab)

Knight submitted supplemental applications seeking regulatory approvals for an additional indication of Minjuvi® in combination with rituximab and lenalidomide for the treatment of adult patients with previously treated FL in Brazil in Q2 2025 and in Argentina and Mexico in Q1 2026. Furthermore, Knight received the approval of Minjuvi® in combination with rituximab and lenalidomide for the treatment of adult patients with relapsed or refractory FL in Brazil in Q1 2026.

Zynyz® (retifanlimab)

In Q3 2025, Knight expanded its relationship with Incyte Biosciences International Sàrl, the Swiss-based affiliate of Incyte, and added the exclusive rights to distribute Zynyz® (retifanlimab) and Niktimvo® (axatilimab) for Latin America.

Zynyz® is approved in the United States and Europe for the treatment of adult patients with metastatic or recurrent locally advanced Merkel cell carcinoma (MCC), a rare and aggressive type of skin cancer.¹ Based on epidemiological data from two Brazilian registries, there are an estimated 550 – 1,250 new cases of MCC each year across Brazil, Mexico, Colombia and Argentina.² Zynyz® is also approved by the U.S. FDA in combination with carboplatin and paclitaxel for the first-line treatment of adult patients with inoperable locally recurrent or metastatic squamous cell carcinoma of the anal canal (SCAC).¹ In addition, the FDA approved Zynyz® as a single agent for the treatment of adult patients with locally recurrent or metastatic SCAC with disease progression on or intolerance to platinum-based chemotherapy¹. While epidemiological data for SCAC in LATAM is limited, there are approximately 2,700 – 4,000 new cases of SCAC each year in Brazil, Mexico, Colombia and Argentina.³

Niktimvo® (axatilimab)

Niktimvo® received FDA approval in August 2024 for the treatment of chronic graft-versus-host disease (cGVHD) after failure of at least two prior lines of systemic therapy in adult and pediatric patients weighing at least 40 kg.⁴ Chronic GVHD is a serious complication of allogeneic stem cell transplantation in which the donor's immune cells attack the recipient's tissues, potentially affecting multiple organs such as the skin, liver, lungs, and gastrointestinal tract. There are approximately 1,400 – 1,800 reported allogeneic transplants in Brazil every year.⁵ In Q1 2026, Knight announced that it submitted Niktimvo® for regulatory approval in Brazil.

Pemazyre® (pemigatinib)

In 2025, Knight obtained the regulatory approval for Pemazyre® in Mexico and Argentina, as monotherapy 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 Q4 2025, Knight launched Pemazyre® in Brazil and Mexico and expects to launch in Argentina in the first half of 2026.

¹ Incyte Corporation. ZYNYZ (retifanlimab-dlwr) injection, for intravenous use: Full prescribing information. Mar 2023, <https://www.zynyz.com/zynyz-prescribing-information>. Accessed 24 July 2025.

² de Melo, Andreia C, and Luiz C Santos Thuler. "Trends in the incidence and morbidity of Merkel cell carcinoma in Brazil." *Future oncology (London, England)* vol. 17,22 (2021): 2857-2865. doi:10.2217/fon-2020-1313.

³ Mignozzi, Silvia, Claudia Santucci, Matteo Malvezzi, Fabio Levi, Carlo La Vecchia, and Eva Negri. "Global Trends in Anal Cancer Incidence and Mortality." *European Journal of Cancer Prevention* 33, no. 2 (November 27, 2023): 77–86. <https://doi.org/10.1097/cej.0000000000000842>.

⁴ Incyte Corporation. NIKTIMVO (axatilimab-csfr) injection, for intravenous use: Full prescribing information. U.S. Food and Drug Administration, Aug. 2024, https://www.accessdata.fda.gov/drugsatfda_docs/label/2024/761411s000lbl.pdf. Accessed 24 July 2025.

⁵ Associação Brasileira de Transplante de Órgãos (ABTO). Registro Brasileiro de Transplantes (RBT): Dados numéricos da doação de órgãos e transplantes realizados por estado e instituição, janeiro-setembro 2024. 31 Oct. 2024, <https://site.abto.org.br/wp-content/uploads/2024/11/RBT2024-3t-abto-populacao.pdf>. Accessed 5 Nov. 2025.

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Tavalisse® (fostamatinib)

Knight submitted Tavalisse® for regulatory approval in Argentina in Q1 2025, for the treatment of thrombocytopenia in adult patients with chronic ITP who have had an insufficient response to a previous treatment. Knight obtained regulatory approval of Tavalisse® in Mexico in Q4 2024 and expects to launch in the first half of 2026. In addition, Knight received a rejection from ANVISA regarding its marketing authorization application for Tavalisse® in Brazil in Q3 2025 and has filed an appeal in December 2025. Knight's appeal was accepted and ANVISA is continuing its review.

Bapocil® (palbociclib)

Subsequent to year end, Bapocil® was approved and launched in Colombia. Bapocil® in combination with endocrine therapy is indicated for the treatment of patients with metastatic or advanced breast cancer that is hormone receptor positive and HER2-negative, in combination with: an aromatase inhibitor as initial endocrine-based therapy in post-menopausal women; or with fulvestrant in patients with disease progression after endocrine therapy.

Wynzora® (calcipotriol and betamethasone dipropionate)

Wynzora® is a cream-based fixed dose combination of calcipotriene and betamethasone dipropionate for topical treatment of psoriasis vulgaris in adults and adolescents aged 12-17 years for up to 8 weeks.¹ Its dual mode of action is targeting the hallmark cytokines IL-23 and IL-17A/F immune axis and TNF- α expression in a single product. Wynzora® Cream is uniquely enabled by MC2's formulation and drug delivery system PAD Technology™, allowing an effective convenient-to-use aqueous formulation.² Wynzora® Cream was approved in the US by the FDA on July 2020, and in the first country in Europe on July 2021. Knight acquired the license agreement with MC2 for Wynzora® upon closing the Paladin Transaction. Health Canada approved Wynzora® in Q4 2025, and Knight expects to launch in the second half of 2026.

Gemtesa® (vibegron)

Knight licensed Gemtesa® in June 2025 as part of the Sumitomo Transaction. Gemtesa® is indicated for the treatment of overactive bladder (OAB) with symptoms of urge urinary incontinence, urgency, and urinary frequency in adults and OAB with symptoms of urge urinary incontinence, urgency, and urinary frequency in adult males on pharmacological therapy for benign prostatic hyperplasia (BPH) in the U.S.³ Gemtesa® works by selectively targeting the β_3 adrenergic receptors to reduce OAB symptoms through the relaxation of the bladder detrusor muscle to increase bladder capacity. Gemtesa® is approved in the U.S. and Europe, and Knight expects to submit for Health Canada's approval in 2026.

Crexont® (carbidopa and levodopa)

Knight submitted Crexont® for approval in Canada and Mexico in Q2 2025, and in Chile, Argentina and Peru in Q4 2025. Crexont® is a novel, oral formulation of carbidopa ("CD")/levodopa ("LD") extended-release capsules designed for the treatment of Parkinson's disease.

Qelbree® (viloxazine)

In Q4 2025, Knight received a Notice of Non-Compliance from Health Canada for its New Drug Submission for Qelbree®, for the treatment of ADHD. Knight expect to submit its response to Health Canada in 2026. Qelbree® competes in the ADHD market which was over \$1 billion in 2025 of which the non-stimulant segment is \$96 million.

¹ Knight Therapeutics, Inc. Wynzora® (calcipotriol and betamethasone dipropionate cream) [product monograph]. Montreal, QC: Knight Therapeutics, Inc.; November 21, 2025.

² mc2 therapeutics Nov, 2023, https://www.wynzora.com/wp-content/uploads/2023/12/Wynzora_USPI_13.0.pdf access 07 January 7, 2026

³ Urovant Sciences, Inc. GEMTESA (vibegron) Tablets, for Oral Use: Prescribing Information. U.S. Food and Drug Administration, Dec. 2020, https://www.accessdata.fda.gov/drugsatfda_docs/label/2020/213006s000lbl.pdf. Accessed 24 July 2025. accessdata.fda.gov

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Jornay PM® (methylphenidate HCl extended-release capsules)

Knight launched Jornay PM® in Canada in Q4 2025. Jornay PM® is the first and only evening-dosed methylphenidate product commercially available in Canada to treat ADHD in children from 6 to 12 years of age.¹ 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 starting in the morning and continuing throughout the day. This unique formulation provides a pharmacokinetic profile that allows ADHD symptom control from the time patients wake up until the evening. Jornay PM® competes in the ADHD market which was over \$1 billion in 2025 of which methylphenidate is over \$500 million and grew at a CAGR of 10% since 2020, according to IQVIA.

Section 12 – Strategic Lending

Knight finances other life sciences companies across multiple geographic markets with the objective of strengthening relationships within the life sciences industry and securing product distribution rights for Canada and select international markets. To date, the strategic lending portfolio has resulted in the acquisition of Neuragen and the in-licensing of several products from Triumvira.

In 2025, the Company collected \$17,598 [US\$12,771] and received warrants with fair value of \$1,116 [US\$811] for the outstanding strategic loan receivables and as at December 31, 2025 no longer has strategic loan receivables, as presented in the table below.

	Carrying value as at January 1	Loan repayments	Net gain (loss) on FA ¹	Conversions ²	Foreign exchange ³	Carrying value end as at December 31	Current other financial assets	Non-current other financial assets
	\$	\$	\$	\$	\$	\$	\$	\$
2025								
Amortized Cost	21,116	(17,598)	(1,862)	(1,116)	(540)	—	—	—
Total	21,116	(17,598)	(1,862)	(1,116)	(540)	—	—	—
2024								
Amortized Cost	3,667	—	280	16,020	1,149	21,116	9,714	11,402
FVTPL	12,037	(97)	477	(12,967)	550	—	—	—
Total	15,704	(97)	757	3,053	1,699	21,116	9,714	11,402

¹In 2025, Synergy settled its loan to Knight for a consideration consisting \$13,758 [US\$10,000] in cash and warrants valued at \$1,116 [US\$811]. As a result, Knight recognized a loss of \$1,862 [US\$1,365] in Other expense for the year ended December 31, 2025. The remaining loan repayment of \$3,840 [US\$2,771] was collected from a life sciences company.

²In 2024, the Company amended its loan with Synergy which resulted in substantial modifications to the terms and conditions of the loan agreement and as such the modification was treated as the de-recognition of the original loan measured at FVTPL and the recognition of a new loan measured at amortized cost for \$12,967, and re-classified \$3,053 from trade and other receivables to loans and other receivables. The interest rate was 12% with maturity on March 31, 2026.

³During the year ended December 31, 2025, the Company recorded a loss of \$540 in the consolidated statement of (loss) income in Foreign exchange (gain) loss (2024: gain of \$1,145) and there was no a gain in the consolidated statement of comprehensive (loss) income in Unrealized gain on translation of foreign operations (2024: gain of \$ 554).

¹ Jornay PM, Health Canada Product monograph, November 2025, https://pdf.hres.ca/dpd_pm/00078457.PDF. Accessed 07 January 2026.

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Section 13 – Strategic Investments

Fund investments

Knight invested and monitors investments 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 \$3,496 as at December 31, 2025. Knight does not expect to invest in additional venture capital funds.

As at	December 31, 2025	
FMV of funds by expected exit date		\$
1-3 years		61,684
4-5 years		17,466
5+ years		334
Total		79,484

As at December 31,	2025	2024
Inception to date:		
Capital calls	161,499	160,192
Distributions received	(153,068)	(144,117)
Mark to market adjustment	58,940	63,818
Foreign exchange gain	12,113	12,131
TVPI¹	1.44x	1.47x
Contingent gains ²	5,960	8,418
TVPI¹ considering contingent gains²	1.48x	1.53x

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.

The following table summarizes the movement in fund investments recorded at FVTPL during the years ended December 31:

	Carrying value as at January 1	Additions ¹	Distributions ^{2,3}	Net gain (loss) on FA	Foreign exchange ⁴	Carrying value as at December 31	Current other financial assets	Non-current other financial assets
	\$	\$	\$	\$	\$	\$	\$	\$
2025	92,024	1,307	(8,951)	(4,878)	(18)	79,484	—	79,484
2024	108,949	3,846	(13,814)	(11,283)	4,326	92,024	—	92,024

¹Investments in equity or debt funds including US\$ 51 and EUR 274 (2024: US\$550 and EUR 281). Non-cash additions were \$340 [EUR 205] as at December 31, 2025 (2024: nil).

²Distribution received from funds including US\$ 160 and EUR 2,511 (2024: US\$356 EUR 3,732).

³The Company collected \$1,102 [EUR 684] of distributions in 2025 for certain net proceeds related to contingent milestones which were previously not recorded on the balance sheet (2024: \$5,800).

⁴During the year ended December 31, 2025, recorded a loss of \$2,304 in the statement of comprehensive (loss) income in unrealized gain (loss) on translation of foreign operations (2024: gain of \$5,467) and a gain of \$2,269 in the consolidated statement of (loss) income in foreign exchange (gain) loss (2024: loss of \$1,141).

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Equity Investments

Under IFRS 9, the Company has designated the following strategic investments as equity investments measured at FVOCI.

As at December 31,	2025		2024	
	Number of common shares owned	FV \$	Number of common shares owned	FV \$
Crescita	1,935,489	929	1,935,489	1,123
Synergy	1,911,414	4,873	1,482,844	8,261
Total		5,802		9,384

Synergy

On October 23, 2024 Synergy completed an IPO of 1.15 million shares of common stock on Nasdaq that were issued by Synergy at a price per share of US\$9 ("Synergy's IPO"). Prior to Synergy's IPO, the Company owned 1,482,844 common stock or approximately 19.6% of Synergy's outstanding common stock, received as consideration for the Company's strategic lending transactions with Synergy. Subsequent to Synergy's IPO, Knight's ownership of Synergy common stock was diluted to approximately 17%. The Synergy common shares held by Knight are subject to a 180-day post IPO lock-up period and are also subject to certain restrictions imposed under U.S. federal securities laws. For the year ended December 31, 2024, the Synergy Shares were recorded at their fair value based on December 31, 2024 closing price on Nasdaq discounted by an illiquidity factor resulting in an unrealized gain of \$8,261 (US\$5,742) recorded in other comprehensive income. The Synergy shares held by Knight are classified as a level 2 equity investment measured at FVOCI.

On May 30, 2025, Synergy repaid its outstanding financial obligations to Knight in exchange for a total consideration of \$14,874 [US\$10,811] including \$13,758 [US\$10,000] in cash and warrants with a fair value of \$1,116 [US\$811]. The loan was measured at amortized cost with a book value of \$16,736 [US\$12,176] which includes a principal amount of \$10,071 [US\$7,320]. Based on the fair value of the consideration received, the Company recognized a loss of \$1,862 [US\$1,365] in *Other expense* in the consolidated statement of loss for the year ended December 31, 2025.

Under the terms of the warrant, each warrant was convertible into one common share of Synergy at a de minimis exercise price. On June 20, 2025, the Company exercised its warrants and received 428,570 additional common shares of Synergy ("Additional Shares"). Subsequent to the warrant execution, as at December 31, 2025 Knight holds 1,911,414 shares ("Synergy Shares"), representing approximately 13.3% of Synergy's outstanding common stock. The Additional Shares were subject to a 180-day post conversion lock-up period and the Synergy Shares are subject to certain trading restrictions imposed under U.S. federal securities law. The 180-day post conversion lock-up period ended.

For the year ended December 31, 2025, the Synergy Shares were recorded at their fair value based on December 31, 2025 closing price on NASDAQ. An unrealized loss of \$4,495 (US\$3,194) was recorded in other comprehensive income. The Synergy shares held by Knight are classified as a level 1 equity investment measured at FVOCI, having transferred from level 2 as of December 31, 2024.

As at January 1, 2024, the shares of Synergy were valued at the fair value less the deferred day 1 gain on initial measurement, and classified as a level 3 equity investment at FVOCI. The fair value before considering the deferred day 1 gain was \$233 (US\$176). The deferred day 1 gain was \$4,978 (US\$3,764) and was generated on the acquisition of Synergy common shares in 2016, where the fair value of the acquired assets was not based on a quoted price in an active market or based on a valuation technique that uses only data from observable markets. Due to the Synergy's IPO, the deferred day 1 gain was derecognized in 2024 and was included in the of \$8,261 unrealized gain recorded in other comprehensive income.

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(In thousands of Canadian dollars, except for share and per share amounts)

RISK MANAGEMENT**Section 14 - Risk Management****Management of capital**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its shareholders and to maintain a flexible capital structure which optimizes the cost of capital at acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Managed capital includes cash and cash equivalents, marketable securities, other financial assets, debt and equity (excluding AOCI). To maintain or adjust the capital structure, the Company may take on additional debt, attempt to issue new common shares, repurchase the Company's own stock, and acquire or dispose of assets. The issuance and repurchase of common shares requires approval of the Board of Directors.

The Company's investment policy regulates the investment activities relating to cash resources. An Investment Committee composed of representatives from management and the Board of Directors monitors compliance with said policy. The Company invests in strategic investments in the form of equity or liquid investment securities with varying terms to maturity, selected with regard to the expected timing of investments and expenditures for continuing operations and prevailing interest rates.

14.1 Currency risk

The Company has significant exposure to foreign currencies of emerging markets in Latin America. Knight generates a significant portion of its revenues in BRL, ARS and COP as well as a basket of other Latin American currencies (BOB, MXN, PEN, PYG, UYU and CLP). Such currencies have been historically volatile and could create significant fluctuations on the Company's results when translated to CAD. Furthermore, Knight is exposed to a currency mismatch due to certain pharmaceutical products, active pharmaceutical ingredient 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.

Currency risks in net financial assets

Knight holds a significant portion of its net financial assets or liabilities in USD, EUR, BRL, CLP, MXN, COP and ARS which results in financial risk due to fluctuations in the value of the currencies relative to the Canadian dollar. The Company has subsidiaries throughout LATAM whose functional currencies differ from the CAD. Knight does not believe that the foreign exchange impact in the consolidated statement of loss represents its full currency exposure. The below analysis excludes intercompany balances but includes balances that are revalued to CAD through other comprehensive income. Assuming all other variables remain constant, a 5% depreciation of CAD, would result in a change in the consolidated statement of loss or statement of other comprehensive income (loss) as follows:

	\$
Foreign Exchange Risk (5% change)	
USD	1,215
EUR	777
BRL	2,360
ARS	461
CLP	100
COP	945
MXN	214

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14.2 Equity price risk

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

Years ended December 31,	2025	2024
	\$	\$
Equity investments	18,946	20,792
Investments in funds	79,484	92,024
Total	98,430	112,816

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.

14.3 Interest rate risk

The Company is subject to interest rate risk on the interest income generated on its cash, cash equivalents and marketable securities. Details regarding maturity dates and effective interest rates are described in Note 7 - *Marketable Securities* of the *Consolidated Annual Financial Statement*. Assuming 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 \$953 over a one-year period.

The Company is exposed to interest rate risks in connection with its bank loans borrowings. Details regarding maturity dates and effective interest rates are described in Section 7 *Liquidity and Capital Resources* of *Management's Discussion and Analysis*. The Bancolombia, the IFC and the Revolving Credit Facility loans have a variable interest rate that fluctuates with the CDI, IBR and TIIE rates. The applicable CDI, IBR, TIIE and CORRA are the average rates applicable during each interest period. Assuming all other variables remain constant, a 1% increase in the interest rate would have resulted in an increase of interest expense of \$679 over a one-year period.

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(In thousands of Canadian dollars, except for share and per share amounts)

14.4 Liquidity risk

The Company generates sufficient cash from operating and investing activities to fulfill its obligations as they become due. The Company has sufficient funds available through its cash, cash equivalents and marketable securities should its cash requirements exceed cash generated from operations to cover all financial liability obligations. Periodically, the Company forecasts their projected cash flows both at the subsidiary and consolidated level. If any issues are identified, the corporate teams will work with the local teams to provide liquidity support. The Company negotiates lines of credit with global and regional banks to diversify its options and ensure competitive financing rates.

As at December 31, 2025, there were no restrictions on the flow of these funds nor have any of these funds been committed in any way, except as set out in note 8 - *Marketable Securities* of the *Annual Financial Statements*.

