

Knight Therapeutics Reports Third Quarter 2024

MONTREAL, CANADA (November 7, 2024) - Knight Therapeutics Inc. (TSX: GUD) ("Knight" or "the Company"), a leading pan-American (ex-US) specialty pharmaceutical company, today reported financial results for its third quarter ended September 30, 2024. All currency amounts are in thousands except for share and per share amounts. All currencies are Canadian unless otherwise specified.

Q3 2024 Highlights

Financial Results

- Delivered revenues of \$92,263, an increase of \$10,763 or 13% or \$13,801 or 18% on a constant currency¹ basis, over the same period in the prior year. The increase is driven by growth of our key promoted products partly offset by declines of our mature products.
- Gross margin of \$45,017 or 49% of revenues compared to \$40,182 or 49% of revenues in the same period in the prior year.
- Adjusted EBITDA¹ was \$13,454, a decrease of \$2,058 or 13% over the same period in the prior year.
- Adjusted EBITDA per share¹ of \$0.13, a decrease of \$0.02 or 10% over the same period in the prior year driven by investments on our new launches and pipeline.
- Net income was \$85, compared to \$9,588 in the same period in the prior year.
- Cash inflow from operations was \$5,016, compared to \$15,166 in the same period in the prior year.

Corporate Developments

- Purchased 437,500 common shares through Knight's NCIB at an average price of \$5.65 for an aggregate cash consideration of \$2,474.

Subsequent to quarter-end

- Obtained regulatory approval for Minjuvi® (tafasitamab) in Mexico.
- Recorded an unrealized gain of \$14,412 recognized in other comprehensive income in Q3-24 on our shares of Synergy driven by its IPO in October 2024.

"I am excited to report that for the nine months ended September 30, 2024, we delivered record revenues of over \$271 million and adjusted EBITDA of over \$42 million. This strong performance is the result of the growth of our key promoted products and our commercial execution across Canada and Latin America. In addition, we have advanced our pipeline with the regulatory approval of Minjuvi® in Mexico with a launch expected in the first half of 2025. We remain committed to advancing our pipeline products with regulatory submissions and approvals to grow our business in Canada and Latin America." said Samira Sakhia, President and Chief Executive Officer of Knight Therapeutics Inc.

¹ Adjusted EBITDA, Adjusted EBITDA per share and revenues at constant currency are non-GAAP measures. Refer to section Non-GAAP measures for additional details.

SELECTED FINANCIAL RESULTS REPORTED UNDER IFRS

[In thousands of Canadian dollars]

	Q3-24	Q3-23	Change		YTD-24	YTD-23	Change	
			\$ ¹	% ²			\$ ¹	% ²
Revenues	92,263	81,500	10,763	13%	274,440	254,002	20,438	8%
Gross margin	45,017	40,182	4,835	12%	134,053	118,437	15,616	13%
Gross margin %	49%	49%			49%	47%		
Selling and marketing	13,372	11,924	(1,448)	12%	39,285	35,463	(3,822)	11%
General and administrative	12,110	11,080	(1,030)	9%	34,747	29,305	(5,442)	19%
Research and development	5,153	4,768	(385)	8%	15,939	13,291	(2,648)	20%
Amortization of intangible assets	11,179	11,480	301	3%	33,725	33,925	200	1%
Operating expenses	41,814	39,252	(2,562)	7%	123,696	111,984	(11,712)	10%
Operating income	3,203	930	2,273	244%	10,357	6,453	3,904	60%
Net (loss) income	85	9,588	(9,503)	99%	(6,403)	7,491	(13,894)	185%

¹ A positive variance represents a positive impact to net income (loss) and a negative variance represents a negative impact to net income (loss).

² Percentage change is presented in absolute values.

SELECTED FINANCIAL RESULTS EXCLUDING IAS 29¹

[In thousands of Canadian dollars]