The following table presents the maturity analysis of contractual undiscounted cash flows related to the Company's financial liabilities:

December 31, 2025	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due after 5 years	Total
Accounts payable and accrued liabilities	120,868	4,887	—	—	125,755
Lease liabilities	3,398	2,507	2,634	2,464	11,003
Other liabilities	12,878	—	—	—	12,878
Bank loans	16,730	12,603	40,235	—	69,568
Income taxes payable	580	—	—	—	580
Other balances payable	10,806	14,283	23,145	14,120	62,354
Total	165,260	34,280	66,014	16,584	282,138

December 31, 2024	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due after 5 years	Total
Accounts payable and accrued liabilities	78,345	4,828	—	—	83,173
Lease liabilities	2,640	3,680	217	137	6,674
Other liabilities	1,876	—	—	—	1,876
Bank loans	21,829	17,001	12,457	—	51,287
Income taxes payable	213	—	—	—	213
Other balances payable	10,688	10,301	4,317	7,914	33,220
Total	115,591	35,810	16,991	8,051	176,443

14.5 Credit risk

The Company considers its maximum credit risk to be \$210,169 (2024: \$221,055) which is the total of the following assets: trade receivable, current other receivables, interest receivable, loans receivable and investment in funds.

The short-term investments, such as 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 Company is exposed to credit risk from its customers and continually monitors its customers' credit. 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. There is a credit policy in place to ensure that these limits are periodically reviewed and immediately adjusted if needed. Furthermore, the Company establishes the ECL based upon days past due and the likelihood of collection for each customer.

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The credit risk on loans and interest receivable is due to the risk of insolvency or operational failure of the partners in the strategic lending transaction. In 2025, the Company collected \$17,598 [US\$12,771] and received warrants with fair value of \$1,116 [US\$811] for the outstanding strategic loan receivables and as at December 31, 2025 no longer has strategic loan receivables, as presented in Section 12 – *Strategic Lending*. The Company also has a credit risk on its investment in funds which are held through venture funds.

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, 2025, three customers represented 26%, 9% and 5% (2024: two customers for 31% and 7%) of the trade and accounts receivable balance. For the year ended December 31, 2025, one customer represented 20% (2024: 20%) of revenues.

14.6 External environment and inflation risk

The current global macroeconomic environment is characterized by elevated levels of inflation due to several external factors including global supply chain constraints, ongoing conflicts between Ukraine and Russia, U.S. and Venezuela, as well as in the Middle East, and volatile global financial and economic conditions. Despite the reduction in inflation in the most recent months in response to aggressive monetary tightening policies implemented by central banks around the world, the Company continues to experience increased inflationary pressures, across all Knight's geographies, on operating expenses including, but not limited to, compensation costs, raw material and product costs driven by rising costs of its partners and suppliers in both developed and developing markets. Such increase in costs cannot be matched to the same extent by increases in Knight's product prices due to local pricing regulations and competitive pressure for certain of its products. There is no assurance that continued inflation pressures will not have similar impacts on Knight's future operations.

14.7 Impact of ongoing conflicts

We do not have any business operations in Israel, Ukraine, Russia or Venezuela. As the situation is changing rapidly, it is not possible to predict how the ongoing conflicts will affect global supply chains, commodity prices, the overall economic environment, or financial markets as the conflict has lasted longer than previously anticipated and could last for an extended period of time.

While the ongoing conflicts has not resulted in disruption of our supply of raw materials, we are actively monitoring for any potential impacts arising from it. The continued risk surrounding the ongoing conflicts and any escalations may have a material adverse impact on our business, financial condition and results of operations.

14.8 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 the 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.

Knight has no control over tariffs, quotas, duties, or other restrictions or regulations and its impact on the pharmaceutical industry. Therefore, further cost increases may have a material adverse impact on our business, financial condition and results of operations.

14.9 Emerging market risk

The Company is exposed to additional risks related to investing and operating in international locations including emerging markets. Operating in such markets carries substantial inherent financial, legal and political risks. If Knight cannot integrate

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(In thousands of Canadian dollars, except for share and per share amounts)

its acquisition successfully, these changes could have a material adverse effect on the business, financial condition, results of operations and cash flows. In addition, operating 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 to its exposure to operating in emerging markets, Knight is further exposed to the global inflationary environment. Refer to Subsection 14.6 - *External environment and inflation risk* for further details.

14.10 Risk factors

An investor should carefully consider the information contained in this MD&A, in addition to the risk factors discussed in the Company's AIF under the heading "Risk Factors", which section is hereby incorporated herein by reference. The disclosures in this MD&A are subject to the risk factors outlined in the AIF. Additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect the Company's business. If any one or more of the risks occur as outlined in the AIF, the Company's business, financial condition and results of operations could be seriously harmed. Further, if the Company fails to meet the expectations of the public market in any given period, the market price of the Company's common shares could decline. Before making an investment decision, each prospective investor should carefully consider the risk factors included in the AIF and other public documents.

For a detailed discussion of additional risk factors, please refer to the Company's latest Annual Information Form on SEDAR+ at www.sedarplus.ca.

ADDITIONAL INFORMATION**Section 15 – Off-balance Sheet Arrangements**

The Company's off-balance sheet arrangements consist of contractual obligations and agreements for development, sales, marketing and distribution rights to innovative drug products. The effect of terminating these arrangements under normal operating circumstances consists of an effective transition of the remaining responsibilities and obligations to the licensor under agreed upon time frames and conditions. Other than these contractual obligations and commitments, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial condition, changes in revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material to investors.

Section 16 – Commitments

In the normal course of business, the Company secures development, sales, marketing and distribution rights to innovative drug products requiring royalties or product payments. These payments are considered normal operating commitments and as such are not included herein. The Company has entered into various agreements which include contractual commitments extending beyond the current year. These commitments are classified into three major categories: fund commitments, milestone and purchase commitments. The commitments of the Company as at December 31, 2025 are as follows:

[i] Fund commitments

As at December 31, 2025, under the terms of Company's agreements with life sciences venture capital funds, \$3,496 (2024: \$5,936), may be called over the life of the funds. As at March 18, 2026, \$3,495 remains to be called by life science venture capital funds.

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[ii] Milestones and purchase commitments

Under certain agreements, Knight may have to pay additional consideration should the Company achieve certain sales volumes or if certain milestones are met, such as regulatory approval. All milestones that the Company considers probable to be achieved have been recorded as a liability in *Other Balances Payable*.

As at December 31, 2025, the Company may have to pay up to \$493,138 (2024: up to \$405,097) upon achieving certain sales volumes, regulatory or other milestones related to specific products. These milestone are not currently expected to be achieved in the future.

The table below outlines the milestone commitments by currency of payment:

As at	March 18, 2026		December 31, 2025		December 31, 2024	
Currency Unit	Currency	\$	Currency	\$	Currency	\$
CAD	159,702	159,702	159,702	159,702	131,304	131,304
USD	153,397	208,881	153,397	210,246	124,985	179,841
CHF	55,335	96,117	55,335	95,652	55,335	87,933
EUR	17,116	26,860	17,116	27,538	4,032	6,019
Total		491,560		493,138		405,097

As at December 31, 2025, for products that are currently launched, the Company has committed to inventory purchases of \$182,700 (2024: \$113,131), which will be purchased over the next 5 years.

	\$
2026	65,524
2027	55,662
2028	48,246
2029	6,634
2030	6,634
Total	182,700

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The table below outlines the purchase commitments by currency of payment:

As at	March 18, 2026		December 31, 2025		December 31, 2024	
Foreign Currency Unit	Foreign Currency	\$	Foreign Currency	\$	Foreign Currency	\$
Products launched:						
BRL	420,670	109,963	427,800	107,033	142,600	33,183
USD	34,473	46,942	34,563	47,372	32,843	47,258
EUR	8,754	13,738	9,553	15,370	10,185	15,204
CHF	6,667	11,581	7,477	12,925	11,004	17,486
Total products launched		182,223		182,700		113,131
Products not yet launched¹:						
USD	2,450	3,336	2,450	3,358	—	—
EUR	—	—	—	—	1,277	1,906
Total products not yet launched		3,336		3,358		1,906
Total		185,559		186,058		115,037

¹ For products not yet launched, the purchase obligation starts after the commercial launch of the product.

[iii] Contingencies***Notification from NCA for administrative investigation***

On March 28, 2025, Knight's subsidiary in Argentina, Laboratorio LKM S.A., received a notification from the NCA referring to a claim filed before the NCA about an administrative investigation for alleged anticompetitive practices in the Argentine pharmaceutical market on the sales of oncology products to the public medical insurance program ("PAMI") covering pensioners and retirees. The claim affects 38 pharmaceutical companies, including large multinational pharmaceuticals, and initially covers the period from January 2018 to January 2025. The claim is currently ongoing and in a preliminary investigation stage. The Company believes the claim is unfounded and it is not possible at this time to estimate the outcome. The Company has not recorded any provision related to this claim.

Notification from MOH in Brazil for bank guarantee delivery delay

During 2025, United Medical Ltda. ("United Medical") received notifications from MOH informing fines totaling approximately \$1,756 [BRL 6,847], primarily related to alleged administrative delays. United Medical has filed administrative appeals against these fines, and, as of the reporting date, the MOH has not issued decisions on such appeals. The Company believes it has well-founded legal and factual grounds to conclude that no fines should be imposed. Accordingly, no provision has been recognized in connection with these matters.

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Section 17 – Outstanding Share Data

The table below summarizes the share data:

As at	March 12, 2026	December 31, 2025
Common shares	98,034,743 ¹	99,192,343
Stock options	5,241,577	5,241,577
RSUs	338,669	332,684
PSUs	1,085,636	1,079,651
DSUs	256,718	256,718

¹ Includes 38,700 shares purchased under NCIB not yet cancelled as of March 12, 2026.

On July 11, 2024, the Company announced that the Toronto Stock Exchange approved its notice of intention to launch a NCIB ("2024 NCIB"). Under the terms of the 2024 NCIB, Knight may purchase for cancellation up to 5,312,846 common shares of the Company which represented 10% of its public float as at June 30, 2024. The 2024 NCIB commenced on July 15, 2024 and ended on July 14, 2025.

On August 20, 2025, the Company announced that the Toronto Stock Exchange approved its notice of intention to launch a NCIB ("2025 NCIB"). Under the terms of the 2025 NCIB, the Company may purchase for cancellation up to 3,000,000 common shares of the Company which represented approximately 3% of its 99,653,265 common shares issued and outstanding as at August 8, 2025. The 2025 NCIB commenced on August 22, 2025 and will end on the earlier of August 21, 2026 or when the Company completes its maximum purchases under the NCIB. Furthermore, the Company entered into an agreement with a broker to facilitate purchases of its common shares under the NCIB.

During the year ended December 31, 2025, the Company purchased 1,130,600 (2024: 1,619,167) common shares, of which 13,000 common shares, equivalent to \$78 remains to be settled as at December 31, 2025, at an average price of \$5.69 (2024: \$5.53) for aggregate cash consideration of \$6,431 (2024: \$8,956). As at December 31, 2025, there were 2,475,800 common shares remaining to be purchased under the 2025 NCIB.

Subsequent to year end up to March 12, 2026, the Company purchased additional 1,183,300 common shares at an average purchase price of \$6.17 for an aggregate cash consideration of \$7,296.

The historical purchases of shares through Knight's NCIB program since inception and up to March 12, 2026 are as follows:

Launch Date	Status ¹	Total Shares Approved		Average Purchase Price (\$)	Total Cash Consideration (\$) ¹
		for Buy-Back	Shares Purchased ¹		
July 11, 2019	Completed	12,053,693	12,053,693	7.14	86,094
July 14, 2020	Completed	10,856,710	6,193,169	5.33	32,991
July 14, 2021	Completed	10,267,956	10,267,956	5.25	53,869
July 14, 2022	Completed	7,988,986	7,785,625	4.99	38,871
July 14, 2023	Completed	5,999,524	5,999,524	4.87	29,231
July 15, 2024	Completed	5,312,846	2,019,906	5.48	11,065
August 22, 2025	Active	3,000,000	1,707,500	6.08	10,376
Total		55,479,715	46,027,373	5.70	262,497

¹ Each NCIB is carried over a maximum period of one year from launch date. The shares purchased and total cash consideration is over that one-year period.

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The historical purchases of shares through Knight's NCIB program by fiscal year is as follows:

Year	Shares Purchased	Average Purchase Price (\$)	Total Cash Consideration (\$)
2019	7,249,249	7.56	54,838
2020	5,748,716	6.40	36,778
2021	12,321,864	5.23	64,416
2022	5,649,189	5.34	30,186
2023	11,125,288	4.82	53,596
2024	1,619,167	5.53	8,956
2025	1,130,600	5.69	6,431
2026	1,183,300	6.17	7,296
Total	46,027,373	5.70	262,497

Section 18 – Significant Accounting Estimates and Assumptions

The preparation of the Company's interim condensed consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts or revenues and expenses during the reporting period. Reported amounts and note disclosures reflect the overall economic conditions that are most likely to occur and anticipated measures management intends to take. Actual results could differ materially from those estimates. Our significant accounting estimates and assumptions are reported in Note 3 - *Use of judgments and estimates* of our 2025 Annual Financial Statements.

Adoption of New or Amended Accounting Standards

In August 2023, the IASB issued amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates* in relation to *Lack of Exchangeability* effective for annual periods beginning on or after January 1, 2025, with early adoption permitted. The amendments specify when a currency is exchangeable into another currency and when it is not, specify how an entity determines the exchange rate to apply when a currency is not exchangeable, and require the disclosure of additional information when a currency is not exchangeable. The amendments had no material effect on the consolidated financial statements.

Future Changes and Amendments to Accounting Standards

IFRS 18 Presentation and Disclosure in the Financial Statements

The IASB issued IFRS 18 *Presentation and Disclosure in the Financial Statements* ("IFRS 18"), which sets out requirements and guidance on presentation and disclosure in financial statements, including:

- presentation in income statement of income and expenses within five defined categories: operating, investing, financing, income taxes, and discontinued operations
- presentation in the income statements of new defined subtotals for operating profit and profit before financing and income taxes
- enhanced guidance on aggregation and disaggregation of information and whether to provide information in the financial statements or in the notes
- disclosure of specified expenses by nature
- disclosure of explanations of management-defined performance measures

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IFRS 18 will replace IAS 1 *Presentation of Financial Statements* but carries forward many requirements from IAS 1 without any change. The standard is effective for the annual reporting periods beginning on or after January 1, 2027, with early application permitted. The Company is progressing with the implementation of IFRS 18 and plans to apply the new presentation and disclosure requirements beginning with the interim consolidated financial statements for the first quarter of 2027. The standard is expected to primarily affect presentation and disclosures, without impacting recognition or measurement.

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments*

The IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments*. The amendments clarify the date of recognition and derecognition of some financial assets and liabilities, introduces an accounting policy option for financial liabilities settled using an electronic payment system if certain conditions are met and adds new disclosure requirements for financial instruments with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026 with early application permitted. The Company will implement these amendments as required and does not expect their adoption to have a material impact on its consolidated financial statements.

Section 19 – Use of Proceeds from Financing

To date, Knight has raised net proceeds of approximately \$685,000 from five public offerings and executed on the Credit Facility of US\$100,000 with an accordion feature of another US\$100,000. In our short form prospectuses related to the offerings, Knight disclosed that its intent was to use a substantial portion of the net proceeds (i) for potential acquisitions of (a) in-licensing of over-the-counter and prescription pharmaceutical products and targeted promotion of these products, and (b) specialty pharmaceutical businesses in select international markets, (ii) for financing of other life sciences companies in Canada and internationally as well as for investments in funds focused in the life sciences sector, and (iii) the remainder for general corporate purposes.

As at December 31, 2025, Knight had deployed and invested or committed to deploy and invest over \$1.2 billion for the purposes disclosed in the prospectuses, as described above. Knight anticipates that it has sufficient funds and credit available to achieve its business objectives and milestones as listed in the prospectuses.

Section 20 – Payment of Dividends

The Company has not paid dividends on its common shares since inception and does not anticipate declaring dividends in the foreseeable future. Knight's current policy is to retain earnings to finance the acquisition and development of new products and to reinvest in the growth of the Company. Any future determination to pay dividends is at the discretion of the Company's Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements and other such factors as the Board of Directors of the Company deems relevant.

Section 21 – Product Pricing Regulation on Certain Drug Products

For details on pricing regulations and pricing risks in the various markets where Knight operates, refer to Knight Therapeutics Inc., Annual Information Form filed on SEDAR+ at www.sedarplus.ca.

Section 22 – Financial Instruments

The Company's investment policy regulates the investment activities relating to cash resources. The Company invests in strategic investments in the form of equity or liquid investment securities with varying terms to maturity, selected with regard to the expected timing of investments and expenditures for continuing operations, and prevailing interest rates.

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Section 23 – Related Party Transactions

Pharmascience Inc., a company related to the Company's Executive Chairman of the Board of Directors, provided administrative services to the Company of approximately \$374 (2024:\$31) and the Company purchased inventory of approximately \$175 from Pharmascience Inc. during the year ended December 31, 2025.

The compensation expenses of key management personnel, including directors, in aggregate were as follows:

For the years ended December 31,	2025	2024
	\$	\$
Salaries	3,763	3,943
Bonuses	2,747	2,140
Board fees	719	673
Share-based incentive plans	6,852	1,307
Total	14,081	8,063

Section 24 – Disclosure Controls and Procedures

The Company is committed to providing timely, accurate and balanced disclosure of all material information about the Company and to providing fair and equal access to such information. Management is responsible for establishing and maintaining its DC&P to ensure that information used internally and disclosed externally is complete and reliable. Due to the inherent limitations in all control systems, an evaluation of controls can provide only reasonable, not absolute assurance, that all control issues and instances of fraud or error, if any, within the Company have been detected. Management continues to evolve and enhance its system of controls and procedures.

Section 25 – Internal Control Over Financial Reporting (ICFR)

The Company's management is responsible for establishing and maintaining adequate Internal Control Over Financial Reporting (ICFR). The Company has designed ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

All control systems, no matter how well designed, have inherent limitations, including the possibility of human error and the circumvention or overriding of the controls or procedures. As a result, there is no certainty that our DC&P or ICFR will prevent all errors or all fraud.

For the year ended December 31, 2025, management has evaluated the design and operating effectiveness of its ICFR as defined in NI 52-109. The evaluation was based on the criteria established in the "Internal Control-Integrated Framework" issued by the COSO. This evaluation was performed internally by the Company. Based on this evaluation, management concluded that the ICFR were appropriately designed and no material weaknesses or significant deficiencies were noted, as at December 31, 2025.

During the year ended December 31, 2025, there was no significant changes in our internal control over financial reporting that materially affected or is reasonably likely to materially affect the Company's internal controls over financial reporting.

Management's Discussion and Analysis for the year ended December 31, 2025

(In thousands of Canadian dollars, except for share and per share amounts)

Section 26 – Subsequent Events

(i) In March 2026, Knight executed certain agreements with two partners to return the Canadian commercial rights of six non-core products in exchange for a payment of \$21,500 ("Partner Payment"). These products generated total revenues of \$7,527¹ in 2025.

In accordance with the Asset Purchase Agreement of the Paladin Transaction, as a final and full settlement, Knight will release \$8,457 of the Settlement Agreement Holdback to Paladin.

(ii) In March 2026, Knight executed an asset purchase agreement to acquire land and a building in an industrial zone outside of Buenos Aires in Argentina ("Facility"). The Facility was built in 2017 and was originally designed to be a research and development and pharmaceutical manufacturing site. The Company expects to move part of its branded generic manufacturing activities to this Facility in the next three years.

¹ For certain products, revenues include \$3,247 generated by Paladin Pharma Inc. between January 1 and June 17, 2025

Audited Annual Consolidated Financial Statements

Knight Therapeutics Inc.
December 31, 2025

Independent auditor's report

To the Shareholders of
Knight Therapeutics Inc.

Opinion

We have audited the consolidated financial statements of **Knight Therapeutics Inc.** and its subsidiaries [the "Group"], which comprise the consolidated balance sheets as at December 31, 2025 and 2024, the consolidated statements of (loss) income, consolidated statements of comprehensive (loss) income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRS"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<i>Impairment assessment of goodwill and intangible assets not available for use</i>	
As at December 31, 2025, the carrying value of goodwill and intangible assets not available for use, amounted to \$90.0 million, and \$38.9 million, respectively. For goodwill and intangible assets that are not available for use, management assesses at least annually, or at any time if an indicator of impairment exists, whether there has been an impairment loss in the carrying value of these assets. When performing its impairment tests, the Group estimates the recoverable amount for each cash generating unit ("CGU") or group of CGUs to which goodwill or intangible assets not available for use has been allocated using the value-in-use method, whereby the net cash flows are determined based on budgets approved by the board of directors. The Group discloses significant judgments, estimates and assumptions and the result of their analysis in respect of impairment in Notes 2.3,3 and 15 to the consolidated financial statements. We have determined that auditing management's impairment tests is a key audit matter given the complexity, degree of judgment, and subjectivity used in evaluating management's estimates and assumptions in determining the recoverable amount of the asset, CGU or group of CGUs. Significant assumptions included the annual revenue growth rate, profit margins, terminal growth rate and discount rate, which are affected by expectations about future market and economic conditions including macroeconomic factors.	Our audit procedures included, among others, the following: • Obtained and evaluated management's impairment models and assessed the reasonableness of key assumptions used in the calculations, comprising the annual revenue growth rate, profit margins, terminal growth rate and discount rate. • We obtained an understanding of and evaluated management's basis for determining the assumptions, and compared them to economic growth forecasts, comparable companies, as well as internal evidence available. • Assessed the historical accuracy of the Group's estimates with respect to cash flow projections in previous periods by comparing to current results. • Evaluated, with the assistance of our valuation specialists, the Group's valuation methodology, the terminal growth rate and the discount rate by referencing current industry, economic and comparable company information. • Performed sensitivity analysis on significant assumptions to assess the sensitivity of the estimate to change, and the impact on the results of the impairment assessment. • Evaluated management's disclosure in the notes to the consolidated financial statements of significant judgments in relation to this matter.

Business Combinations - Valuation of assets acquired and contingent consideration

As described in Note 6 [i] in the consolidated financial statements, the Company acquired the international business of Endo Operations Limited which was mainly its Canadian business operating as Paladin Pharma Inc. The total purchase price for the business combination was \$126.6 million, including contingent consideration of \$19.1 million. The fair value of identifiable net assets acquired includes goodwill of \$2.4 million and intangible assets of \$102.8 million as at the acquisition date. The determination of the fair value of intangible assets acquired and contingent consideration required management to make significant estimates and assumptions over the cash flow projections including forecasted revenue growth rates, profit margins and the weighted average cost of capital ["WACC"].

We have determined that auditing the business combination is a key audit matter given the complexity due to the subjective nature of estimating the fair value of the acquired intangible assets and contingent consideration. Management uses significant judgment in evaluating the inputs and assumptions used in their determination of fair value. The valuation of intangible assets and contingent consideration are subject to higher estimation uncertainty due to management's judgment in determining key assumptions that include revenue growth rates, margin percentages, and the WACC. Changes to these significant assumptions could have a significant impact on the fair value of acquired intangible assets and contingent consideration.

Our audit procedures included, among others, the following:

- Read the purchase agreement to obtain an understanding of the key terms and conditions to identify the necessary accounting considerations and identification of assets and liabilities acquired.
- Involved our valuation specialists to assess the valuation methodology applied for the fair value of the intangible assets acquired and the contingent consideration and the various inputs utilized, including the WACC, by referencing current industry and comparable company information as well as cash flow and company specific risk.
- Assessed the appropriateness of forecasted revenue growth rates and profit margin used in the estimation of fair value of the intangible assets acquired and contingent consideration by comparing to historical performance, similar acquisitions made by the Company, market data, and industry trends.
- Assessed the adequacy of the Company's disclosures included in Notes 3 and 6 of the accompanying consolidated financial statements in relation to this matter.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If based on the work we will perform on this other information, we conclude there is a material misstatement of other information, we are required to report that fact to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Grégoire Pilon.

A handwritten signature in black ink that reads "Ernst & Young LLP" with a superscript "1" to the right.

Montréal, Canada
March 18, 2026

¹ CPA auditor, public accountancy permit no. A137843

CONSOLIDATED BALANCE SHEETS

[In thousands of Canadian dollars]

As at December 31,	Notes	2025	2024
ASSETS			
Current			
Cash and cash equivalents	7	76,449	80,106
Marketable securities	8	18,834	62,225
Trade receivables	9	127,775	105,196
Other receivables	6, 10	6,063	4,339
Inventories	6, 11	135,866	102,698
Prepays and deposits		6,505	7,744
Other current financial assets	16	18,946	30,506
Income taxes receivable		4,397	3,999
Total current assets		394,835	396,813
Prepays and deposits		8,883	7,217
Right-of-use assets	6, 12	9,919	5,912
Property, plant and equipment	6, 13	12,006	14,110
Intangible assets	6, 14	379,510	283,612
Goodwill	6, 15	89,982	86,477
Other financial assets	16	79,484	103,426
Deferred tax assets	24	26,921	21,247
Other long-term receivables	18	44,760	44,983
Total non-current assets		651,465	566,984
Total assets		1,046,300	963,797

CONSOLIDATED BALANCE SHEETS (continued)

[In thousands of Canadian dollars]

As at December 31,	Notes	2025	2024
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	6, 19	120,868	78,345
Lease liabilities	6, 12	3,398	2,640
Other liabilities		12,878	1,876
Bank loans	17	16,730	17,486
Income taxes payable		580	213
Other balances payable	6, 20	10,806	10,688
Total current liabilities		165,260	111,248
Accounts payable and accrued liabilities	19	4,887	4,828
Lease liabilities	6, 12	6,618	3,434
Bank loans	17	51,165	25,899
Other balances payable	6, 20	48,105	19,443
Deferred tax liabilities	24	2,993	3,840
Total liabilities		279,028	168,692
Shareholders' equity			
Share capital	21 [i]	530,140	534,266
Warrants		—	117
Contributed surplus		32,449	25,708
Accumulated other comprehensive income	22	55,741	80,220
Retained earnings		148,942	154,794
Total shareholders' equity		767,272	795,105
Total liabilities and shareholders' equity		1,046,300	963,797

*Commitments and contingencies [note 31]**Subsequent events [note 32]**See accompanying notes*

CONSOLIDATED STATEMENTS OF (LOSS) INCOME

[In thousands of Canadian dollars, except for share and per share amounts]

Years ended December 31,	Notes	2025	2024
Revenues	26, 27	450,088	371,304
Cost of goods sold		249,858	196,899
Gross margin		200,230	174,405
Expenses			
Selling and marketing		67,927	53,861
General and administrative		56,182	45,488
Research and development		28,984	23,304
Amortization of intangible assets	14	49,487	44,355
Operating (loss) income		(2,350)	7,397
Interest income on financial instruments measured at amortized cost		(5,961)	(9,094)
Other interest income		(245)	(1,316)
Interest expense		10,422	9,223
Other expense		2,272	129
Net loss on financial assets measured at fair value through profit or loss	16	2,341	11,435
Foreign exchange (gain) loss		(1,856)	4,194
Gain on hyperinflation		(2,621)	(9,226)
(Loss) income before income taxes		(6,702)	2,052
Income taxes			
Current	24	2,483	963
Deferred	24	(3,811)	(3,243)
Income tax recovery		(1,328)	(2,280)
Net (loss) income		(5,374)	4,332
Basic and diluted net (loss) income per share	25	(0.05)	0.04
Weighted average number of common shares outstanding			
Basic		99,566,529	101,040,581
Diluted		99,566,529	101,436,902

See accompanying notes

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

[In thousands of Canadian dollars]

Years ended December 31,	2025	2024
Net (loss) income for the year	(5,374)	4,332
Other comprehensive (loss) income, net of income taxes		
Items that may be reclassified subsequently to net income or loss:		
Unrealized (loss) gain on translation of foreign operations	(20,413)	41,751
Items permanently in other comprehensive income or loss:		
Net (loss) gain on equity investments at fair value through other comprehensive income, net of income tax recovery of \$622 (2024: income tax recovery of \$840)	(4,066)	8,640
Other comprehensive (loss) income	(24,479)	50,391
Total comprehensive (loss) income	(29,853)	54,723

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

[In thousands of Canadian dollars]

	Notes	Share capital	Warrants	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total Shareholders' equity
Balance as at January 1, 2025		534,266	117	25,708	80,220	154,794	795,105
Net loss		—	—	—	—	(5,374)	(5,374)
Other comprehensive loss for the year		—	—	—	(24,479)	—	(24,479)
Comprehensive loss		—	—	—	(24,479)	(5,374)	(29,853)
Share-based compensation expense	21 [ii]	—	—	8,114	—	—	8,114
Shares purchased under Normal Course Issuer Bid	21 [iii]	(6,045)	—	—	—	(478)	(6,523)
Issuance upon vesting of PSUs and RSUs	21 [ii]	1,113	—	(1,490)	—	—	(377)
Issuance under share purchase plan	21 [ii]	581	—	—	—	—	581
Repayment of share purchase loans	21 [i]	225	—	—	—	—	225
Warrant expiration		—	(117)	117	—	—	—
Balance as at December 31, 2025		530,140	—	32,449	55,741	148,942	767,272
Balance as at January 1, 2024		540,046	117	25,991	29,829	150,888	746,871
Net income		—	—	—	—	4,332	4,332
Other comprehensive income for the year		—	—	—	50,391	—	50,391
Comprehensive income		—	—	—	50,391	4,332	54,723
Share-based compensation expense	21 [ii]	—	—	1,860	—	—	1,860
Shares purchased under Normal Course Issuer Bid	21 [iii]	(8,655)	—	—	—	(426)	(9,081)
Issuance upon vesting of PSUs and RSUs	21 [ii]	1,003	—	(1,339)	—	—	(336)
Issuance upon exercise of stock options	21 [ii]	1,380	—	(804)	—	—	576
Issuance under share purchase plan	21 [ii]	492	—	—	—	—	492
Balance as at December 31, 2024		534,266	117	25,708	80,220	154,794	795,105

See accompanying notes

CONSOLIDATED STATEMENTS OF CASH FLOWS

[In thousands of Canadian dollars]

Years ended December 31,	Notes	2025	2024
OPERATING ACTIVITIES			
Net (loss) income for the year		(5,374)	4,332
Adjustments reconciling net income to operating cash flows:			
Deferred income tax recovery		(3,811)	(3,243)
Share-based compensation expense	21 [ii]	8,114	1,860
Depreciation and amortization		56,569	53,109
Net loss on financial assets measured at fair value through profit or loss	16	2,341	11,435
Interest expense		10,422	9,223
Accrued interest income		717	168
Unrealized foreign exchange loss (gain)		1,363	(11,754)
Other expense		2,272	—
Change in contingent consideration	6	(2,929)	—
Gain on hyperinflation		(2,621)	(9,226)
		67,063	55,904
Changes in non-cash working capital and other items	29	1,894	(19,624)
Cash inflow from operating activities		68,957	36,280
INVESTING ACTIVITIES			
Acquisition of Paladin	6	(110,081)	—
Purchase of marketable securities		(69,427)	(149,329)
Purchase of intangible assets		(31,786)	(29,003)
Purchase of property and equipment		(1,908)	(2,469)
Purchase of equity investments		—	(9,395)
Investment in funds	16 [iii]	(967)	(3,846)
Proceeds on maturity of marketable securities		111,635	196,122
Proceeds on sale of property and equipment		30	100
Proceeds from repayments of loans receivable	16 [ii]	17,598	97
Proceeds from disposal of equity investments and derivatives		797	—
Proceeds from distribution of funds	16 [iii]	8,951	14,686
Cash (outflow) inflow from investing activities		(75,158)	16,963
FINANCING ACTIVITIES			
Proceeds from contributions to share purchase plan	21	511	426
Proceeds from issuance upon exercise of stock options	21	—	576
Proceeds from bank loans		112,070	3,473
Proceeds from repayment of share purchase loans		225	—
Repurchase of common shares through Normal Course Issuer Bid	21 [iii]	(6,352)	(8,866)
Principal repayment of lease liabilities		(4,341)	(3,913)
Principal repayment on bank loans		(87,204)	(17,611)
Payment of bank loan fees		(1,899)	—
Interest paid on bank loans		(7,604)	(7,625)
Cash inflow (outflow) from financing activities		5,406	(33,540)
(Decrease) Increase in cash and cash equivalents during the year		(795)	19,703
Cash and cash equivalents, beginning of the year		80,106	58,761
Net foreign exchange difference		(2,862)	1,642
Cash and cash equivalents, end of the year		76,449	80,106
Supplemental cash flow information:			
Interest received		6,923	10,578
Interest paid		(7,604)	(7,625)
Net income taxes paid		(2,894)	(5,476)

See accompanying notes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

1. NATURE OF OPERATIONS

Description of business

Knight Therapeutics Inc. was incorporated on November 1, 2013 under the Canada Business Corporations Act. The Company is a specialty pharmaceutical company, and its principal business activity is acquiring, in-licensing, out-licensing, developing, manufacturing, marketing and distributing pharmaceutical products in Canada, Latin America and select international markets. The Company's corporate headquarter is located at 100 Boulevard Alexis-Nihon, Suite 600, Montreal, Quebec H4M 2P2. Knight is listed on the Toronto Stock Exchange under the ticker symbol "GUD".

2. ACCOUNTING POLICIES

2.1 Basis of presentation

The consolidated financial statements of the Company for the years ended December 31, 2025 and 2024, have been prepared in accordance with IFRS. The policies set out below have been consistently applied to all the periods presented.

The consolidated financial statements have been prepared on a historical cost basis, except for the financial assets mentioned in Note 2.3 that have been measured at fair value. The consolidated financial statements are presented in CAD and all values are rounded to the nearest thousand, except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern and the consolidated financial statements were approved by the Company's Board of Directors on March 18, 2026.

2.2 Basis of consolidation

The consolidated financial statements of the Company include the accounts of Knight Therapeutics Inc. and all its subsidiaries. The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases.

The changes in the Company's ownership interest in a subsidiary that does not result in a change of control are accounted for as equity transactions with no effect on net income or on other comprehensive income.

These consolidated financial statements include the accounts of the Company and its subsidiaries as December 31, 2025 as follows:

Name	Jurisdiction of incorporation	% of ownership
11718991 Canada Inc.	Canada	100%
Knight Therapeutics International S.A.	Uruguay (Free Trade Zone)	100%
Knight Therapeutics (USA) Inc.	Delaware, USA	100%
Knight Therapeutics Europe S.A. ¹	Luxembourg	100%

¹Knight Therapeutics Europe S.A. directly and indirectly fully owns 22 companies, 6 of which are holding companies, 2 are non-operating companies and the remaining 14 are operating as LKM, United Medical and Biotoscana operating in Brazil, Colombia, Argentina, Mexico, Uruguay, Chile, Ecuador, Peru, Bolivia and Paraguay.

All significant intercompany transactions, balances, revenues and expenses are eliminated upon consolidation. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

2.3 Summary of material accounting policies

Financial reporting in hyperinflationary economies

In July 2018, the Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E.) issued a release stating that, effective July 1, 2018, entities reporting under IFRS are required to apply the inflation adjustment since the applicable conditions for such application have been satisfied.

IAS 29, Financial Reporting in Hyperinflationary Economies, has been applied to these consolidated financial statements as the Company's Argentine subsidiaries ("Argentine Subsidiaries") use the Argentine Peso as their functional currency. IAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be adjusted based on an appropriate general price index to express the effects of inflation, and shall be stated in terms of the measuring unit current at the end of the reporting period. To measure the impact of inflation on its financial position and results, the Company has elected to use the Retail Price Index (Indice de Precios al Consumidor or "IPC"). As at December 31, 2025 the IPC was 134,248 (2024: 102,090) which represented an increase of 31.5% compared to December 31, 2024.

All balance sheet items of Argentine subsidiaries are segregated into monetary and non-monetary items. Monetary items are units of currency held, and assets and liabilities to be received or paid, in fixed or determinable number of units of currency. These monetary items are not restated because they are already expressed in terms of the current monetary unit. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power, and an entity with an excess of monetary liabilities over monetary assets gains purchasing power, to the extent the assets and liabilities are not linked to a price level. The gain or loss on the net monetary position is included in the consolidated statement of income (loss) as *Gain on hyperinflation*.

Non-monetary assets and liabilities (items which are not already expressed in terms of the monetary unit) are restated by applying the relevant index. After the IAS 29 restatement of non-monetary assets, it is necessary to consider whether the restated amount of the asset might exceed its recoverable amount and may result in an impairment charge. Additionally, the application of IAS 29 results in the creation of temporary differences because the book value of non-monetary assets is adjusted for inflation but no equivalent adjustments are made for tax purposes; the effect of such a temporary difference is a deferred tax liability and the related deferred tax expense that needs to be recognized in profit or loss.

The results and financial position of subsidiaries in Argentina, whose functional currency is the currency of a hyperinflationary economy, are first restated in accordance with IAS 29 and are then translated into the presentation currency.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The purchase consideration is allocated to the identifiable assets acquired and liabilities assumed on the basis of the fair value at the date of acquisition. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. The results of businesses acquired during the reporting period are consolidated into the consolidated financial statements from the date at which control commences.

Goodwill (the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed) is initially measured at cost. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

Any goodwill arising from the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition are treated as assets and liabilities of the foreign operation, measured at the respective functional currency, and translated at the spot exchange rate at the reporting date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A CGU is the smallest identifiable group of assets generating cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

The Company performs goodwill impairment tests on an annual basis, or more frequently if indicators of impairment are identified. An impairment loss is recognized in the event that the carrying value of the CGU or group of CGUs to which goodwill is assigned exceeds its recoverable amount. The recoverable amount of a CGU or group of CGUs is measured as the higher of value in use and fair value less costs of disposal. Goodwill impairment losses are not reversed.

Foreign currency translation

[a] Functional and presentation currency

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Company are presented in CAD, which is the parent Company's functional and presentation currency.

The results and financial position of subsidiaries in Argentina, whose functional currency is the currency of a hyperinflationary economy, are first restated in accordance with IAS 29 and are then translated into the presentation currency using the exchange rate at the current reporting date.

[b] Transactions and balances

Foreign currency transactions are initially recorded by the Company and its subsidiaries using the exchange rates prevailing at the date of the transaction (to convert to their respective functional currencies). At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the period-end exchange rates. Non-monetary assets and liabilities are translated at the historical exchange rates. Exchange gains and losses arising from the translation of foreign currency items are recognized in the consolidated statement of income (loss).

[c] Foreign operations

For subsidiaries that have a functional currency different from the parent Company, on consolidation, the assets and liabilities of foreign operations are translated into CAD at the exchange rate prevailing at the reporting date and their statements of income are translated using the average exchange rates for the period. The exchange differences arising on translation for consolidation are recognized in other comprehensive income.

Inventories

Inventories include raw material, packaging components, work-in-progress and finished goods, which are valued at the lower of cost (average cost) and net realizable value. With regards to inventories of a subsidiary whose functional currency is that of an economy considered hyperinflationary, the cost is adjusted and translated into the reporting currency following the criteria mentioned in the *Financial Reporting in Hyperinflationary Economies* policy. Manufactured inventory cost includes the cost of raw materials, direct labour, an allocation of overhead and the cost to acquire finished goods. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and applicable selling expenses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

Financial instruments

Initial classification

The classification of the Company's financial instruments is the following:

Classification	Financial instruments	Description
Assets		
Financial assets measured at amortized cost	Cash	Cash balances with banks.
	Cash equivalents	Highly liquid investments that are readily convertible into a known amount of cash.
	Marketable securities	Liquid investments that are readily convertible into a known amount of cash.
	Trade and interest receivables	Amounts receivable from customers and third parties.
	Loans and other receivables	Loans receivable, debentures and long-term and short-term receivables.
Financial assets measured at FVTPL	Derivatives	Warrants, stock options and other.
	Investments in funds	Life sciences venture capital equity funds and debt funds.
	Investments in equities	Equities of publicly-traded and private entities acquired with the purpose of sale.
	Loans and other receivables	Loans receivable, debentures, hybrid instruments and long-term receivables.
Financial assets measured at FVOCI (with no recycling)	Investments in equities	Equities of publicly-traded and private entities acquired for strategic purposes.
Liabilities		
Financial liabilities measured at amortized cost	Accounts payable and accrued liabilities	Amounts payable to suppliers and third parties.
	Bank loans	Debt with financial institutions
	Other balances payable	Obligations to pay out certain future contractually pre-defined amounts upon meeting specific criteria recorded when the likelihood of attainment is deemed probable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Criteria for classification of financial assets

The Company analyzes each loan receivable and equity investment on an individual basis. The analysis and classification is driven by the following criteria:

Classification	Criteria
<i>Loans and other receivables and investments in funds</i>	
Amortized cost	• Held within a business model whose objective is to hold assets in order to collect contractual cash flows and; • Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
FVOCI (with recycling)	• Held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets and; • Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
FVTPL	• All loans receivable and investments in funds not measured at amortized cost or at FVOCI must be measured at FVTPL.
<i>Investments in equity instruments</i>	
FVTPL	• Investment acquired with the purpose of sale or; • Evidence of historical short-term profit making on similar instruments.
FVOCI (with no recycling)	• Investment made primarily for non-financial benefits such as strategic alliances and strategic investments.