	Q3-24	Q3-23	Change		YTD-24	YTD-23	Change	
			\$	%			\$	%
Revenues	91,430	81,669	9,761	12%	271,346	254,736	16,610	7%
Gross margin	43,196	42,121	1,075	3%	129,173	123,751	5,422	4%
Gross margin %	47%	52%			48%	49%		
Selling and marketing	13,197	11,937	1,260	11%	38,658	35,635	3,023	8%
General and administrative	11,922	11,009	913	8%	33,711	29,084	4,627	16%
Research and development	5,372	4,651	721	16%	15,789	13,376	2,413	18%
Amortization of intangible assets	11,161	11,475	(314)	3%	33,707	33,789	(82)	—%
Operating expenses	41,652	39,072	2,580	7%	121,865	111,884	9,981	9%
EBITDA ¹	13,330	15,512	(2,182)	14%	42,560	48,018	(5,458)	11%
Adjusted EBITDA ¹	13,454	15,512	(2,058)	13%	42,787	48,018	(5,231)	11%
Adjusted EBITDA per share ¹	0.13	0.15	(0.02)	10%	0.42	0.46	(0.04)	7%

¹ Financial results excluding the impact of IAS 29, EBITDA, adjusted EBITDA and adjusted EBITDA per share are non-GAAP measures. Refer to section "Non-GAAP measures" for additional details.

Revenues

For the quarter ended September 30, 2024, revenues excluding the impact of IAS 29 were \$91,430 an increase of \$9,761 or 12% mainly driven by a growth of \$13,526 or 25% from our key promoted products offset by a decline in our mature products. On a constant currency¹ basis, revenues increased by \$13,801 or 18% for the three period ended September 30, 2024. The table below provides revenues by therapeutic area.

Therapeutic Area	Excluding the impact of IAS 29 ¹		Change	
	Q3-24	Q3-23	\$	%
Oncology/Hematology	36,821	31,336	5,485	18%
Infectious Diseases	33,827	29,195	4,632	16%
Other Specialty	20,782	21,138	(356)	2%
Total	91,430	81,669	9,761	12%

¹ Revenues excluding the impact of IAS 29 is a non-GAAP measure, refer to section "Non-GAAP measures" for additional details.

The increase in revenues is explained by the following:

- **Oncology/Hematology:** The oncology/hematology portfolio increased by \$5,485 or 18% or \$6,729 or 22% on a constant currency¹ basis driven by continued growth of key promoted products including Lenvima®, Akynzeo®, Trelstar® and the launch of Minjuvi® in Brazil. Furthermore, in Q3-24, a competitor in Brazil launched both a branded generic and a generic of Lenvima®. Knight and Eisai are collaborating to defend Lenvima®'s market exclusivity in Brazil. While we continue to challenge the generic entrants, the introduction of generics and branded generics will increase competitive pressures and negatively impact future sales and margins of Lenvima® in Brazil.
- **Infectious Diseases:** The infectious diseases portfolio increased by \$4,632 or 16% or \$6,572 or 24% on constant currency¹ basis mainly driven by the timing of orders for Ambisome® under the MOH contract and growth of our key promoted products including Cresemba®, partly offset by a decrease in the demand of Impavido®. During Q3-24 the Company delivered \$6,700 of Ambisome® to MOH compared to nil in Q3-23.
MOH Contract: The Company signed a contract with the Ministry of Health of Brazil for Ambisome® in December 2022 ("2022 MOH Contract"). Knight delivered a total of \$34,600 under the 2022 MOH Contract as follows: \$7,000 in 2022, \$25,200 in 2023 (\$2,400 in Q1-23, \$18,000 in Q2-23 and \$4,800 in Q4-23) and \$2,400 Q1-24. In December 2023, Knight signed a new contract with the MOH ("2024 MOH Contract") and delivered \$6,800 in Q1-24, \$8,900 in Q2-24 and \$6,700 in Q3-24. The total MOH sales Ambisome® delivered in Q3-24 and YTD-24 was \$6,700 and \$24,800, respectively.
- **Other Specialty:** The specialty portfolio decreased by \$356 or 2%. There was no significant variance.

Gross margin

Excluding the impact of IAS 29, gross margin as a percentage of revenues was 47% in Q3-24 compared to 52% in Q3-23. The decrease in the Q3-24 gross margin, as a percentage of revenues, was due to product mix including a higher proportion of Ambisome® sales to MOH.

Selling and marketing ("S&M") expenses: For the quarter ended September 30, 2024, S&M expenses excluding the impact of IAS 29, were \$13,197 in Q3-24 compared to \$11,937 in Q3-23, an increase of \$1,260 or 11%. The increase was mainly driven by the marketing spend for the launches of Minjuvi® in Brazil, Imvexxy® and Bijuva® in Canada as well as pre-launch activities for Jornay PM™.

¹ Revenues at constant currency is a non-GAAP measure. Refer to section "Non-GAAP measures" for additional details.