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Measurement

After classification as amortized cost, FVTPL or FVOCI, the Company uses the following policy for initial measurement and subsequent measurement at each reporting period:

Classification	Initial measurement	Subsequent measurement	Changes in fair value
Financial assets			
Amortized Cost	Fair value on the trade date less expected credit loss	Amortized cost using the effective interest method.	Reported in consolidated statement of income (loss) when realized or impaired. Interest accretion on loans is recorded in <i>Interest income on financial instruments measured at amortized cost</i> on the consolidated statement of income (loss).
FVTPL	Fair value on the trade date	Re-measured at subsequent reporting dates to fair value using quoted market prices, if available. Re-measured using the Black-Scholes option pricing valuation model or other techniques if quoted market prices are not available.	Reported in <i>Net (gain) loss on financial instruments measured at FVTPL</i> on the consolidated statement of income (loss).
FVOCI (with no recycling)	Fair value on the trade date	Re-measured at subsequent reporting dates to fair value using quoted market prices, if available. Re-measured using the Black-Scholes option pricing valuation model or other techniques if quoted market prices are not available.	Reported in consolidated statement of comprehensive income (loss). There is no recycling of amounts from the statement of comprehensive income (loss) to the statement of income (loss) upon the disposal of the financial asset.
Financial liabilities			
Amortized Cost	Fair value	Amortized cost using the effective interest method.	The interest accretion is recorded in <i>Interest expense</i> on the consolidated statement of income (loss).
FVTPL	Fair value	Re-measured at subsequent reporting dates to fair value.	Reported in <i>Net (gain) loss on financial instruments measured at FVTPL</i> on the consolidated statement of income (loss).

Day 1 gain on initial measurement

Upon acquisition of a financial instrument, the Company measures the fair value and compares this to the acquisition price. The difference is recognised as a gain or loss only if the fair value is based on a quoted price in an active market or based on a valuation technique that uses only data from observable markets. Otherwise, the difference is deferred and recognized in the consolidated statement of comprehensive income (loss) for financial assets classified as FVOCI when there is a change in a factor that market participants would consider when pricing the asset.

Impairment of financial assets

The Company recognizes a loss allowance for ECLs on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime ECL except for the following which are measured at a 12-month ECL:

- Investments in marketable securities determined to have low credit risk at the reporting date with a credit risk rating equivalent to investment grade; and
- Other financial assets for which credit risk has not increased significantly since initial recognition.

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The Company applies the simplified approach on trade receivables, which allows for the use of a lifetime ECL provision considering the probability of default over the expected life of the financial asset. The 12-month ECL only considers default events that are possible within the year following the reporting date.

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due, taking into consideration the location of the customer and their risk factor. The provision matrix is initially based on the Company's historical observed default rates and is subsequently evaluated and updated based on new and forward-looking information.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and is related to an event occurring after the impairment was recognized. Financial assets measured at FVTPL and FVOCI (with no recycling) are not subject to impairment testing.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) or financial liability is derecognized when:

- the rights/obligations to receive/disburse cash flows from the asset/liability have expired/discharged; or
- the Company has transferred its rights/obligations to receive/disburse cash flows from the asset/liability.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Levels	Description	Type of financial instruments normally classified as such
Level 1	Quoted (unadjusted) prices in active markets for identical assets or liabilities.	Investments in equities ¹
Level 2	Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.	Cash equivalents Marketable securities Investments in equities ²
Level 3	Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.	Investments in equities ³ Investments in funds Loans and other receivables Derivatives Bank loans Contingent consideration from business combinations

¹ Publicly-traded equities in active markets

² Publicly-traded equities in inactive markets

³ Privately-held equities

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the fair value hierarchy (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and/or accumulated impairment losses, if any. With regards to property, plant and equipment of a subsidiary whose functional currency is that of an economy considered hyperinflationary, the cost is adjusted and translated into the reporting currency following the criteria mentioned in the *Financial Reporting in Hyperinflationary Economies* policy. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to consolidated net income during the financial period in which they are incurred.

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The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant components and depreciates each separately. Depreciation of the significant components is calculated using the straight-line method over the estimated useful lives of the assets, as follows:

Property, plant and equipment	Method	Term
Buildings	Straight-line	20 years
Machinery and equipment	Straight-line	5-8 years
Computer equipment	Straight-line	3-5 years
Office equipment	Straight-line	10 years
Other	Straight-line	5 years
Leasehold improvement	Straight-line	Lesser of useful life and life of the lease
Right-of-use assets	Straight-line	Lesser of useful life and life of the lease

On disposal of property, plant and equipment, the cost and related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is included in the consolidated statement of income (loss).

The Company periodically reviews the useful lives and the carrying values of its property, plant and equipment.

The Company assesses at each reporting period whether there is an indication of impairment of any property, plant and equipment. Property, plant and equipment that are not available for use are tested for impairment at least annually. An impairment loss is recognized when the carrying amount of property, plant and equipment exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the property, plant and equipment. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses are charged to the consolidated statement of income (loss) in the period concerned. Impairment losses are only reversed if there has been a change in estimates used to determine the recoverable amounts and only to the extent that the revised recoverable amounts do not exceed the carrying values that would have existed, net of depreciation, had no impairments been recognized. A reversal is recognized in the consolidated statement of income (loss).

Intangible assets

Intangible assets are recorded at cost. With regards to intangible assets of a subsidiary whose functional currency is that of an economy considered hyperinflationary, the cost is adjusted and translated into the reporting currency following the criteria mentioned in the *Financial Reporting in Hyperinflationary Economies* policy. Intangible assets consist of license rights, intellectual property (pharmaceutical product rights, process know-how covered by certain patented and non-patented information, trademarks) and software related costs. In addition, in many cases, the product license agreements include contractual payments upon achieving specific development, regulatory or sales related milestones. These milestone payments are part of the total consideration to be paid for the license rights. Therefore, at the time when the Company enters in such agreements and when appropriate upon regulatory or pricing approval, the likelihood of attainment of these payments is analyzed and a probability approach is used to determine the fair value of any future payment which are capitalized. The Company reassesses the probabilities used at each reporting period and records the impact of any changes to the intangible assets and other balances payable accounts accordingly.

Intangible assets with finite lives are amortized on a straight-line basis over the lesser of the term of the agreement, the life of the patent or the expected useful life of the product once they are available for commercialization. The amortization terms range from 3 to 15 years. The Company periodically reviews the useful lives and the carrying values of its intangible assets. As a result, the useful life of intangible assets may be adjusted accordingly.

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The Company assesses at each reporting period whether there is an indication of impairment of any intangible asset. Intangible assets that are not available for use are tested for impairment at least annually. An impairment loss is recognized when the carrying amount of an intangible asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the intangible asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses are charged to the consolidated statement of income (loss) in the period concerned. Impairment losses are only reversed if there has been a change in estimates used to determine the recoverable amounts and only to the extent that the revised recoverable amounts do not exceed the carrying values that would have existed, net of depreciation or amortization, had no impairments been recognized. A reversal is recognized in the consolidated statement of income (loss).

Other balances payable

As part of acquisitions of intangible assets, the Company may assume obligations to pay out certain future contractually pre-defined amounts upon meeting specific timelines or achieving specific development, regulatory or sales related milestones. These obligations are recorded when the likelihood of attainment is deemed probable and are measured at amortized cost. The long-term portion of other balances payable are discounted to current values using appropriate rates of interest.

Share-based compensation plans

[a] Stock options

The Company measures the cost of share-based compensation by reference to the fair value at the date on which they are granted. The Company uses the Black-Scholes option pricing model to determine the fair value of the options. The cost of share-based compensation plans is recognized, together with a corresponding increase in contributed surplus over the period in which the service conditions are fulfilled. The cumulative expense is recognized at each reporting date until the vesting date and reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense recognized for the period is recorded under selling and marketing, general and administrative, research and development expenses and cost of goods sold on the consolidated statement of income (loss). No expense is recognized for awards that do not ultimately vest. Any consideration paid by employees on exercise of share options or purchase of shares is credited to share capital. The dilutive effect of outstanding options, if any, is reflected as additional share dilution in the computation of diluted earnings per share.

For stock options that vest upon the achievement of future non-market vesting conditions within a determined period of time, those conditions are not taken into account when determining the grant date fair value of the awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. The expense recognition over the vesting period depends on the Management's assessment on the most likely outcome at each reporting date. At each reporting date, the Company reviews its expectation about the most likely outcome to meet or not the target, as well as the moment in which the non-market vesting conditions will be achieved.

[b] Restricted share unit (RSU)

RSUs are expected to be settled by the issuance of the Company's shares, although they can be settled in cash at the Company's option. RSUs vest at the end of the three-year period from the date of the grant. The fair value of each grant of RSUs is the fair value of the Company's share price on the date of the grant. The number of RSUs expected to vest are estimated on the grant date and subsequently revised on each reporting date. The resulting compensation expense, adjusted for forfeitures, is charged to income over the period the participants unconditionally become entitled to the award, with a corresponding increase to contributed surplus, on a straight-line basis.

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[c] Performance share unit (PSU)

PSUs are expected to be settled by the issuance of the Company's shares, although they can be settled in cash at the Company's option. PSUs vest at the end of the three-year period from the date of the grant upon the achievement of certain non-market vesting conditions. The fair value of each grant of PSUs is the fair value of the Company's share price on the date of the grant. The number of PSUs expected to vest are estimated on the grant date and subsequently revised on each reporting date. The resulting compensation expense, adjusted for expectations related to non-market performance conditions and forfeitures, is charged to income over the period the participants unconditionally become entitled to the award, with a corresponding increase in contributed surplus, on a straight-line basis.

[d] Deferred share units (DSU)

DSUs are awarded to directors of the Company and vest when they cease to be a member of the Board of Directors. DSUs are expected to be settled by the issuance of the Company's shares and are recognized as general and administrative expenses on the date of grant using the Company's share price as the fair value.

Revenue recognition

Revenue related to the sale of goods is recognized at the point in time when the Company has satisfied its performance obligations and control is transferred to the customer which is on shipment or delivery of the product. The Company generally has a right to receive payment in accordance with agreed payment terms at the time of delivery, as such, a receivable is recognized as the consideration is unconditional and only the passage of time is required before payment is due. Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The normal credit term varies depending on the country in which the revenue is generated; credit terms will typically range between 30 and 45 days from the invoice date in all countries outside of LATAM, while they can typically range from 60 to 150 days from the invoice date in LATAM. In certain circumstances, returns or exchange of products are allowed under the Company's general terms and conditions or the Company may provide discounts or allowances, which gives rise to variable consideration. The variable consideration is estimated using the expected value method as this best predicts the amount of variable consideration to which the Company is entitled. Amounts are recognized as a reduction of revenue at the time the control of the products purchased is transferred to the customer. In certain situations, such as initial product launches for which the Company has limited comparable information or where the market or client acceptance has not been clearly established, the Company may determine that it has not met the requirements for recognition of revenue, such as the ability to reasonably determine provisions for product returns, as a result revenue will be constrained.

Research and development

Research and development expenditures are charged to the consolidated statement of income (loss) in the period in which they are incurred. Development expenditures are charged to net income in the period of expenditure, unless a development project meets the criteria under IFRS for capitalization and amortization.

Interest income/expense

Interest income or expense is recognized on a time-proportion basis. For all financial instruments measured at amortized cost, interest income or expense is recorded using the effective interest rate method, which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. For financial assets recorded at FVTPL, interest income is recorded using the contractual interest rate in *Other interest income* on the consolidated statement of income (loss).

Income taxes

Income tax expense is comprised of current and deferred income tax. Income taxes are recognized in the consolidated statement of income (loss) except to the extent they relate to items recognized directly in equity or other comprehensive income, in which case the related tax is recognized in equity or other comprehensive income, respectively.

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[a] Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns and assessments with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

[b] Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are recognized for all deductible and taxable temporary differences, except:

- where the deferred tax asset or liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income or loss nor taxable income or loss;
- with respect to taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- with respect to deductible temporary differences associated with investments in subsidiaries, where it is not probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets are recognized for all other deductible temporary differences, carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

3. USE OF JUDGMENTS AND ESTIMATES

The preparation of the Company's consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Reported amounts and note disclosures reflect the overall economic conditions that are most likely to occur, and anticipated measures management intends to take. Actual results could differ materially from those estimates.

Information about significant judgments and estimates used in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements relate to:

Goodwill, intangible assets and business combinations

Business combinations for which the Company has applied the acquisition method of accounting result in an increase in intangible assets and goodwill. The acquisition method involves the allocation of the cost of an acquisition to the underlying net assets acquired based on their respective estimated fair value. As part of this allocation process, the Company must identify and attribute values and estimated lives to the intangible assets acquired. These determinations involve significant estimates and assumptions regarding cash flow projections, including revenue growth rates and profit margins, economic risk and weighted average cost of capital ("WACC").

The excess of the purchase price over the estimated fair value of the net assets acquired is then assigned to goodwill. In the event that actual fair values of the net assets including definite life intangibles are different from estimates, the amounts allocated to goodwill could differ from what is currently reported. This would then have a pervasive impact on the carrying value of goodwill. Differences in estimated fair values would also have an impact on the amortization of definite life intangibles. If future events or results differ adversely from these estimates and assumptions, the Company could record increased amortization or impairment charges in the future.

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Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU or group of CGUs being tested. Discount rates are based on the Company's cost of capital, adjusted for asset-specific risks. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Future events could cause the assumptions used in the impairment review to change with a consequential adverse effect on the results of the Company.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates and is complemented by a case by case analysis to identify special circumstances related to individual customers and/or transactions, considering any relevant forward-looking information. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Fair value measurement of financial assets

When the fair value 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 illiquidity. Changes in assumptions about these factors could affect the reported fair value of financial assets.

(i) Investments in funds

The Company records investments in funds at its NAV and judgment is used to determine if the NAV provided by the fund approximates fair value. The Company inspects all details provided from the fund managers related to the underlying investments and determines if the changes from one period to another are reasonable. The Company corroborates the changes with external sources to the extent possible. If it is determined that the NAV represents fair value, the investment in fund is adjusted to reflect the NAV and unrealized gains or losses are recorded in the statement of income (loss). Upon the sale of the funds' underlying assets, the Company does not record any potential milestone gains in its NAV, which are related to contingent events such as clinical, regulatory or commercial successes, until they are realized.

(ii) Loans receivable

As consideration for loans issued, the Company may receive additional assets such as product rights, shares and warrants on issuance of the loan. The Company uses the relative fair value approach to allocate the nominal amount of the loan issued to the multiple financial instruments identified and any residual value to non-financial instruments. This involves assessing the fair value of the loan receivable by comparing the interest rate to third parties' loans with a similar maturity term and credit rating as the counterparty. The fair value of each strategic loan is determined using the discounted future cash flow of the principal and interest payments and the discount rate used is the fair value interest rate ("FV Interest Rate") of the loan. The Company estimates the FV Interest Rate through the following steps which involves use of significant judgment and estimates:

Assignment of credit rating: There is no reliable third-party credit rating on any of the strategic partners from which the Company has a loan outstanding balance. Therefore, the Company judgmentally assigns a credit rating to each loan based on quantitative and qualitative factors which include, but are not limited to, review of the borrower's business plan, cash flow forecasts and financial standing.

Interest rate of comparable financial instruments: The Company reviews the interest rates of publicly-traded debt instruments with similar maturity term and credit rating as the loan being analyzed. Based on the review, the Company assigns a FV Interest Rate to each of its loan receivable. The Company may judgmentally exclude certain outliers in this analysis.

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Other balances payable

Other balances payable are recorded when the likelihood of payments of milestones under license or asset purchase agreements are deemed probable. The Company exercises significant judgment in determining the probability related to meeting specific timelines or specific regulatory or sales related milestones. This assessment involves, but is not limited to, a regulatory assessment of the product and sales projections which are estimated based on forecast results and business initiatives.

Uncertain tax positions

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense or recovery already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

From time to time, the Company is subject to tax audits. While the Company believes that its filing positions are appropriate and supportable, periodically, certain matters are challenged by tax authorities. 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 \$41,582 in additional taxes and interest. Knight made a deposit of \$23,340 to the CRA in July 2018 and \$18,242 to QRA in February 2019 and expects to recover the deposits, and therefore has not recorded any tax provision in its financial statements. However, there can be no assurance regarding the outcome or when a resolution may be reached. Although the Company 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 accruals.

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4. ADOPTION OF NEW OR AMENDED ACCOUNTING STANDARDS

In August 2023, the IASB issued amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates* in relation to *Lack of Exchangeability* effective for annual periods beginning on or after January 1, 2025, with early adoption permitted. The amendments specify when a currency is exchangeable into another currency and when it is not, specify how an entity determines the exchange rate to apply when a currency is not exchangeable, and require the disclosure of additional information when a currency is not exchangeable. The amendments had no material effect on the consolidated financial statements.

5. FUTURE CHANGES AND AMENDMENTS TO ACCOUNTING STANDARDS

IFRS 18 Presentation and Disclosure in the Financial Statements

The IASB issued IFRS 18 *Presentation and Disclosure in the Financial Statements* ("IFRS 18"), which sets out requirements and guidance on presentation and disclosure in financial statements, including:

- presentation in income statement of income and expenses within five defined categories: operating, investing, financing, income taxes, and discontinued operations
- presentation in the income statements of new defined subtotals for operating profit and profit before financing and income taxes
- enhanced guidance on aggregation and disaggregation of information and whether to provide information in the financial statements or in the notes
- disclosure of specified expenses by nature
- disclosure of explanations of management-defined performance measures

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* but carries forward many requirements from IAS 1 without any change. The standard is effective for the annual reporting periods beginning on or after January 1, 2027, with early application permitted. The Company is progressing with the implementation of IFRS 18 and plans to apply the new presentation and disclosure requirements beginning with the interim consolidated financial statements for the first quarter of 2027. The standard is expected to primarily affect presentation and disclosures, without impacting recognition or measurement.

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments*

The IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments*. The amendments clarify the date of recognition and derecognition of some financial assets and liabilities, introduces an accounting policy option for financial liabilities settled using an electronic payment system if certain conditions are met and adds new disclosure requirements for financial instruments with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026 with early application permitted. The Company will implement these amendments as required and does not expect their adoption to have a material impact on its consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

6. ACQUISITIONS

[i] Business combination

On March 10, 2025, Knight entered into a definitive Asset Purchase Agreement to acquire the international business of Endo Operations Limited which was mainly its Canadian business operating as Paladin Pharma Inc. ("Paladin Transaction" or "Paladin"). On June 17, 2025, Knight closed the Paladin Transaction upon receipt of customary regulatory approvals including anti-trust clearance in Canada. Knight paid \$107,552 in cash, including \$23,008 for inventory, and held back \$15,458 which may be payable upon certain conditions. Furthermore, Knight may pay future contingent payments of up to US\$15,000 upon achieving certain sales milestones. The conditions for the release of the holdback amounts are as follow:

A) Settlement Agreement Holdback of \$10,000

The amount is payable upon the occurrence of specific contingent events related to an agreement with a partner to terminate the commercial rights for certain non-core products acquired as part of the Paladin Transaction ("Settlement Agreement"). On March 18, 2026, Knight executed the Settlement Agreement and in accordance with the Asset Purchase Agreement, as a final and full settlement, upon receipt of the Partner Payment, Knight will release \$8,457 of the Settlement Agreement Holdback to Paladin. As at December 31, 2025, this Settlement Agreement resulted in an adjustment to the estimate of the contingent consideration related to the holdback as it reflects facts and circumstances that existed at the acquisition date.

B) Liabilities Holdback of \$5,458

The amount may be paid or released depending on the settlement of certain liabilities including severance payments. As at December 31, 2025, an amount of \$2,529 related to the \$5,458 holdback amount payable was paid to Paladin, and \$2,929 was released as a change in the consideration payable by paying certain liabilities including severance payments, and recorded as a non-cash transaction in the audited consolidated statement of (loss) income.

The transaction was accounted for as a business combination in accordance with IFRS 3 Business Combinations. As at December 31, 2025, the Company has completed the measurement of the assets acquired and liabilities assumed, including deferred taxes and the fair value of the contingent consideration. Although the Company remains within the one-year measurement period permitted under IFRS 3 following the acquisition date of June 17, 2025, management does not expect any further measurement period adjustments.

The fair value of the consideration for the acquisition of the assets and liabilities assumed, in accordance with IFRS 3 Business Combinations, is estimated as follows including adjustments made during the year ended December 31, 2025:

Fair value of consideration

	As previously reported ²	Adjustment ³	Revised amount
	\$	\$	\$
Amount settled in cash at closing	106,885	—	106,885
Contingent consideration ¹	16,338	2,745	19,083
Working capital adjustment	667	—	667
Total	123,890	2,745	126,635

¹ The contingent consideration of \$16,338 includes \$15,458 related to the holdback amounts payable as well as \$880 related to the fair value of future contingent payments upon achieving certain sales milestones, measured considering the likelihood of attainment of these payments and discounted by applying an appropriate rate of interest.

² As previously reported in the Company's unaudited interim condensed consolidated financial statements as at June 30, 2025.

³ The Company recorded an increase of \$4,288 in the fair value of future contingent payments expected to be paid upon achieving certain sales milestones, based on facts and circumstances that existed at the acquisition date. In addition, the Settlement Agreement resulted in a decrease of \$1,543 to the estimated contingent consideration related to the holdback of up to \$10,000, which had been reported in the Company's unaudited interim condensed financial statements as at June 30, 2025, as it reflects facts and circumstances that existed at the acquisition date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

Fair value of identifiable net assets

		As previously reported ⁴	Adjustment ⁵	Revised amount
	Notes	\$	\$	\$
Current asset				
Inventories ¹		26,480	(257)	26,223
Other receivables ²		974	—	974
Non-current assets				
Right-of-use assets	12	810	—	810
Property, plant and equipment	13	103	—	103
Intangible assets ³	14	93,088	9,673	102,761
Deferred tax assets	24	1,429	(549)	880
Current liabilities				
Accounts payable and accrued liabilities		2,148	—	2,148
Lease liabilities	12	229	—	229
Non-current liabilities				
Lease liabilities	12	582	—	582
Other balances payable	20	—	4,597	4,597
Total identifiable net assets acquired		119,925	4,270	124,195
Goodwill	15	3,965	(1,525)	2,440
Net assets acquired		123,890	2,745	126,635

¹ Includes \$23,008 of cost paid according to the Asset Purchase Agreement with Paladin.

² Other receivables corresponds to certain liabilities assumed by Knight that will be reimbursed by Paladin.

³ Includes Licenses of \$71,365 and Intellectual Property of \$31,396.

⁴ As previously reported in the Company's unaudited interim condensed consolidated financial statements as at June 30, 2025.

⁵ The Company has recorded adjustments to the provisional estimates reported in the Company's unaudited interim condensed consolidated financial statements as at June 30, 2025. These adjustments arise from the evaluation of newly obtained information about facts and circumstances that existed at the acquisition date. The adjustments affect principally the fair value of certain intangible assets acquired, as well as the recognition of other balances payable separately from the related intangibles, pertaining to contractually defined future payments, contingent upon the achievement of specific regulatory or sales based milestones.

Goodwill is attributable primarily to the strategic and synergistic opportunities related to the Company's business in Canada, the assembled workforce of Paladin and other factors. None of the goodwill recognized is expected to be deductible for income tax purposes. The acquisition related costs are expensed as incurred and included in *General and administrative* expenses in the consolidated statements of (loss) income. For the year ended December 31, 2025, acquisition expenses amounted to \$4,630. From June 17, 2025, to December 31, 2025, the Company's consolidated statement of (loss) income included revenue of \$46,280 and net income of \$7,096 attributable to Paladin.

The consolidated pro-forma revenues and net loss for the year ended December 31, 2025 as though the acquisition date had occurred on January 1, 2025 amounted to \$484,001 and \$3,582, respectively. The pro-forma basis was calculated using historical information, by applying the Company's accounting policies, and assuming fair value adjustments that arose on acquisition would have been the same if the acquisition occurred on January 1, 2025. The pro-forma amounts exclude acquisition costs and benefits from integration initiatives or synergies and are not necessarily indicative of the results that would have resulted if the acquisition occurred on January 1, 2025, or the results that may be obtained in the future.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

As at the acquisition date, the contingent consideration included \$5,168 corresponding to the fair value of contingent payments expected to be paid upon achieving certain sales milestones. The fair value was determined using DCF model and is categorized within Level 3 of the fair value hierarchy. A reconciliation of fair value measurement of the contingent consideration liability is as follows:

	2025
	\$
Balance beginning of the year	—
Liabilities assumed in business combination	5,168
Change in estimates and foreign exchange effect	212
Balance at end of year¹	5,380

¹ Included in other balances payable as at December 31, 2025 (refer to Note 20 - Other balances payable).

The significant unobservable inputs used in the fair value measurement, together with the quantitative sensitivity analysis as at December 31, 2025 is as follows:

As at December 31, 2025					
Financial liability	Fair value \$	Significant valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Contingent consideration	5,380	DCF	Assumed sales and discount rate	8.7%-9.7%	A 5% increase in the sales and a 5% decrease in the discount rate would result in an increase in fair value of \$4,971 and a 5% decrease in the sales and a 5% increase in the discount rate would result in a decrease in fair value of \$219.

[ii] Asset acquisition

On June 5, 2025, Knight entered into exclusive license and supply agreements with Sumitomo Pharma America Inc. and its affiliates to commercialize Myfembree®, Orgovyx® and Gemtesa® in Canada, as well as an asset purchase agreement under which Knight acquired certain mature products ("Sumitomo Transaction"). Under the terms of the agreements, Knight acquired the exclusive rights to distribute, promote, market and sell the in-licensed and acquired products in Canada.

The Sumitomo Transaction was accounted for as an asset acquisition. Knight paid \$25,400 and may have to pay certain future contingent sales milestones of up to \$15,750. An amount of \$29,718 was recorded as an addition to intangible assets, which included the payment of \$25,400 and the fair value of contingent payments of \$3,593 and directly attributable acquisition-related costs amounted to \$725. The fair value of the contingent payments was determined based on the probability to meet the related milestones and is discounted to current value using an appropriate rate of interest. The amount payable related to the contingent payments was recognized in non-current "Other balances payable" as at December 31, 2025.

7.CASH AND CASH EQUIVALENTS

As at December 31,	2025	2024
	\$	\$
Cash in bank	71,095	74,994
Cash equivalents ¹	5,354	5,112
Total	76,449	80,106

¹As at December 31, 2025, cash equivalents included certificate of deposits in financial institutions in Brazil of \$5,129 [BRL 20,501] (2024: \$4,717 [BRL 20,269]) earning interest at rates ranging from 65% to 100% (2024: 65% to 100%) of CDI rate of 14.32% (2024: 10.88%), with daily liquidity, and other short-term deposits with a term up to three months.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

8. MARKETABLE SECURITIES

As at December 31,	2025	2024
	\$	\$
Current		
GIC earning interest at a rate of 3.64% and matured in January 2025	—	5,256
GICs of US\$13,741 earning interest rates ranging from 3.96% to 3.97% and maturing from March 2026 to December 2026 (December 31, 2024: US\$39,592 earning interest rates from 4.67% to 5.65% and maturing from January to November 2025)	18,834	56,969
Total current	18,834	62,225

Current marketable securities of \$18,834 [US\$13,741] (2024: \$14,018 [US\$9,742]) are pledged as restricted cash collateral under the IFC Loan. Refer to Note 17 - Bank Loans for further details.

9. TRADE RECEIVABLES

The Company maintains an allowance for ECL that represents its estimate of uncollectible amounts based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the customers and the economic environment. During the year ended December 31, 2025, the Company has recorded additional ECL of \$274 (2024: additional ECL of \$1,183), in the consolidated statement of (loss) income in *Selling and marketing*.

The aging analysis of trade receivables, net of the ECL of \$6,149 (2024: \$5,875), at each reporting date is as follows:

As at December 31,	2025	2024
	\$	\$
Not yet due	99,886	89,307
0-90 days overdue	24,675	14,436
Over 90 days overdue	3,214	1,453
Total	127,775	105,196

10. OTHER RECEIVABLES

As at December 31,	2025	2024
	\$	\$
Interest receivable	128	845
Other receivables	2,782	1,874
Sales and other taxes receivable	3,153	1,620
Total	6,063	4,339

11. INVENTORIES

As at December 31,	2025	2024
	\$	\$
Raw materials	24,229	12,132
Work in progress	3,854	5,675
Finished goods	107,783	84,891
Total	135,866	102,698

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

During the year ended December 31, 2025, inventory of \$247,002 (2024: \$192,985) was recognized as cost of goods sold in the consolidated statement of (loss) income in *Cost of goods sold*, including an inventory write-down of \$3,832 (2024: \$3,753).

12. Right-of-use assets and Lease liabilities

[i] Right-of-use assets

The Company's leases are primarily for administrative facilities, manufacturing plants and vehicles. The following presents the right-of-use assets for the Company:

As at December 31,	2025	2024
	\$	\$
Balance beginning of the year	5,912	6,190
Additions	6,605	2,921
Acquisitions ¹	810	—
Disposals and write-offs	(42)	(247)
Depreciation	(3,836)	(3,621)
Foreign exchange and hyperinflation adjustments	470	669
Balance at end of year	9,919	5,912

¹ Relates to right-of-use assets acquired as part of the Paladin Transaction (refer to Note 6 - Acquisitions).

[ii] Lease liabilities

The following table presents the change in the carrying value of the lease liabilities during the year:

As at December 31,	2025	2024
	\$	\$
Balance beginning of the year	6,074	7,225
Additions	6,454	2,884
Acquisitions ¹	810	—
Payments during the year	(4,122)	(3,913)
Interest expense during the year	609	884
Cancellations and other adjustments	20	(376)
Foreign exchange	171	(630)
Balance at end of year²	10,016	6,074
Current	3,398	2,640
Non-current	6,618	3,434

¹ Relates to lease liabilities assumed as part of the Paladin Transaction (refer to Note 6 - Acquisitions).

² Refer to Note 28 - Financial Risk for a maturity analysis of the contractual undiscounted cash flows of lease liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

13. Property, plant and equipment

	Land	Building	Machinery and Equipment	Computer and Office Equipment	Other	Total
Cost	\$	\$	\$	\$	\$	\$
Balance as at January 1, 2025	8	18,500	34,310	8,249	1,287	62,354
Additions ¹	—	194	285	1,246	732	2,457
Acquisitions ²	—	81	—	21	—	102
Disposals and write-offs	—	(142)	(149)	(170)	(180)	(641)
Foreign exchange and hyperinflation adjustments	(1)	(2,026)	(2,957)	(917)	(65)	(5,966)
Balance as at December 31, 2025	7	16,607	31,489	8,429	1,774	58,306
Accumulated depreciation						
Balance as at January 1, 2025	—	12,731	27,410	7,104	999	48,244
Depreciation charge	—	1,772	253	1,038	183	3,246
Disposals and write-offs	—	(81)	(55)	(36)	(34)	(206)
Foreign exchange and hyperinflation adjustments	—	(1,401)	(2,673)	(817)	(93)	(4,984)
Balance as at December 31, 2025	—	13,021	24,935	7,289	1,055	46,300
Net book value as at December 31, 2025	7	3,586	6,554	1,140	719	12,006
Cost						
Balance as at January 1, 2024	926	9,838	18,725	3,183	600	33,272
Additions ¹	—	1,176	413	749	340	2,678
Disposals and write-offs	(922)	(487)	(6)	(184)	(179)	(1,778)
Foreign exchange and hyperinflation adjustments	4	7,973	15,178	4,501	526	28,182
Balance as at December 31, 2024	8	18,500	34,310	8,249	1,287	62,354
Accumulated depreciation						
Balance as at January 1, 2024	—	6,542	11,943	2,576	542	21,603
Depreciation charge	—	1,471	2,541	930	191	5,133
Disposals and write-offs	—	(431)	(5)	(175)	(85)	(696)
Foreign exchange and hyperinflation adjustments	—	5,149	12,931	3,773	351	22,204
Balance as at December 31, 2024	—	12,731	27,410	7,104	999	48,244
Net book value as at December 31, 2024	8	5,769	6,900	1,145	288	14,110

¹As at December 31, 2025, \$1,902 (2024: \$1,353) was included in accounts payable and accrued liabilities related to property, plant and equipment.

²Relates to property, plant and equipment acquired as part of the Paladin Transaction (refer to Note 6 - Acquisitions).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

14. Intangible assets

	Licenses	IP & Other	Software	Total
Cost	\$	\$	\$	\$
Balance as at January 1, 2025	282,222	257,875	5,540	545,637
Additions ¹	52,937	—	674	53,611
Acquisitions ²	71,365	31,396	—	102,761
Derecognition ³	(2,252)	—	—	(2,252)
Foreign exchange and hyperinflation adjustments	(6,145)	(12,241)	(67)	(18,453)
Balance as at December 31, 2025	398,127	277,030	6,147	681,304
Amortization and Impairment				
Balance as at January 1, 2025	159,258	99,847	2,920	262,025
Amortization charge	22,428	26,076	983	49,487
Foreign exchange and hyperinflation adjustments	(4,864)	(4,895)	41	(9,718)
Balance as at December 31, 2025	176,822	121,028	3,944	301,794
Net book value as at December 31, 2025	221,305	156,002	2,203	379,510
Cost				
Balance as at January 1, 2024	213,041	269,921	4,967	487,929
Additions ¹	32,642	394	419	33,455
Disposals	—	(141)	(22)	(163)
Derecognition ³	(10,889)	—	—	(10,889)
Reclassifications	31,853	(31,853)	—	—
Foreign exchange and hyperinflation adjustments	15,575	19,554	176	35,305
Balance as at December 31, 2024	282,222	257,875	5,540	545,637
Amortization and Impairment				
Balance as at January 1, 2024	89,652	106,466	1,851	197,969
Amortization charge	22,182	21,245	928	44,355
Reclassifications	36,670	(36,670)	—	—
Foreign exchange and hyperinflation adjustments	10,754	8,806	141	19,701
Balance as at December 31, 2024	159,258	99,847	2,920	262,025
Net book value as at December 31, 2024	122,964	158,028	2,620	283,612

¹As at December 31, 2025, \$31,078 (2024: \$9,253) was included in other balances payable related to intangible assets.

²Relates to intangibles acquired as part of the Paladin Transaction (refer to Note 6 - Acquisitions).

³Refer to Note 20 - Other balances payable.

The Company classifies its intangible assets as Licenses, Intellectual Property & Other and Software. Licenses include pharmaceutical products in-licensed by Knight from third parties for different territories. It includes the fair value of the license agreements acquired through the GBT Transaction and Paladin Transaction as well as contractual payments such as upfront sales or regulatory milestones made to partners. IP & Other includes product rights owned by the Company such as know-how (acquired or developed) as well as any exclusive rights, such as commercial and manufacturing, typically acquired through an asset purchase agreement or any capitalized development cost. Software typically includes costs capitalized for the implementation or development of certain software used by the Company.

During the year ended December 31, 2025, the Company recorded additions to Licenses of \$52,937 (2024: \$32,642) related mainly to upfront payments and certain milestones paid and payable under its product license agreements.

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As at December 31, 2025, the net book value of intangible assets not available for use and therefore not amortized amounted to \$38,934 (2024: \$52,883).

15. GOODWILL

Goodwill is recognized on the acquisition date when total consideration exceeds the net identifiable assets acquired.

As at December 31,	2025	2024
	\$	\$
Balance beginning of the year	86,477	79,844
Acquisitions ¹	2,440	—
Foreign exchange and hyperinflation adjustments	1,065	6,633
Balance at end of year	89,982	86,477

¹ Relates to the goodwill recognized as part of the Paladin Transaction (refer to Note 6 - Acquisitions).

Impairment

For purposes of the Company's goodwill impairment testing, the Company has grouped certain CGUs to test at the lowest level at which management monitors goodwill for internal management purposes. These groups include (i) Knight Therapeutics Europe S.A. and (ii) Business acquired through the Paladin Transaction, each generating independent cash inflows.

The Company performed its annual impairment test of goodwill as at December 31, 2025. The recoverable amount was determined based on value in use and considered the cash flows of the group of CGUs based on the current commercialization plans and the cash flows in the five-year forecast which was approved by the Board of Directors.

The estimates used in calculating the value in use depend on the following main assumptions:

- (i) Annual revenue growth rate: The Company determines the annual revenue growth rate by assessing industry data, expected market share, pricing assumptions, actions of competitors, sales erosion rates, the timing of the entry of generic competition, the expected results of tenders, among other variables.
- (ii) Profit margins: Profit margins are determined at both country and product levels, by assessing the historical profit margins as well as the expected changes in the margins due to the factors mentioned above in the annual revenue growth rate paragraph.
- (iii) Terminal growth rate: The Company determined the terminal value as an estimate of the present value of the future cash flows in the terminal period considering a terminal-growth rate. The terminal growth rate applied in the goodwill impairment test in 2025 was 4.4% (2024: 3.9%) for Knight Therapeutics Europe S.A. and 1.7% for the business acquired through the Paladin Transaction. We determined the terminal growth rate for Knight Therapeutics Europe S.A. considering the long-term inflation plus the projected real GDP for Brazil, which is the largest and more mature market within the group of CGUs. For the business acquired through the Paladin Transaction, which operates mainly in Canada, the terminal growth rate was determined considering the projected real GDP for Canada.
- (iv) Discount rate: Discount rates represent the current market assessment of the risks specific to each CGU related to the goodwill, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the WACC. The WACC takes into account both debt and equity. The pre-tax discounts rates used in for the goodwill impairment test in 2025 were between 9.1% and 18.1% (2024: between 10.1% and 20.0%) for Knight Therapeutics Europe S.A., depending on the country where the cash flows originate.

Based on the Company's assessment, the recoverable amounts for both Knight Therapeutics Europe S.A. and Paladin group of CGUs are higher than the carrying value and therefore, no impairment loss was recorded for the year ended December 31, 2025. No reasonable change in assumptions would change the outcome of the impairment test.

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16. OTHER FINANCIAL ASSETS AND MEASUREMENT

[i] Measurement

Measured at fair value:	As at December 31, 2025			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				
Equity investments measured at FVTPL	13,144	—	—	13,144
Equity investments measured at FVOCI	5,802	—	—	5,802
Fund investments measured at FVTPL ¹	—	—	79,484	79,484
Total	18,946	—	79,484	98,430
Current				18,946
Non-current				79,484

Measured at fair value:	As at December 31, 2024			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				
Equity investments measured at FVTPL	11,408	—	—	11,408
Equity investments measured at FVOCI	1,123	8,261	—	9,384
Fund investments measured at FVTPL ¹	—	—	92,024	92,024
Total	12,531	8,261	92,024	112,816

Measured at amortized cost:	
Loans and other receivables ²	21,116
Total Other Financial Assets	133,932
Current	30,506
Non-current	103,426

¹ The fair value of fund investments measured at FVTPL are determined using NAV, this value is the only reasonable indication of fair value. Consequently, the Company is unable to conduct a sensitivity analysis.

² In 2024, the Company amended its loan with Synergy which resulted in substantial modifications to the terms and conditions of the loan agreement and as such the modification was treated as the de-recognition of the original loan measured at FVTPL and the recognition of a new loan measured at amortized cost, and re-classified \$3,053 from trade and other receivables to loans and other receivables.

There were transfers between level 1 and level 2 of the fair value hierarchy for the year ended December 31, 2025, whereas no transfers occurred for the year ended December 31, 2024. The Company reclassified the equity investment in Synergy from level 2 to level 1 upon the 180-day post IPO lock-up period which ended on December 17, 2025.

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Equity investments measured at FVOCI

Under IFRS 9, the Company has designated the following strategic investments as equity investments measured at FVOCI.

As at December 31,	2025		2024	
	Number of common shares owned	FV \$	Number of common shares owned	FV \$
Crescita	1,935,489	929	1,935,489	1,123
Synergy	1,911,414	4,873	1,482,844	8,261
Total		5,802		9,384

Synergy

On October 23, 2024 Synergy completed an IPO of 1.15 million shares of common stock on Nasdaq that were issued by Synergy at a price per share of US\$9 ("Synergy's IPO"). Prior to Synergy's IPO, the Company owned 1,482,844 common stock or approximately 19.6% of Synergy's outstanding common stock, received as consideration for the Company's strategic lending transactions with Synergy. Subsequent to Synergy's IPO, Knight's ownership of Synergy common stock was diluted to approximately 17%. The Synergy common shares held by Knight are subject to a 180-day post IPO lock-up period and are also subject to certain restrictions imposed under U.S. federal securities laws. For the year ended December 31, 2024, the Synergy Shares were recorded at their fair value based on December 31, 2024 closing price on Nasdaq discounted by an illiquidity factor resulting in an unrealized gain of \$8,261 (US\$5,742) recorded in other comprehensive income. The Synergy shares held by Knight are classified as a level 2 equity investment measured at FVOCI.