General and administrative ("G&A") expenses: For the quarter ended September 30, 2024, G&A expenses excluding the impact of IAS 29, were \$11,922 in Q3-24 compared to \$11,009 in Q3-23, an increase of \$913 or 8%. The increase was mainly driven by structure and compensation expenses along with higher spending on professional and consulting fees.

Research and development ("R&D") expenses: For the quarter ended September 30, 2024, R&D expenses excluding the impact of IAS 29, were \$5,372 in Q3-24 compared to 4,651 in Q3-23, an increase of \$721 or 16%. The increase was driven by medical initiatives related to key promoted products.

Adjusted EBITDA

For the quarter ended September 30, 2024, adjusted EBITDA decreased by \$2,058 or 13%. The decrease was driven by higher marketing spend related to the launches of Minjuvi® in Brazil, Imvexxy® and Bijuva® in Canada as well as pre-launch activities for Jornay PM™, higher general and administrative expenses mainly related to structure and compensation increase along with higher spending on professional and consulting fees, and an increase in research and development expenses mainly driven by medical initiatives related to key promoted products, partly offset by a higher gross margin.

Net Income

For the quarter ended September 30, 2024, the net income was \$85 compared to \$9,588 for the same period in prior year. The variance mainly resulted from the above-mentioned items and a net loss on the revaluation of \$2,820 financial assets measured at fair value through profit or loss of versus a net gain of \$5,562 in the same period in prior year and income tax expense of \$523 in Q3-24 versus an income tax recovery of \$690 in Q3-23 mainly driven by operating income and timing differences related to our financial assets

SELECT BALANCE SHEET ITEMS

[In thousands of Canadian dollars]

	September 30, 2024	December 31, 2023	Change	
			\$	%
Cash, cash equivalents and marketable securities	151,500	161,825	(10,325)	6%
Trade and other receivables	142,943	141,684	1,259	1%
Inventories	114,959	91,834	23,125	25%
Financial assets	126,457	128,369	(1,912)	1%
Accounts payable and accrued liabilities	93,795	90,617	3,178	4%
Bank loans	51,651	61,866	(10,215)	17%

Cash, cash equivalents and marketable securities: As at September 30, 2024, Knight had \$151,500 in cash, cash equivalents and marketable securities, a decrease of \$10,325 or 6% as compared to December 31, 2023. The decrease is mainly due to the settlement of upfront and milestone payments in connection with product licensing agreements including Qelbree™, IPX203, Jornay PM™ and Cresemba®, principal and interest payments on bank loans and repurchase of shares through the NCIB, partly offset by the cash inflows from operations. The cash inflows from operating activities were \$34,811 for the nine-month period ended September 30, 2024 driven by the operating results adjusted for noncash items such as depreciation, amortization as well as increase in working capital of \$7,416. The increase in working capital was mainly due to an increase in inventory due to the timing of purchases as well as investments on our new product launches.

Financial assets: As at September 30, 2024, financial assets were at \$126,457, an decrease of \$1,912 or 1% as compared December 31, 2023 mainly driven by unrealized gain on the fair value of our equity investment in Synergy as a result of Synergy's IPO partly offset by unrealized losses on the valuation of certain private investments of our strategic funds.

Bank loans: As at September 30, 2024, bank loans were at \$51,651, a decrease of \$10,215 or 17% as compared December 31, 2023 mainly due to principal repayments of bank loans as well as the depreciation of the Brazilian Real, Mexican Peso and Colombian Peso.

Product update

Minjuvi®

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

Lenvima®

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

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

Corporate Update

NCIB

On July 15, 2024, the Company commenced an NCIB where Knight may purchase for cancellation up to 5,312,846 common shares of the Company. During the three-month period ended September 30, 2024, the Company purchased 437,500 common shares at an average price of \$5.65 for aggregate cash consideration of \$2,474 under the NCIB. Subsequent to the quarter-end up to October 31, 2024, the Company purchased an additional 190,000 common shares at an average purchase price of \$5.66 for an aggregate cash consideration of \$1,076.

Financial Outlook

Knicht provides guidance on revenues on a non-GAAP basis. This is due to both the difficulty in predicting Argentinian inflation rates and its IAS 29 impact.