On May 30, 2025, Synergy repaid its outstanding financial obligations to Knight in exchange for a total consideration of \$14,874 [US\$10,811] including \$13,758 [US\$10,000] in cash and warrants with a fair value of \$1,116 [US\$811]. The loan was measured at amortized cost with a book value of \$16,736 [US\$12,176] which includes a principal amount of \$10,071 [US\$7,320]. Based on the fair value of the consideration received, the Company recognized a loss of \$1,862 [US\$1,365] in *Other expense* in the consolidated statement of loss for the year ended December 31, 2025.

Under the terms of the warrant, each warrant was convertible into one common share of Synergy at a de minimis exercise price. On June 20, 2025, the Company exercised its warrants and received 428,570 additional common shares of Synergy ("Additional Shares"). Subsequent to the warrant execution, as at December 31, 2025 Knight holds 1,911,414 shares ("Synergy Shares"), representing approximately 13.3% of Synergy's outstanding common stock. The Additional Shares were subject to a 180-day post conversion lock-up period and the Synergy Shares are subject to certain trading restrictions imposed under U.S. federal securities law. The 180-day post conversion lock-up period ended.

For the year ended December 31, 2025, the Synergy Shares were recorded at their fair value based on December 31, 2025 closing price on NASDAQ. An unrealized loss of \$4,495 (US\$3,194) was recorded in other comprehensive income. The Synergy shares held by Knight are classified as a level 1 equity investment measured at FVOCI, having transferred from level 2 as of December 31, 2024.

As at January 1, 2024, the shares of Synergy were valued at the fair value less the deferred day 1 gain on initial measurement, and classified as a level 3 equity investment at FVOCI. The fair value before considering the deferred day 1 gain was \$233 (US\$176). The deferred day 1 gain was \$4,978 (US\$3,764) and was generated on the acquisition of Synergy common shares in 2016, where the fair value of the acquired assets was not based on a quoted price in an active market or based on a valuation technique that uses only data from observable markets. Due to the Synergy's IPO, the deferred day 1 gain was derecognized in 2024 and was included in the of \$8,261 unrealized gain recorded in other comprehensive income.

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[In thousands of Canadian dollars, except for share and per share amounts]

As a result of changes in fair value and the disposal of financial assets, the Company recorded the following net (gain) loss on financial instruments in the consolidated statement of (loss) income as *Net loss on financial assets measured at fair value through profit or loss*:

For the year ended December 31,	(Gain) loss on FA measured at FVTPL	
	2025	2024
	\$	\$
Loans and other receivables [ii]	—	(477)
Equity Investments	(2,537) ¹	506
Derivatives	—	123
Fund Investments [iii]	4,878	11,283
Total	2,341	11,435

¹ The gain from equity investments includes proceeds of \$797 related to an equity investment that was sold in 2023.

[ii] Loans and other receivables

The following table summarizes the movement in loans and other receivables during the year ended December 31.

	Carrying value as at January 1	Loan repayments ¹	Net gain (loss) on FA ¹	Conversions ^{1,2}	Foreign exchange ³	Carrying value as at December 31	Current other financial assets	Non-current other financial assets
	\$	\$	\$	\$	\$	\$	\$	\$
2025								
Amortized Cost	21,116	(17,598)	(1,862)	(1,116)	(540)	—	—	—
Total	21,116	(17,598)	(1,862)	(1,116)	(540)	—	—	—
2024								
Amortized Cost	3,667	—	280	16,020	1,149	21,116	9,714	11,402
FVTPL	12,037	(97)	477	(12,967)	550	—	—	—
Total	15,704	(97)	757	3,053	1,699	21,116	9,714	11,402

¹In 2025, Synergy settled its loan to Knight for a consideration consisting \$13,758 [US\$10,000] in cash and warrants valued at \$1,116 [US\$811]. As a result, Knight recognized a loss of \$1,862 [US\$1,365] in Other expense for the year ended December 31, 2025. The remaining loan repayment of \$3,840 [US\$2,771] was collected from a life sciences company.

²In 2024, the Company amended its loan with Synergy which resulted in substantial modifications to the terms and conditions of the loan agreement and as such the modification was treated as the de-recognition of the original loan measured at FVTPL and the recognition of a new loan measured at amortized cost for \$12,967, and re-classified \$3,053 from trade and other receivables to loans and other receivables. The interest rate was 12% with maturity on March 31, 2026.

³During the year ended December 31, 2025, the Company recorded a loss of \$540 in the consolidated statement of (loss) income in Foreign exchange (gain) loss (2024: gain of \$1,145) and there was no gain or loss in the consolidated statement of comprehensive (loss) income in Unrealized gain on translation of foreign operations (2024: gain of \$554).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

[iii] Fund investments

The following table summarizes the movement in fund investments recorded at FVTPL during the years ended December 31:

	Carrying value as at January 1	Additions ¹	Distributions ^{2,3}	Net gain (loss) on FA	Foreign exchange ⁴	Carrying value as at December 31	Current other financial assets	Non-current other financial assets
	\$	\$	\$	\$	\$	\$	\$	\$
2025	92,024	1,307	(8,951)	(4,878)	(18)	79,484	—	79,484
2024	108,949	3,846	(13,814)	(11,283)	4,326	92,024	—	92,024

¹Investments in equity or debt funds including US\$ 51 and EUR 274 (2024: US\$550 and EUR 281). Non-cash additions were \$340 [EUR 205] as at December 31, 2025 (2024: nil).

²Distribution received from funds including US\$ 160 and EUR 2,511 (2024: US\$356 EUR 3,732).

³The Company collected \$1,102 [EUR 684] of distributions in 2025 for certain net proceeds related to contingent milestones which were previously not recorded on the balance sheet (2024: \$5,800).

⁴During the year ended December 31, 2025, recorded a loss of \$2,304 in the statement of comprehensive (loss) income in unrealized gain (loss) on translation of foreign operations (2024: gain of \$5,467) and a gain of \$2,269 in the consolidated statement of (loss) income in foreign exchange (gain) loss (2024: loss of \$1,141).

17. BANK LOANS

The Company had the following indebtedness, including accrued interest expense, as at the end of the following years:

As at December 31,				2025			2024		
	Currency	Maturity	Interest rate	Effective interest rate	Total \$	Interest rate	Effective interest rate	Total \$	
Banks									
Bancolombia	COP	Oct 12, 2026	2.28% + IBR	11.50%	2,758	2.28% + IBR	11.39%	4,937	
Banco ICBC Argentina ²	ARS	N/A	N/A	N/A	—	44% ³	N/A	116	
Banco Macro Argentina ²	ARS	N/A	N/A	N/A	—	46% ³	N/A	559	
Citibank Argentina ²	ARS	N/A	28% ³	N/A	186	44% ³	N/A	1,116	
Santander Argentina ²	ARS	N/A	35% ³	N/A	—	45% ³	N/A	326	
IFC	BRL	Oct 15, 2027	1.0% + CDI	16.96%	12,906	1.6% + CDI	13.08%	17,767	
IFC	CLP	Oct 15, 2027	7.11%	7.62%	4,505	7.71%	7.86%	6,496	
IFC	COP	Oct 15, 2027	1.0% + IBR	10.19%	7,324	1.6% + IBR	11.27%	9,756	
IFC	MXN	Oct 15, 2027	1.0% + TIIE	8.51%	1,654	1.6% + TIIE	12.72%	2,312	
Revolving Credit Facility ⁴	CAD	Jun 17, 2028	1.57% + CORRA	3.81%	38,562	—	—	—	
Total Bank Loans¹					67,895			43,385	
Current					16,730			17,486	
Non-current					51,165			25,899	

¹ Refer to Note 28 - Financial Risk for a maturity analysis of the contractual undiscounted cash flows of bank loans.

² Overdraft balances.

³ The interest rate is calculated and compounded on a monthly basis.

⁴ Revolving Credit Facility with a Syndicate of Lenders (NBC, CIBC, TD and Citibank), with NBC acting as Lead Arranger.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

The Company's bank loans as at December 31, 2025 and 2024, excluding overdrafts, had the following repayment terms of principal and interest as well as security and guarantee:

Banks	Currency of debt	Maturity	Repayment terms	Security/Guarantee
Bancolombia	COP	Oct 12, 2026	Semi-annual	• None
IFC	BRL	Oct 15, 2027	Semi-annual	• Restricted cash collateral of 70% of the principal balance outstanding
IFC	CLP	Oct 15, 2027	Semi-annual	
IFC	COP	Oct 15, 2027	Quarterly	
IFC	MXN	Oct 15, 2027	Monthly	
Revolving Credit Facility	CAD	Jun 17, 2028	At maturity	• Secured by Knight's assets held in Canada, Luxembourg and Uruguay

Bancolombia

The loan includes financial covenants to maintain certain financial metrics and, as at December 31, 2025, the Company is in compliance with these debt covenants.

International Finance Corporation ("IFC")

As at December 31, 2024, the loan was secured by the pledge of shares of certain Knight's subsidiaries as well as a restricted cash collateral of \$14,018 [USD \$9,742] or 35% of the principal balance outstanding which may be held in the form of marketable securities. In 2025, the Company amended the collateral agreement with IFC and excluded the security over the pledge of shares of certain Knight's subsidiaries and increased the restricted cash collateral to 70% of the principal balance outstanding. In addition, effective December 2025, the interest rate was reduced by 0.6%.

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. As at December 31, 2025, the Company is in compliance with all the covenants of the IFC loan.

Working Capital Line of Credit with Citibank, N.A.

In March 2025, Knight closed an unsecured uncommitted working capital line of credit of US\$40,000 [\$57,504] with Citibank, N.A. On April 7, 2025, US\$35,000 [\$50,316] was withdrawn under this facility, at an interest rate of SOFR+2.30%. The line of credit was fully repaid in June 2025. Subsequent to the close of the syndicated Credit Facility, the line of credit with Citibank, N.A. was reduced to US\$20,000 [\$27,200].

Revolving Credit Facility

On June 17, 2025, Knight entered into a secured revolving credit facility (the "Credit Facility") with National Bank of Canada ("NBC") for a total amount of US\$50,000 [\$68,215], of which \$60,000 was withdrawn at closing to fund a portion of the Paladin Transaction. On October 31, 2025, Knight closed the syndication of its credit facility. As part of the syndication process, three additional banks were included as Lenders: Citibank N.A., CIBC, and TD (together with NBC, the "Lenders"). The syndicate has four banks, with NBC as the Lead Arranger. The Credit Facility was increased to US\$100,000 with an accordion feature for an additional US\$100,000, subject to receipt of acceptance by the Lenders.

The Credit Facility is secured by Knight's assets held in Canada, Luxembourg and Uruguay, and has an initial term of 3 years, with the option to extend annually for additional one-year term. The Credit Facility is subject to customary stand-by fees for the undisbursed portion and can be drawn in USD or CAD at the SOFR or CORRA rate plus an applicable margin between 1.25% to 2.75% depending on Knight's debt leverage plus applicable credit spread adjustments. During the year ended December 31, 2025, Knight has incurred fees related to the structuring of the Credit Facility of approximately \$1,899. These fees were capitalized as transaction costs and are included in the carrying amount of the Credit Facility. Such costs are subsequently amortized to profit or loss over the term of the Credit Facility using the effective interest rate method. On December 17, 2025, Knight repaid \$20,000 of principal of the Credit Facility.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

In addition, the Credit Facility includes certain customary financial and non-financial covenants that the Company must maintain over the period of the agreement and are tested on a quarterly basis. As at December 31, 2025, Knight was in compliance with the financial and non-financial covenants.

18. OTHER LONG-TERM RECEIVABLES

As at December 31,	2025	2024
	\$	\$
Tax deposit – notices of reassessment	41,582	41,582
Other	3,178	3,401
Total	44,760	44,983

Notices of reassessment

Knight received notices of reassessment from the CRA and the QRA in July 2018 and January 2019, respectively. The notices relate to the 2014 disposition of a PRV held by Knight's wholly-owned subsidiary, Knight Therapeutics International S.A. A PRV is a transferable asset that entitles the holder to a priority review for a drug of its choice.

The Company's PRV was granted on March 19, 2014 upon the FDA approval of Impavido® and was disposed of to a third party in November 2014 for gross proceeds of US\$125,000. 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 2018 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. The amount, as at December 31, 2025 is estimated at \$9,056 and has not been recorded by the Company.

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 at the Tax Court of Canada ("TCC") started in February 2026 and is expected to resume and end in August 2026. Once the hearing is completed, Knight expects a decision to be delivered by the TCC in the next 18 to 24 months. Either party may 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 \$9,056 as at December 31, 2025.

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. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

19. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at December 31,	2025	2024
	\$	\$
Trade and other payables	47,388	37,783
Accrued liabilities	76,365	43,004
Commodity tax payable	2,002	2,386
Total	125,755	83,173
Current	120,868	78,345
Non-current	4,887	4,828

20. OTHER BALANCES PAYABLE

The following table presents the change in the carrying value of the Other balances payable during the years:

	2025	2024
	\$	\$
Balance beginning of the year	30,131	33,869
Additions	31,711	14,614
Liabilities assumed in business combination ¹	4,597	—
Payments during the year	(4,893)	(8,515)
Derecognition ²	(2,599)	(12,104)
Change in estimates	783	168
Foreign exchange	(819)	2,099
Balance at end of year³	58,911	30,131
Current	10,806	10,688
Non-current	48,105	19,443

¹ Refer to Note 6 - Acquisitions.

² Refer to Note 14 - Intangible assets.

³ Refer to Note 28 - Financial Risk for a maturity analysis of the contractual undiscounted cash flows of Other balances payable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

21. SHAREHOLDERS' EQUITY

[i] Share capital

The authorized share capital of the Company is comprised of an unlimited number of common shares and an unlimited number of first preferred shares, which may be issued from time to time in one or more series, without par value. The issued and outstanding share capital of Knight is as follows:

Years ended December 31,	2025		2024	
	Number of common shares	\$	Number of common shares	\$
Balance beginning of the year	100,048,271	534,266	101,170,382	540,046
Issuance under share purchase plan [ii]	98,104	581	89,188	492
Shares purchased under NCIB [iii]	(1,147,400)	(6,045)	(1,619,167)	(8,655)
Shares purchased under NCIB not yet cancelled ¹	13,000	—	16,800	—
Issuance upon vesting of PSUs and RSUs [ii]	180,368	1,113	189,061	1,003
Repayment of share purchase loans	—	225	—	—
Issuance upon exercise of stock options [ii]	—	—	202,007	1,380
Balance at the end of the year	99,192,343	530,140	100,048,271	534,266

¹ Subsequent to the year ended December 31, 2025, 13,000 (2024: 16,800) shares purchased under NCIB for \$78 (2024: \$89) were cancelled.

[ii] Stock-based compensation plans

The Company has three stock-based compensation plans: the Share Option Plan ("the Option Plan"), the Omnibus Equity Incentive Plan ("the Omnibus Plan") and the Share Purchase Plan.

Share Option Plan

The Company had an equity-settled Option Plan in place for employees, directors, officers and consultants of the Company. The Option Plan was approved by the Board of Directors and the shareholders on May 9, 2017 and re-approved by the shareholders on June 25, 2020. The aggregate maximum number of stock options outstanding under the Option Plan at any given time shall not exceed 10% of the outstanding shares of the Company as of the grant date. Effective May 13, 2021, the Company's Omnibus Equity Incentive Plan replaced the Share Option Plan for the future awards of stock options to directors, employees, officers and consultants of Knight.

Omnibus Equity Incentive Plan

The Company adopted an Omnibus Plan approved by the shareholders on May 13, 2021 and re-approved by the shareholders on May 8, 2024. The Omnibus Plan permits the grant of stock options to employees, directors, officers and consultants of the Company, restricted share units ("RSUs") and performance share units ("PSUs") to employees, officers and consultants and deferred share units ("DSUs") to non-employee members of the Board of Directors of Knight. Under the Omnibus Plan, each holder of a RSU, PSU and DSU has the right to receive, upon vesting, one common share of Knight or the equivalent amount in cash at the election of the Company.

The maximum number of common shares available for issuance pursuant to the Omnibus Plan and the Option Plan shall not exceed 10% of the then issued and outstanding common shares on a rolling basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

Stock Options

Stock options issued under the Share Option Plan and the Omnibus Plan must be exercised within a period of time fixed by the Board of Directors that may not exceed ten-years from the grant date. The Board of Directors or its designated committee may determine when an option will become exercisable and may determine that the option will be exercisable immediately upon the date of grant, in installments or pursuant to a vesting schedule. If no specific determination is made, the stock options vest in equal tranches of 25% per annum on each anniversary date. Stock options that have been exercised, expired, cancelled, forfeited or terminated become available for re-issuance under the Omnibus Plan. Generally, the stock options have a seven-year or ten-year term and vest over a one-year period for directors and a three or four-year period for employees.

Years ended December 31,	2025		2024	
	Number of share options #	Weighted average exercise price \$	Number of share options #	Weighted average exercise price \$
Balance beginning of the year	5,073,547	6.85	4,577,782	6.95
Granted	901,095	6.21	1,884,194	5.72
Exercised	—	—	(1,316,006) ¹	5.62
Expired/forfeited	(733,065)	8.28	(72,423)	6.00
Balance at end of the year	5,241,577	6.54	5,073,547	6.85
Options exercisable at the end of the year	2,512,611	7.34	2,868,909	7.82
Weighted average remaining contractual life of the options outstanding at end of the period (years)	3.80		3.79	

¹In 2024, includes 1,312,220 stock options exercised on a cashless basis representing the issuance of 198,221 of common shares.

In 2025, the Company granted 901,095 stock options at an average strike price of \$6.21, all of which vest 25% annually over a four-year period and have a seven-year expiration period.

In 2024, the Company granted 1,884,194 stock options at an average strike price of \$5.72 of which 884,194 stock options have a seven-year expiration period and vest 25% annually over a four-year period. The remaining 1,000,000 stock options are related to a one-time grant to certain executives and vest upon the achievement of future performance targets within a seven-year period. Upon the achievement of certain financial targets for the year ended December 31, 2025, 500,000 performance stock options are expected to vest in March 2026 following approval of the audited annual consolidated financial statements by the Board of Directors.

The weighted average fair value of the options granted during the year ended December 31, 2025, estimated by using the Black-Scholes option pricing model, was \$2.03 (2024: \$2.01). The fair value of the options was estimated on the date of grant based on the following weighted average assumptions:

Years ended December 31,	2025	2024
Weighted average risk-free interest rate	2.82%	3.64%
Dividend yield	Nil	Nil
Weighted average volatility factor ¹	25%	24%
Forfeiture rate	1%	1%
Weighted average expected life	6.9 years	7.2 years

¹ Volatility was determined using the historical share price of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

The following table summarizes information about outstanding stock options granted by the Company as at December 31, 2025:

Range of exercise price \$	Options outstanding			Options exercisable		
	Number of share options #	Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number of share options #	Weighted average remaining contractual life (years)	Weighted average exercise price \$
4.44 to 5.71	649,859	3.44	5.02	464,890	3.18	5.15
5.72 to 6.48	2,758,299	5.77	5.88	214,302	2.43	5.72
6.49 to 9.18	1,279,197	0.96	7.30	1,279,197	0.97	7.30
9.19 to 10.25	554,222	1.00	9.88	554,222	1.00	9.88
	5,241,577	3.80	6.54	2,512,611	1.51	7.34

Deferred share units

The Company may grant DSUs to any non-employee director of Knight under the Omnibus Plan. The number of DSUs granted at any particular time pursuant to the Omnibus Plan is calculated by dividing the value of the grant over the market price of a share of Knight on the award date. The settlement of the DSUs, into shares or cash equivalent at option of the Company, occurs when the holder ceases to be a director of Knight for any reason. During the year ended December 31, 2025, the Company granted 56,598 DSUs for \$338 to independent board members (2024: 52,756 DSUs, \$308 respectively). As at December 31, 2025, the number of outstanding DSUs was 256,718 (2024: 200,120 DSUs).

Restricted share units and performance share units

The Company may grant RSUs and PSUs to any employee under the Omnibus Plan. The RSUs vest on a time-based condition and the PSUs vest subject to the achievement of future performance and strategic targets. Both RSUs and PSUs are settled by no later than December 31st of the third calendar year commencing after the date of award by the issuance of Knight's shares or cash at the option of the Company.