Knicht reconfirmed its financial guidance targets for 2024. Knicht expects to generate between \$355 million to \$365 million in revenues and adjusted EBITDA¹ to be approximately 16% of revenues. The guidance is based on a number of assumptions, including but not limited to the following:

- no revenues or expenses for business development transactions not completed as at November 6, 2024
- no unforeseen termination to our license, distribution & supply agreements
- no interruptions in supply whether due to global supply chain disruptions or general manufacturing issues
- no new generic entrants on our key pharmaceutical brands
- no unforeseen changes to government mandated pricing regulations
- successful commercial execution on product listing arrangements with HMOs, insurers, key accounts, and public payers
- successful execution and uptake of newly launched products
- no material increase in provisions for inventory or trade receivables
- no significant variations of forecasted foreign currency exchange rates
- inflation remaining within forecasted ranges

Should any of the assumptions differ, the financial outlook and the actual results may vary materially. Refer to the risks and assumptions referred to in the Forward-Looking Statements section of this news release for further details.

¹ Revenues excluding the impact of IAS 29 and adjusted EBITDA are a non-GAAP measure. Refer to the definitions in section "Non-GAAP measures" for additional details.

Conference Call Notice

Knight will host a conference call and audio webcast to discuss its third quarter ended September 30, 2024, today at 8:30 am ET. Knight cordially invites all interested parties to participate in this call.

Date: Thursday, November 7, 2024

Time: 8:30 a.m. ET

Telephone: Toll Free: 1-800-836-8184 or International 1-289-819-1350

Webcast: www.knighttx.com or [Webcast](#)

This is a listen-only audio webcast. Media Player is required to listen to the broadcast.

Replay: An archived replay will be available for 30 days at www.knighttx.com

About Knight Therapeutics Inc.

Knight Therapeutics Inc., headquartered in Montreal, Canada, is a specialty pharmaceutical company focused on acquiring or in-licensing and commercializing pharmaceutical products for Canada and Latin America. Knight's Latin American subsidiaries operate under United Medical, Biotoscana Farma and Laboratorio LKM. Knight Therapeutics Inc.'s shares trade on TSX under the symbol GUD. For more information about Knight Therapeutics Inc., please visit the Company's web site at www.knighttx.com or www.sedarplus.ca.

Forward-Looking Statement

This document contains forward-looking statements for Knight Therapeutics Inc. and its subsidiaries. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. Knight Therapeutics Inc. considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared but cautions the reader that these assumptions regarding future events, many of which are beyond the control of Knight Therapeutics Inc. and its subsidiaries, may ultimately prove to be incorrect. Factors and risks, which could cause actual results to differ materially from current expectations are discussed in Knight Therapeutics Inc.'s Annual Report and in Knight Therapeutics Inc.'s Annual Information Form for the year ended December 31, 2023 as filed on www.sedarplus.ca. Knight Therapeutics Inc. disclaims any intention or obligation to update or revise any forward-looking statements whether because of new information or future events, except as required by law.

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NON-GAAP MEASURES

[In thousands of Canadian dollars]

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] Revenues and 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 subsidiaries used 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.

Revenues and 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.

Revenues and financial results excluding the impact of hyperinflation under IAS 29 allow results to be viewed without the impact of IAS 29 thereby facilitating the comparison of results period over period. The presentation of revenues and 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.

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

	Q3-24			YTD-24		
	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	92,263	(833)	91,430	274,440	(3,094)	271,346
Cost of goods sold	47,246	988	48,234	140,387	1,786	142,173
Gross margin	45,017	(1,821)	43,196	134,053	(4,880)	129,173
<i>Gross margin (%)</i>	<i>49%</i>		<i>47%</i>	<i>49%</i>		<i>48%</i>
Expenses						
Selling and marketing	13,372	(175)	13,197	39,285	(627)	38,658
General and administrative	12,110	(188)	11,922	34,747	(1,036)	33,711
Research and development	5,153	219	5,372	15,939	(150)	15,789
Amortization of intangible assets	11,179	(18)	11,161	33,725	(18)	33,707
Operating income (loss)	3,203	(1,659)	1,544	10,357	(3,049)	7,308

	Q3-23			YTD-23		
	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	81,500	169	81,669	254,002	734	254,736
Cost of goods sold	41,318	(1,770)	39,548	135,565	(4,580)	130,985
Gross margin	40,182	1,939	42,121	118,437	5,314	123,751
<i>Gross margin (%)</i>	<i>49%</i>		<i>52%</i>	<i>47%</i>		<i>49%</i>
Expenses						
Selling and marketing	11,924	13	11,937	35,463	172	35,635
General and administrative	11,080	(71)	11,009	29,305	(221)	29,084
Research and development	4,768	(117)	4,651	13,291	85	13,376
Amortization of intangible assets	11,480	(5)	11,475	33,925	(136)	33,789
Operating income	930	2,119	3,049	6,453	5,414	11,867

[ii] Revenues and Financial results at constant currency

Revenues and 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.