The following table shows the RSUs and PSUs granted and outstanding at the beginning and end of the year ended and the weighted average fair value at grant date per unit ("WAFV"):

Years ended December 31,	2025				2024			
	RSUs		PSUs		RSUs		PSUs	
	Number of units #	WAFV \$	Number of units #	WAFV \$	Number of units #	WAFV \$	Number of units #	WAFV \$
Balance beginning of the year	346,977	5.10	925,549	5.19	324,784	4.97	732,237	4.99
Granted	122,927	6.21	416,755	6.21	130,243	5.70	430,986	5.70
Vested	(84,120)	5.21	(157,319)	5.21	(69,020)	5.61	(183,206)	5.62
Forfeited/cancelled	(53,100)	5.44	(105,334)	5.32	(39,030)	5.13	(54,468)	5.16
Balance at end of the year	332,684	5.43	1,079,651	5.57	346,977	5.10	925,549	5.19
Weighted average remaining contractual life of the share units outstanding	1.21		1.36		1.33		1.46	

The Company recorded an expense of \$8,114 (2024: \$1,860) for the year ended December 31, 2025, related to the share-based compensation for stock options, DSUs, PSUs and RSUs, with corresponding credits to *Contributed surplus* net of forfeitures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

Share Purchase Plan

The Company has a Share Purchase Plan ("Purchase Plan") which allows employees and directors of the Company to purchase common shares at listed market prices from treasury. The Purchase Plan was re-approved by the Board of Directors and the shareholders on May 8, 2025. The plan allows for employees to contribute up to a maximum of 10% of their salary and directors to contribute up to \$10 per year. Under the Purchase Plan, the Company will contribute 25% of employees' or directors' contributions in the form of common shares if the employee remains employed by the Company or director remains on the Board and has held the original shares for two years from the original purchase date. The Company's contribution in common shares is calculated using the lesser of the original common share value at the original purchase date and at the date of the Company's contribution. During the year ended December 31, 2025, the Company issued 98,104 shares (2024: 89,188 shares) under the Purchase Plan for a total of \$581 (2024: \$492).

[iii] NCIB

On July 11, 2024, the Company announced that the Toronto Stock Exchange approved its notice of intention to launch a NCIB ("2024 NCIB"). Under the terms of the 2024 NCIB, Knight may purchase for cancellation up to 5,312,846 common shares of the Company which represented 10% of its public float as at June 30, 2024. The 2024 NCIB commenced on July 15, 2024 and ended on July 14, 2025.

On August 20, 2025, the Company announced that the Toronto Stock Exchange approved its notice of intention to launch a NCIB ("2025 NCIB"). Under the terms of the 2025 NCIB, the Company may purchase for cancellation up to 3,000,000 common shares of the Company which represented approximately 3% of its 99,653,265 common shares issued and outstanding as at August 8, 2025. The 2025 NCIB commenced on August 22, 2025 and will end on the earlier of August 21, 2026 or when the Company completes its maximum purchases under the NCIB. Furthermore, the Company entered into an agreement with a broker to facilitate purchases of its common shares under the NCIB.

During the year ended December 31, 2025, the Company purchased 1,130,600 (2024: 1,619,167) common shares, of which 13,000 common shares, equivalent to \$78 remains to be settled as at December 31, 2025, at an average price of \$5.69 (2024: \$5.53) for aggregate cash consideration of \$6,431 (2024: \$8,956). As at December 31, 2025, there were 2,475,800 common shares remaining to be purchased under the 2025 NCIB.

Subsequent to year end up to March 12, 2026, the Company purchased additional 1,183,300 common shares at an average purchase price of \$6.17 for an aggregate cash consideration of \$7,296.

22. ACCUMULATED OTHER COMPREHENSIVE INCOME

As at December 31,	2025	2024
	\$	\$
Net (loss) gain on equities at FVOCI, net of tax of \$2,074 (2024: \$1,452)	(3,837)	229
Unrealized gain on translation of foreign operations	59,578	79,991
Total	55,741	80,220

23. EMPLOYEE BENEFIT EXPENSES

For the years ended December 31,	2025	2024
	\$	\$
Salaries	76,255	64,815
Bonuses	8,598	6,365
Share-based incentive plans	9,142	1,980
Total	93,995	73,160

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[In thousands of Canadian dollars, except for share and per share amounts]

24. INCOME TAXES

The income tax provision differs from the amount computed by applying the combined Canadian federal and provincial tax rates to the income (loss) before taxes. The reasons for the difference and the related tax effects are as follows:

For the years ended December 31,	2025	2024
	\$	\$
(Loss) income before income taxes	(6,702)	2,052
Applicable tax rate	26.5%	26.5%
Income taxes at applicable statutory rate	(1,776)	544
Increase (decrease) resulting from:		
Rate differential between jurisdictions	(1,268)	1,684
Effect of non-deductible expenses (non-taxable income) and others	(6,582)	(222)
Variation in tax rate	—	(531)
Hyperinflation impact	236	(1,015)
Non-recognition (recognition) of tax benefits related to tax losses and other temporary differences	7,195	(444)
Adjustments recognized in the current year in relation to income tax expense of prior years	601	(3,550)
Impact of foreign exchange	(3)	429
Outside basis differences of investments in subsidiaries	—	476
Others	269	349
Total income tax recovery	(1,328)	(2,280)
Effective tax rate	19.8%	(111.1)%

The Company's applicable statutory tax rate is the Canadian federal and provincial combined tax rate applicable in the jurisdictions in which the Company operates.

The components of income tax recovery are as follows:

For the years ended December 31,	2025	2024
	\$	\$
Current income tax		
Current year	2,101	3,066
Adjustments recognized in the current year in relation to current income tax expense of prior years	382	(2,103)
	2,483	963
Deferred income tax		
Relating to the origination and reversal of temporary differences	(4,030)	(1,265)
Variation in tax rate	—	(531)
Adjustments recognized in the current year in relation to deferred income tax expense of prior years	219	(1,447)
	(3,811)	(3,243)
Income tax recovery reported in the consolidated statements of (loss) income	(1,328)	(2,280)

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[In thousands of Canadian dollars, except for share and per share amounts]

The details of movement in temporary differences during the year were as follows:

	Balance December 31, 2024 ¹	Recognized in statement of (loss) income	Recognized in statement of comprehensive (loss) income	Other	Exchange rate variation	Acquisition	Balance December 31, 2025
	\$	\$	\$	\$	\$	\$	\$
Property and equipment	1,337	(15)	—	(770)	665	—	1,217
Right-of-use assets	(2,096)	(537)	—	(76)	(7)	—	(2,716)
Lease liabilities	1,834	592	—	7	115	—	2,548
Intangible assets	(11,042)	(2,941)	—	(333)	20	24	(14,272)
Trade receivables	6,417	—	—	110	455	—	6,982
Inventories	7,749	3,399	—	(955)	1,694	(1,029)	10,858
Provisions and contingencies	2,948	3,240	—	22	162	1,885	8,257
Stock option & other accrued salaries	787	422	—	—	70	—	1,279
Investment in subsidiaries	(475)	—	—	—	—	—	(475)
Loans and Financial assets	(65)	500	622	—	2	—	1,059
Financing fees	(1)	(9)	—	—	—	—	(10)
Tax losses and SR&ED expenditures	53,934	5,671	—	2,079	(1,817)	—	59,867
Capital losses	380	(16)	—	—	—	—	364
Other	223	137	—	(81)	119	—	398
	61,930	10,443	622	3	1,478	880	75,356
Unrecognized deferred tax assets	(44,523)	(6,632)	—	(2,055)	1,782	—	(51,428)
Net deferred tax assets	17,407	3,811	622	(2,052)	3,260	880	23,928

¹ Beginning balances have been reclassified to align with the year-end 2025 reporting presentation.

	Balance December 31, 2023 ¹	Recognized in statement of (loss) income ¹	Recognized in statement of comprehensive (loss) income ¹	Other ¹	Exchange rate variation ¹	Acquisition	Balance December 31, 2024 ¹
	\$	\$	\$	\$	\$	\$	\$
Property and equipment	(1,509)	2,648	—	(181)	379	—	1,337
Right-of-use assets	(364)	(1,488)	—	(373)	129	—	(2,096)
Lease liabilities	286	1,429	—	236	(117)	—	1,834
Intangible assets	(13,596)	2,262	—	312	(20)	—	(11,042)
Trade receivables	4,230	2,422	—	111	(346)	—	6,417
Inventories	17,612	(8,097)	—	(1,431)	(335)	—	7,749
Provisions and contingencies	3,550	97	—	(277)	(422)	—	2,948
Stock option & other accrued salaries	292	218	—	300	(23)	—	787
Investment in subsidiaries	(88)	(391)	—	—	4	—	(475)
Loans and Financial assets	116	(1,021)	840	—	—	—	(65)
Financing fees	6	(7)	—	—	—	—	(1)
Tax losses and SR&ED expenditures	51,099	1,535	—	1,754	(454)	—	53,934
Capital losses	434	(54)	—	—	—	—	380
Other	408	(30)	—	(176)	21	—	223
	62,476	(477)	840	275	(1,184)	—	61,930
Unrecognized deferred tax assets	(45,903)	3,720	—	(3,128)	788	—	(44,523)
Net deferred tax assets	16,573	3,243	840	(2,853)	(396)	—	17,407

¹ Comparative figures have been reclassified to align with the year-end 2025 reporting presentation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

The presentation in the consolidated balance sheet is as follows:

As at December 31,	2025	2024
	\$	\$
Deferred tax assets	26,921	21,247
Deferred tax liabilities	(2,993)	(3,840)
Net deferred tax assets	23,928	17,407

The Company has non-capital losses carried forward and for which deferred tax assets have not been recognized which amounted to \$158,442 as at December 31, 2025 (2024: \$137,699). Of these amounts, approximately \$72,730 as at December 31, 2025 have no expiration date (2024: \$63,494). Non-capital losses can be carried forward for 20 years in Canada and indefinitely for Brazil and can only be used against future taxable income. The Company also has scientific research & experimental development expenses of \$21,974 as at December 31, 2025 (2024: \$21,794) which have no expiration date, as well as other temporary differences including property and equipment of approximately \$3,425 (2024: \$2,149) as at December 31, 2025 for which deferred tax assets have not been recognized. Deferred tax assets have not been recognized in respect of these amounts as they may not be used to offset taxable profits elsewhere in the Company, some of them have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

The unrecognized deferred tax assets relate to the following temporary differences and unused tax losses:

As at December 31,	2025	2024
	\$	\$
Tax losses	44,453	37,995
Scientific research and experimental development expenses	5,776	5,776
Other temporary differences	1,199	752
Unrecognized deferred tax assets	51,428	44,523

Net deferred tax assets of \$17,372 were recognized as at December 31, 2025 (2024: \$8,268) in jurisdictions that incurred losses this fiscal year or the preceding fiscal year. Based upon the level of historical taxable income, projections for future taxable income and prudent tax planning strategies, management believes it is probable the Company will realize the benefits of these deductible temporary differences and operating tax losses carried forward.

The non-capital losses incurred in various jurisdictions expire as follows:

	Unrecognized	Recognized
Expiry Date	\$	\$
2026-2030	33,956	25
2031-2035	30,862	—
2036-2040	19,132	3,065
2041-2045	1,762	36,450
No expiry date	72,730	486
	158,442	40,026

Deferred tax is not recognized on the unremitted earnings of subsidiaries where the Company is able to control the timing of the remittance and it is probable that there will be no remittance in the foreseeable future. As at December 31, 2025, the temporary differences associated with investments in subsidiaries for which a deferred tax liability has not been recognized aggregate to \$17,000 (2024: \$15,000).

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Tax assessment on goodwill deduction in Brazil:

In July 2021, Knight's Brazilian subsidiary received a tax reassessment from the Brazilian Federal Internal Revenue Service ("IRS"). The reassessment mainly relates to tax amortization of goodwill claimed from 2016 to 2018. The reassessment deemed that such tax amortization is not deductible for the purposes of taxable income calculation and Knight is liable to pay an aggregate of \$20,600 (BRL 82,400) in taxes, penalties and interest. Knight did not make any payment with respect to this reassessment.

Knight strongly disagrees with the reassessment, considers it unfounded and has filed an administrative defense. The Company received a favorable decision at the administrative court in 2025 by a majority of five votes to one. The IRS filed an appeal in January 2026 and the case has moved to the Superior Chamber of Tax Appeals ("CSRF"). The CSRF generally takes up to 2 years to provide a judgment which is expected to have two possible outcomes explained as follows:

Favorable to Knight:

Knight is not liable for the taxes, penalties and interest reassessed. The IRS will not be permitted to appeal to the judicial courts.

Unfavorable to Knight:

Knight is liable for the taxes and penalties of \$20,600 (BRL 82,400) and additional interest of \$9,425 (BRL 37,715) as at December 31, 2025. However, Knight has the right to appeal to the judicial courts.

Based on the Company's view, it is more-likely-than-not that CSRF will render a favorable decision to Knight. Therefore, the Company has not recorded any tax provision related to this reassessment in its consolidated financial statements. However, there can be no assurance regarding the outcome or when the resolution may be reached.

Although the Company 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.

25. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings per share has been calculated after adjusting the weighted average number of shares used in the basic calculation to assume the conversion of all potentially dilutive shares.

Years ended December 31,	2025	2024
	\$	\$
Net (loss) income	(5,374)	4,332
Basic weighted average shares outstanding	99,566,529	101,040,581
Adjustment for share options, RSUs and DSUs	— ¹	396,321
Diluted weighted average shares outstanding	99,566,529	101,436,902
Basic net (loss) earnings per share	(0.05)	0.04
Diluted net (loss) earnings per share	(0.05)	0.04

¹Adjustments for diluted earnings per share have not been included as all of the share options, RSUs and DSUs are anti-dilutive.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

26. DISAGGREGATED REVENUE INFORMATION

The following table represents the disaggregation of revenues from contracts with customers by Therapeutic Area and Product Portfolio:

Years ended December 31,	2025	2024 ¹
Therapeutic Area	\$	\$
Oncology/Hematology	146,373	140,837
Infectious Diseases	160,381	150,986
Neurology	85,460	53,229
Other Specialty	57,874	26,252
Total	450,088	371,304

¹ Comparative figures have been reclassified to align with the year-end 2025 reporting presentation. These reclassifications had no impact on total revenues.

Years ended December 31,	2025	2024 ¹
Product Portfolio	\$	\$
Innovative		
Promoted	318,841	272,902
Mature	84,411	41,236
Discontinued	57	3,652
Total Innovative	403,309	317,790
BGx		
New Launches	2,088	2,087
Mature	44,353	50,731
Discontinued	338	696
Total BGx	46,779	53,514
Total	450,088	371,304

¹ Comparative figures have been reclassified to align with the year-end 2025 reporting presentation. These reclassifications had no impact on total revenues.

The description of each portfolio are as follows:

Innovative Portfolio: The portfolio consists of the pharmaceutical products with innovative molecules and includes both in-licensed products as well as products owned (or partially owned) by Knight.

BGx Portfolio: The portfolio consists of branded generic products which are pharmaceutically equivalent to an innovative molecule.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

27. SEGMENT REPORTING

The Company has one reportable segment, namely the development, acquisition, in-licensing, out-licensing, marketing and distribution of innovative pharmaceutical products, consumer health products and medical devices. This reflects the current management structure and the way the chief operating decision-maker evaluates the business.

Geographic information

The following table represents the revenues per country, based on where the customer is located.

Years ended December 31,	2025	2024
	\$	\$
Revenues		
Brazil	182,519	180,632
Canada	84,281	25,693
Colombia	54,999	51,480
Argentina	40,746	45,902
Mexico	24,502	18,987
Rest of LATAM	43,022	38,827
Other ¹	20,019	9,783
Total	450,088	371,304

¹ Includes Europe, US and other countries.

As at December 31, 2025 and 2024, non-current operating assets consisting of property, plant and equipment, intangible assets, goodwill, right-of-use assets and other long-term receivables were held in the following geographic areas:

As at December 31,	2025	2024
	\$	\$
Non-current operating assets		
Canada	209,813	71,115
Brazil	46,411	45,757
Argentina	30,674	37,795
Mexico	5,206	5,465
Colombia	16,399	13,634
Uruguay	159,807	184,589
Luxembourg	29,306	36,786
Rest of LATAM	38,561	39,953
Total	536,177	435,094

28. FINANCIAL RISK

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its shareholders and to maintain a flexible capital structure which optimizes the cost of capital at acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Managed capital includes cash and cash equivalents, marketable securities, bank loans and equity. To maintain or adjust the capital structure, the Company may take on additional debt, attempt to

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

issue new common shares, repurchase the Company's own stock, and acquire or dispose of assets. The issuance and repurchase of common shares requires approval of the Board of Directors.

The Company's investment policy regulates the investment activities relating to cash resources. An Investment Committee composed of representatives from management and the Board of Directors monitors compliance with said policy. The Company invests in strategic investments in the form of equity funds, equity or liquid investment securities with varying terms to maturity, selected with regard to the expected timing of investments and expenditures for continuing operations and prevailing interest rates.

The Company monitors capital using the net debt to capitalization/equity ratios, which are calculated as net debt divided by the total capitalization and shareholders' equity, respectively. The Company includes within net debt, bank loans less cash and cash equivalents and marketable securities.

Total capitalization is calculated as shareholders' equity plus net debt.

As at December 31,	2025	2024
	\$	\$
Bank loans	67,895	43,385
Less: Cash and cash equivalents and marketable securities	(95,283)	(142,331)
Net debt	(27,388)	(98,946)
Shareholders' equity	767,272	795,105
Total capitalization	739,884	696,159

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2025 and 2024.

Market risk

Currency risk

The Company has significant exposure to foreign currencies of emerging markets in Latin America. Knight generates a significant portion of its revenues in BRL, ARS and COP as well as a basket of other Latin American currencies (BOB, MXN, PEN, PYG, UYU and CLP). Such currencies have been historically 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 ingredient 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, net income and cash flows.

Currency risks in net financial assets

The Company maintains cash and cash equivalents, marketable securities, trade and other receivables, other financial assets, other balances payable, accounts payable and accrued liabilities, and bank loans in many currencies. The Company is primarily exposed to the USD, EUR, BRL and ARS and is therefore exposed to foreign exchange risk on these balances. The following table presents the significant net currency exposure on the foreign-denominated balances. The table includes the net financial assets whose revaluation effect goes through the consolidated statement of (loss) income, and therefore, includes intercompany balances and excludes foreign currency balances that get revalued to CAD through other comprehensive income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

December 31, 2025	USD	EUR	BRL	ARS	CLP	COP	MXN
Cash and cash equivalents	13,989	815	—	—	—	—	—
Marketable securities	13,759	—	—	—	—	—	—
Trade and other receivables	168	440	271,675	2,516,060	2,340,907	84,742,021	102,431
Other financial assets	3,577	13,557	—	—	—	—	—
Accounts payable and accrued liabilities	(3,434)	(4,407)	(57,126)	(158)	—	(2,210,409)	—
Other balances payable	(8,811)	(896)	—	—	—	—	—
Financial liabilities	—	—	(51,582)	—	(2,963,148)	(20,118,425)	(21,695)
Net exposure	19,248	9,509	162,967	2,515,902	(622,241)	62,413,187	80,736

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)
Other balances payable	(10,213)	—	—	—	—	—	—
Financial liabilities	—	—	(77,134)	—	(4,527,452)	(29,877,082)	(33,725)
Net exposure	55,042	20,313	195,940	2,233,431	(1,067,745)	58,329,281	130,684

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 \$1,158 (2024: \$741).

Equity price risk

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

Years ended December 31,	2025	2024
	\$	\$
Equity investments	18,946	20,792
Investments in funds	79,484	92,024
Total	98,430	112,816

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.

Interest rate risk

The Company is subject to interest rate risk on the interest income generated on its cash, cash equivalents and marketable securities. Details regarding maturity dates and effective interest rates are described in Note 7 - *Cash and Cash Equivalents* and Note 8 - *Marketable Securities* of the *Consolidated Annual Financial Statements*. Assuming 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 \$953 over a one-year period.

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The Company is exposed to interest rate risks in connection with its bank loans borrowings. Details regarding maturity dates and effective interest rates are described in Note 17 - *Bank Loans*. The Bancolumbia, the IFC and the Revolving Credit Facility 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. Assuming all other variables remain constant, a 1% increase in the interest rate would have resulted in an increase of interest expense of \$679 over a one-year period.

Credit risk

The Company considers its maximum credit risk to be \$210,169 (2024: \$221,055) which is the total of the following assets: trade receivable, other receivable, interest receivable, loans receivable and investment in funds.

The short-term investments, such as 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 Company is exposed to credit risk from its customers and continually monitors its customers' credit. 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. There is a credit policy in place to ensure that these limits are periodically reviewed and immediately adjusted if needed. Furthermore, the Company establishes the ECL based upon days past due and the likelihood of collection for each customer.

The credit risk on loans and interest receivable is due to the risk of insolvency or operational failure of the partners in the strategic lending transaction. In 2025, the Company collected \$17,598 [US\$12,771] and received warrants with fair value of \$1,116 [US\$811] for the outstanding strategic loan receivables and as at December 31, 2025 no longer has strategic loan receivables, as described in Note 16 – Other Financial Assets and Measurement. The Company also has a credit risk on its investment in funds which are held through venture funds.

The table below represents the Company'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,	2025	2024
	\$	\$
Trade receivables	127,775	105,196
Interest receivable	128	845
Other receivables	2,782	1,874
Loans receivable	—	21,116
Investments in funds	79,484	92,024
Total	210,169	221,055

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, 2025, three customers represented 26%, 9% and 5% (2024: two customers for 31% and 7%) of the trade and accounts receivable balance. For the year ended December 31, 2025, one customer represented 20% (2024: 20%) of revenues.

Liquidity risk

The Company generates sufficient cash from operating and investing activities to fulfill its obligations as they become due. The Company has sufficient funds available through its cash, cash equivalents and marketable securities should its cash requirements exceed cash generated from operations to cover all financial liability obligations. Periodically, the Company forecasts their projected cash flows both at the subsidiary and consolidated level. If any issues are identified, the corporate teams will work with the local teams to provide liquidity support. The Company negotiates lines of credit with global and regional banks to diversify its options and ensure competitive financing rates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

The following table presents the maturity analysis of contractual undiscounted cash flows related to the Company's financial liabilities:

December 31, 2025	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due after 5 years	Total
Accounts payable and accrued liabilities	120,868	4,887	—	—	125,755
Lease liabilities	3,398	2,507	2,634	2,464	11,003
Other liabilities	12,878	—	—	—	12,878
Bank loans	16,730	12,603	40,235	—	69,568
Income taxes payable	580	—	—	—	580
Other balances payable	10,806	14,283	23,145	14,120	62,354
Total	165,260	34,280	66,014	16,584	282,138

December 31, 2024	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due after 5 years	Total
Accounts payable and accrued liabilities	78,345	4,828	—	—	83,173
Lease liabilities	2,640	3,680	217	137	6,674
Other liabilities	1,876	—	—	—	1,876
Bank loans	21,829	17,001	12,457	—	51,287
Income taxes payable	213	—	—	—	213
Other balances payable	10,688	10,301	4,317	7,914	33,220
Total	115,591	35,810	16,991	8,051	176,443

Sensitivity analysis

Based on the aforementioned net currency exposure, and exposure to changes in equity prices, and assuming that all other variables remain constant, a 5% change, would have resulted in a change in the consolidated statement of (loss) income as follows:

Years ended December 31,	2025	2024
	\$	\$
Foreign exchange risk (5% change)		
USD	1,319	3,960
EUR	765	1,516
BRL	2,039	2,280
CLP	(47)	(77)
COP	1,136	950
ARS	119	156
MXN	308	453

The Company is also exposed to currency risk on the BOB, CHF, PEN, PYG, and UYU. A 5% change in the Company's net exposure to the above mentioned currencies would have resulted in a change in the consolidated statement of (loss) income of \$58 (2024: \$37).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Years ended December 31,	2025	2024
	\$	\$
Equity price risk (5% change)^{1, 2}		
Equity investments	947	1,040
Investments in funds	3,974	4,601

¹ The adverse change above does not reflect what could be considered the best or worst case scenarios. Results could be worse due to both the nature of equity markets and the concentrations existing in the Company's equity investment portfolio, in particular where there is less liquidity available as in the case of the small capitalization companies included in the equity investment securities.

² Change in the statement of comprehensive (loss) income of \$290 (2024: \$469) included in amount.

29. STATEMENT OF CASH FLOWS

Effect on cash flows of changes in non-cash working capital are as follows:

Years ended December 31,	2025	2024
	\$	\$
Changes in non-cash working capital:		
Decrease (increase) in:		
Trade and other receivables	(26,134)	(8,327)
Prepays and deposits	1,280	(4,332)
Inventories	(17,823)	(5,911)
Income taxes receivable	(398)	(1,961)
Increase (decrease) in:		
Accounts payable and accrued liabilities ¹	42,105	632
Other liabilities	2,524	911
Income taxes payable	340	(636)
Total changes in non-cash working capital	1,894	(19,624)

¹ In August 2025, Knight paid \$667 of working capital adjustment payable to Paladin.

30. RELATED PARTY TRANSACTIONS

Pharmascience Inc., a company related to the Company's Executive Chairman of the Board of Directors, provided administrative services to the Company of approximately \$374 (2024: \$31) and the Company purchased inventory of approximately \$175 from Pharmascience Inc. during the year ended December 31, 2025.

The compensation expenses of key management personnel, including directors, in aggregate were as follows:

For the years ended December 31,	2025	2024
	\$	\$
Salaries	3,763	3,943
Bonuses	2,747	2,140
Board fees	719	673
Share-based incentive plans	6,852	1,307
Total	14,081	8,063

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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31. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company secures development, sales, marketing and distribution rights to innovative drug products requiring royalties or product payments. These payments are considered normal operating commitments and as such are not included herein. The Company has entered into various agreements which include contractual commitments extending beyond the current year. These commitments are classified into three major categories: fund commitments, milestone and purchase commitments. The commitments of the Company as at December 31, 2025 are as follows:

[i] Fund commitments

As at December 31, 2025, under the terms of Company's agreements with life sciences venture capital funds, \$3,496 (2024: \$5,936), may be called over the life of the funds.

[ii] Milestone and purchase commitments

Under certain agreements, Knight may have to pay additional consideration should the Company achieve certain sales volumes or if certain milestones are met, such as regulatory approval. All milestones that the Company considers probable to be achieved have been recorded as a liability in *Other Balances Payable*.

As at December 31, 2025, the Company may have to pay up to \$493,138 (2024: up to \$405,097) upon achieving certain sales volumes, regulatory or other milestones related to specific products. These milestone are not currently expected to be achieved in the future.

The table below outlines the milestone commitments by currency of payment:

As at December 31,	2025		2024	
Currency Unit	Currency	\$	Currency	\$
CAD	159,702	159,702	131,304	131,304
USD	153,397	210,246	124,985	179,841
CHF	55,335	95,652	55,335	87,933
EUR	17,116	27,538	4,032	6,019
Total		493,138		405,097

As at December 31, 2025, for products that are currently launched, the Company has committed to inventory purchases of \$182,700 (2024: \$113,131), which will be purchased over the next 5 years.

	\$
2026	65,524
2027	55,662
2028	48,246
2029	6,634
2030	6,634
Total	182,700

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The table below outlines the purchase commitments by currency of payment:

As at December 31,	2025		2024	
Foreign Currency Unit	Foreign Currency	\$	Foreign Currency	\$
Products launched:				
BRL	427,800	107,033	142,600	33,183
USD	34,563	47,372	32,843	47,258
EUR	9,553	15,370	10,185	15,204
CHF	7,477	12,925	11,004	17,486
Total products launched		182,700		113,131
Products not yet launched¹:				
USD	2,450	3,358	—	—
EUR	—	—	1,277	1,906
Total products not yet launched		3,358		1,906
Total		186,058		115,037

¹ For products not yet launched, the purchase obligation starts after the commercial launch of the product.

[iii] Contingencies

Notification from National Competition Authority (“NCA”) for administrative investigation

On March 28, 2025, Knight’s subsidiary in Argentina, Laboratorio LKM S.A., received a notification from the NCA referring to a claim filed before the NCA about an administrative investigation for alleged anticompetitive practices in the Argentine pharmaceutical market on the sales of oncology products to the public medical insurance program (“PAMI”) covering pensioners and retirees. The claim affects 38 pharmaceutical companies, including large multinational pharmaceuticals, and initially covers the period from January 2018 to January 2025. The claim is currently ongoing and in a preliminary investigation stage. The Company believes the claim is unfounded and it is not possible at this time to estimate the outcome. The Company has not recorded any provision related to this claim.

Notification from Ministry of Health in Brazil (“MOH”) for bank guarantee delivery delay

During 2025, United Medical Ltda. (“United Medical”) received notifications from MOH informing fines totaling approximately \$1,756 [BRL 6,847], primarily related to alleged administrative delays. United Medical has filed administrative appeals against these fines, and, as of the reporting date, the MOH has not issued decisions on such appeals. The Company believes it has well-founded legal and factual grounds to conclude that no fines should be imposed. Accordingly, no provision has been recognized in connection with these matters.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[In thousands of Canadian dollars, except for share and per share amounts]

32. SUBSEQUENT EVENTS

(i) In March 2026, Knight executed certain agreements with two partners to return the Canadian commercial rights of six non-core products in exchange for a payment of \$21,500 ("Partner Payment"). These products generated total revenues of \$7,527¹ in 2025.

In accordance with the Asset Purchase Agreement of the Paladin Transaction, as a final and full settlement, Knight will release \$8,457 of the Settlement Agreement Holdback to Paladin.

(ii) In March 2026, Knight executed an asset purchase agreement to acquire land and a building in an industrial zone outside of Buenos Aires in Argentina ("Facility"). The Facility was built in 2017 and was originally designed to be a research and development and pharmaceutical manufacturing site. The Company expects to move part of its branded generic manufacturing activities to this Facility in the next three years.

¹ For certain products, revenues include \$3,247 generated by Paladin Pharma Inc. between January 1 and June 17, 2025

Management Team



Samira Sakhia

President, Chief Executive Officer and Director

Ms. Sakhia joined Knight as President in August 2016, was named President & Chief Operating Officer in June 2020 and assumed the role of President & Chief Executive Officer on September 1, 2021. Ms. Sakhia has led Knight to become the leading pan-American ex US specialty pharmaceutical company, with a portfolio of over 150 products that drive over \$400 million in sales across 11 countries. Additionally, Ms. Sakhia served as CFO from October 2017 to March 2020. Prior to Knight, Ms. Sakhia served as the CFO at Paladin from 2001 to 2015. At Paladin, Ms. Sakhia was responsible for the finance, operations, human resources and investor relations functions. During her employment with Paladin, Ms. Sakhia was instrumental in executing in-licensing and acquisition transactions of Canadian and international pharmaceutical products and businesses. Ms. Sakhia led several M&A and strategic lending transactions as well as equity rounds on the TSX and completed the sale of Paladin to Endo International for \$3.2 billion. Ms. Sakhia serves on the board of directors of Dollarama Inc., is a member at large of the Board of Governors of McGill University and an independent Board member at the McGill University Health Center. Ms. Sakhia holds an MBA, a Bachelor of Commerce and a Graduate Diploma in Accountancy from McGill University.

Ms. Sakhia is based in Montreal, Canada.



Amal Khouri

Chief Business Officer

Ms. Khouri joined Knight as Vice-President of Business Development in August 2014 and was promoted to Chief Business Officer in March 2021. At Knight, Ms. Khouri leads the corporate and business development teams as well as corporate strategy. Ms. Khouri was a key player in the acquisition of Grupo Biotoscana in 2019 and led the mandatory tender offer process that successfully completed in 2020. Prior to Knight, Ms. Khouri worked at Novartis Pharma for over 7 years, where she held multiple positions within the global business development and licensing team in Basel, Switzerland. Before joining Novartis, Ms. Khouri worked in business development at Paladin Labs in roles with increasing responsibilities. Ms. Khouri has led due diligence, deal structuring and negotiations on several transactions with a combined deal value of over \$1bn. Ms. Khouri holds a B.Sc. in Biochemistry from McGill University and an M.B.A. from the University of Ottawa.

Ms. Khouri is based in Montreal, Canada.



Arvind Utchanah
Chief Financial Officer

Mr. Utchanah joined Knight as Director of Finance in June 2016 and was promoted to Vice-President of Finance in August 2019 and Chief Financial Officer in March 2020. At Knight, Mr. Utchanah is responsible for managing the finance and treasury functions as well as supply chain operations and IT. Mr. Utchanah played a key role in the acquisition of Grupo Biotoscana in 2019. Prior to joining Knight, Mr. Utchanah held a number of senior finance roles with increasing responsibilities with Paladin Labs Inc., most recently as Director of Finance, Accounting and Financial Planning & Analysis where he was instrumental in the integration with Endo Health Solutions Inc. Mr. Utchanah's move to Paladin Labs Inc. in 2012 after having spent 5 years with the global public accounting firm, Ernst & Young LLP, within the assurance services group. Mr. Utchanah is a Chartered Professional Accountant; he holds a Bachelor of Commerce degree from McGill University and a Graduate Diploma in Public Accountancy from Concordia University.

Mr. Utchanah is based in Montevideo, Uruguay.



Susan Emblem
Global Vice President Human Resources

Ms. Emblem joined Knight in October 2020 and was named Global Vice President Human Resources in August 2021. At Knight, Ms. Emblem is responsible for leading all HR integration and HR strategy across the business. Prior to joining Knight, Ms. Emblem worked at Paladin Labs for 20 years, where she held a number of leadership roles including as Vice President, Human Resources & Corporate Communications. Ms. Emblem was also Marketing Director, where she launched several key brands across several therapeutic areas for the business. Prior to her time at Paladin, Ms. Emblem was Marketing Manager for MSN Australia and she also held brand management roles at Unilever Australia. Ms. Emblem has a Bachelor of Commerce with concentrations in International Business and Entrepreneurship from McGill University.

Ms. Emblem is based in Montreal, Canada.

Management Team



Monica Percario

Global Vice President Regulatory and Quality

Ms. Percario joined Knight as Global VP of Scientific Affairs in August 2021 and appointed to Global VP Regulatory and Quality in January 2024. Ms. Percario has nearly 30 years of experience in the pharmaceutical industry. Prior to joining Knight, Ms. Percario was at Sanofi in Brazil where she had been working since 2008, most recently as Head of Regulatory – LatAm and Center of Expertise LatAm. At Sanofi, she also participated in the integration of Aventis with Medley and developed a strong expertise in the generics market as well as mature products. Further, she implemented a regional regulatory function with teams in several countries in Latin America, including Brazil, Colombia, Peru, Mexico, Chile, Argentina and several other countries, resulting in agility and efficiency across multiple dossiers. Prior to Sanofi, Ms. Percario worked in various regulatory roles at Farmasa (now a part of Hypera Pharma). During her time at Farmasa, she created the pharmacovigilance department and participated in clinical research studies in the development of biological products. Ms. Percario holds a degree in law and pharmacy with a postgraduate degree in health law.

Ms. Percario is based in São Paulo, Brazil.



Leopoldo Bosano

Global Vice President Manufacturing and Operations

Mr. Bosano joined Knight as VP of Manufacturing and Operations in March 2022. Mr. Bosano has nearly 30 years of experience in operations management including over 25 years in the pharmaceutical industry. Prior to joining Knight, Mr. Bosano was at Givaudan Argentina where he had been working since 2014, most recently as Head of Operations – LatAm. At Givaudan, he was responsible for production, quality control and quality assurance, supply chain, engineering and maintenance across seven sites located in Argentina, Chile, Brazil, Colombia and Mexico. Prior to Givaudan, Mr. Bosano worked at HLB Pharma Group where he was Industrial Operations Director. In addition, he worked as General Manager and VP at UV-Vis Metrolab S.A. in Argentina. Prior to these roles, Mr. Bosano was at Bristol Myers Squibb for many years in Argentina as well as in Panama, where he held several roles including, planning, supply chain, procurement, technical operations, plant management and GM for supply to Middle and Far East and Latin American markets. Mr. Bosano holds a Bachelor of Chemical Engineering from Universidad Tecnológica Nacional as well as a graduate degree in Marketing and Finance from Instituto de Estudios para la Excelencia Competitiva (IEEC).

Mr. Bosano is in Buenos Aires, Argentina.



Henrique Dias

Global Vice President Marketing

Mr. Dias joined Knight as Global Director of Marketing in December 2021 and promoted to Global VP of Marketing in January 2024. Mr. Dias is a Senior Executive with over 20 years of experience in the pharmaceutical industry. Prior to joining Knight, he was leading the launch strategy of a major new product at AstraZeneca UK. He also held leadership positions at AstraZeneca and Janssen, where he managed businesses and new products worth over USD \$1 billion in both Specialty Care and Primary Care. With a diverse regional background, Mr. Dias has held Global Positions in the US, Europe, and has led LATAM as BU Head for Hematology and specialty care products. He has extensive experience in new product launches and commercializing products in emerging markets. Mr. Dias holds a degree in Engineering and an MBA from USP with Honor in Strategy, with a Post-MBA from Wharton BS.

Mr. Dias is based in Montevideo, Uruguay.



Melanie Groleau

Global Vice President Medical and Clinical

Ms. Groleau joined Knight as Senior Director – Scientific Affairs for Canada in October 2019. In July 2021, Ms. Groleau was promoted to Global Senior Director PV & Medical Information and Scientific Affairs Advisor for Canada. In May 2022, Ms. Groleau took on the role of Global Senior Director Medical Affairs. Ms. Groleau was promoted to Global VP Medical and Clinical in January 2024. Ms. Groleau is responsible for managing medical affairs, pharmacovigilance and medical information and clinical development across Canada and Latin America. Ms. Groleau is a senior executive with over 25 years of experience in healthcare and pharmaceutical industry. Ms. Groleau started her career as a hospital pharmacist and spent 19 years at Roche and Sanofi, during which she was the recipient of numerous awards and recognitions for her contribution. Prior to joining Knight in October 2019, Ms. Groleau was the head of business planning at Sanofi. She has a unique profile with a diversified experience in Pharmacovigilance, Regulatory, Quality Assurance, Research and Development, Medical and Commercial, which gives her a comprehensive understanding of the pharma industry. Ms. Groleau holds a master's degree in hospital pharmacy from Laval University and the RAPS Canadian and American regulatory certifications.

Ms. Groleau is based in Montreal, Canada.

Board of Directors



Jonathan Ross Goodman

Executive Chairman

Mr. Goodman founded Knight in February 2014 and was Knight's CEO until August 31, 2021. Mr. Goodman was cofounder of Paladin Labs Inc. ("Paladin") and was President and Chief Executive Officer until its acquisition by Endo Health Solutions Inc. in 2014 for \$3.2 billion. Under Mr. Goodman's leadership, Paladin grew to be a leading Canadian specialty pharmaceutical company with sales of over \$150 million in Canada. Prior to co-founding Paladin in 1995, Mr. Goodman was a consultant with Bain & Company and also worked in brand management for Procter & Gamble. Mr. Goodman serves on the board of directors of POINT Biopharma Global Inc. Mr. Goodman holds a B.A. with Great Distinction from McGill University and the London School of Economics with 1st Class Honours. Additionally, Mr. Goodman holds an LL.B. and an M.B.A. from McGill University.



James C. Gale¹

Lead 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, NorthX Biologics AB, 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.



Samira Sakhia

President, Chief Executive Officer and Director

Refer to Management Team section.

¹ Member of the Audit Committee



Robert N. Lande^{1, 2}

Director

Mr. Lande is the President of Stratos Global International LLC, a global fintech offering trading in equities, foreign exchange and derivatives. 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.



Michael J. Tremblay²

Director

Mr. Tremblay has over 40 years of experience in the pharmaceutical industry. In 2018, he retired from Astellas Pharma Canada, Inc. where he served as President of Canadian operations. He joined the company in June 2000 and held various positions within the organization's commercial area before being appointed as President in 2010. Prior to joining Astellas, Mr. Tremblay held positions at Janssen Canada Inc., Searle Canada Inc., Baxter-Travenol Canada and Smith, Kline and French Canada. Mr. Tremblay has sat on a number of Boards, including Community & Home Assistance to Seniors and Innovative Medicines Canada, the organization representing the leading research-based pharmaceutical companies in Canada. Mr. Tremblay began serving on the Board of IMC in 2011, was elected Chair of the Board in 2015 and held that position until November 2017. Mr. Tremblay holds a B.Sc. in Biology and Chemistry from the University of Windsor.

¹ Member of the Audit Committee

² Member of the Compensation, Corporate Governance and Nominating Committee

Board of Directors



Janice Murray^{1,2}

Director

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 VOB 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.



Nicolás Sujoy^{1,2}

Director

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.

¹ Member of the Audit Committee

² Member of the Compensation, Corporate Governance and Nominating Committee

Corporate Information

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Stock Exchange Listing

Toronto Stock Exchange

Trading Symbol: GUD

Shares Outstanding

99,192,343 Common Shares

(as at December 31, 2025)

Fiscal Year 2025 Trading Summary

High: \$6.55

Low: \$5.25

Close: \$6.05

Average Daily Volume: 60,222

Transfer Agent

Computershare

1-800-564-6253

Auditors

Ernst & Young LLP

This annual report is also available at www.knighttx.com

Ce document est également disponible en français.



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