Revenues and financial results at constant currency allow results to be viewed without the impact of fluctuations in foreign currency exchange rates thereby facilitating the comparison of results period over period. 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.

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

	Q3-23			YTD-23		
	Excluding the impact of IAS 29 ¹	Constant Currency Adjustment	Constant Currency	Excluding the impact of IAS 29 ¹	Constant Currency Adjustment	Constant Currency
Revenues	81,669	(4,040)	77,629	254,736	(448)	254,288
Cost of goods sold	39,548	(2,455)	37,093	130,985	(1,002)	129,983
Gross margin	42,121	(1,585)	40,536	123,751	554	124,305
<i>Gross margin (%)</i>	<i>52%</i>		<i>52%</i>	<i>49%</i>		<i>49%</i>
Expenses						
Selling and marketing	11,937	(559)	11,378	35,635	(354)	35,281
General and administrative	11,009	(249)	10,760	29,084	252	29,336
Research and development	4,651	(111)	4,540	13,376	(15)	13,361
Amortization of intangible assets	11,475	129	11,604	33,789	256	34,045
Operating income	3,049	(795)	2,254	11,867	415	12,282

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

[iii] EBITDA

EBITDA is defined as operating income or loss adjusted to exclude amortization and impairment of intangible assets, depreciation, purchase price allocation accounting adjustments, and the impact of IAS 29 (accounting under hyperinflation) but to include costs related to leases.

EBITDA allows results to be viewed without the impact of amortization and impairment of intangible assets, depreciation, purchase price allocation accounting adjustments, and the impact of IAS 29 (accounting under hyperinflation) but to include costs related to leases fluctuations in foreign currency exchange rates thereby facilitating the comparison of results period over period. 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.

[iv] Adjusted EBITDA

Adjusted EBITDA is defined EBITDA adjusted for acquisition costs and non-recurring expenses.

Adjusted EBITDA allows results to be viewed without the impact of amortization and impairment of intangible assets, depreciation, purchase price allocation accounting adjustments, and the impact of IAS 29 (accounting under hyperinflation), acquisition costs and non-recurring expenses but to include costs related to leases fluctuations in foreign currency exchange rates thereby facilitating the comparison of results 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.

	Q3-24	Q3-23	YTD-24	YTD-23
Operating income	3,203	930	10,357	6,453
Adjustments to operating income:				
Amortization of intangible assets	11,179	11,480	33,725	33,925
Depreciation of property, plant and equipment and ROU assets	2,210	2,218	5,414	5,014
Lease costs (IFRS 16 adjustment)	(997)	(779)	(2,861)	(2,146)
Impact of IAS 29	(2,265)	1,663	(4,075)	4,772
EBITDA	13,330	15,512	42,560	48,018
Acquisition and transition costs	18	—	121	—
Other non-recurring expenses	106	—	106	—
Adjusted EBITDA	13,454	15,512	42,787	48,018

[v] 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 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 following table calculates adjusted EBITDA per share as follows:

	Q3-24	Q3-23	YTD-24	YTD-23
Adjusted EBITDA	13,454	15,512	42,787	48,018
Adjusted EBITDA per common share	0.13	0.15	0.42	0.46
Number of common shares outstanding at period end (in thousands)	100,976	105,045	100,976	105,045

SELECTED FINANCIAL RESULTS AT CONSTANT CURRENCY¹

[In thousands of Canadian dollars]

Excluding impact of IAS 29

	Constant Currency ¹		Change		Constant Currency ¹		Change	
	Q3-24	Q3-23	\$	%	YTD-24	YTD-23	\$	%
Revenues	91,430	77,629	13,801	18%	271,346	254,288	17,058	7%
Gross margin	43,196	40,536	2,660	7%	129,173	124,305	4,868	4%
<i>Gross margin %</i>	47%	52%			48%	49%		
Operating expenses	41,652	38,282	(3,370)	9%	121,865	112,023	(9,842)	9%
EBITDA	13,330	14,757	(1,427)	10%	42,560	48,672	(6,112)	13%
Adjusted EBITDA	13,454	14,757	(1,303)	9%	42,787	48,672	(5,885)	12%
Adjusted EBITDA per share	0.13	0.14	(0.01)	7%	0.42	0.45	(0.03)	7%

¹ Financial results at constant currency is a non-GAAP measure. Refer to section "Non-GAAP measures" for additional details.

Revenues at Constant Currency¹ by Therapeutic Area

Three months ended September 30,

Nine months ended September 30,

	Three months ended September 30,				Nine months ended September 30,			
	Constant Currency ¹		Change		Constant Currency ¹		Change	
Innovative	2024	2023	\$	%	2024	2023	\$	%
Oncology/Hematology	36,821	30,092	6,729	22%	103,288	88,979	14,309	16%
Infectious Diseases	33,827	27,255	6,572	24%	109,714	104,687	5,027	5%
Other Specialty	20,782	20,282	500	2%	58,344	60,622	(2,278)	4%
Total	91,430	77,629	13,801	18%	271,346	254,288	17,058	7%

¹ Revenues at constant currency is a non-GAAP measure. Refer to Section 15 - Non-GAAP measures for additional details.

INTERIM CONSOLIDATED BALANCE SHEETS

[In thousands of Canadian dollars]
[Unaudited]

As at	September 30, 2024	December 31, 2023
ASSETS		
Current		
Cash and cash equivalents	73,755	58,761
Marketable securities	73,965	95,657
Trade receivables	91,250	88,722
Other receivables	7,294	7,427
Inventories	114,959	91,834
Prepays and deposits	7,287	4,881
Other current financial assets	24,598	15,753
Income taxes receivable	4,458	2,080
Total current assets	397,566	365,115
Marketable securities	3,780	7,407
Prepays and deposits	7,682	7,767
Right-of-use assets	6,352	6,190
Property, plant and equipment	15,292	11,669
Intangible assets	279,681	289,960
Goodwill	84,783	79,844
Other financial assets	101,859	112,616
Deferred income tax assets	20,900	19,390
Other long-term receivables	44,399	45,535
Total non-current assets	564,728	580,378
Total assets	962,294	945,493

INTERIM CONSOLIDATED BALANCE SHEETS (continued)

[In thousands of Canadian dollars]
[Unaudited]

As at	September 30, 2024	December 31, 2023
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	86,620	85,366
Lease liabilities	3,015	1,728
Other liabilities	2,193	1,046
Bank loans	18,691	17,850
Income taxes payable	2,493	1,182
Other balances payable	5,140	6,857
Total current liabilities	118,152	114,029
Accounts payable and accrued liabilities	7,175	5,251
Lease liabilities	3,551	5,497
Bank loans	32,960	44,016
Other balances payable	22,284	27,012
Deferred income tax liabilities	4,263	2,817
Total liabilities	188,385	198,622
Shareholders' equity		
Share capital	539,317	540,046
Warrants	117	117
Contributed surplus	26,215	25,991
Accumulated other comprehensive income	64,077	29,829
Retained earnings	144,183	150,888
Total shareholders' equity	773,909	746,871
Total liabilities and shareholders' equity	962,294	945,493

INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS)

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenues	92,263	81,500	274,440	254,002
Cost of goods sold	47,246	41,318	140,387	135,565
Gross margin	45,017	40,182	134,053	118,437
Expenses				
Selling and marketing	13,372	11,924	39,285	35,463
General and administrative	12,110	11,080	34,747	29,305
Research and development	5,153	4,768	15,939	13,291
Amortization of intangible assets	11,179	11,480	33,725	33,925
Operating income (loss)	3,203	930	10,357	6,453
Interest income on financial instruments measured at amortized cost	(2,458)	(2,024)	(6,554)	(6,218)
Other interest income	(65)	(1,031)	(1,194)	(3,276)
Interest expense	1,915	2,603	6,776	8,398
Other expense	(795)	(1,907)	(1,006)	(2,123)
Net loss (gain) on financial instruments measured at fair value through profit or loss	2,820	(5,562)	19,752	2,346
Foreign exchange loss (gain)	2,326	1,317	5,934	6,162
Gain on hyperinflation	(1,148)	(1,364)	(7,528)	(3,000)
(Loss) income before income taxes	608	8,898	(5,823)	4,164
Income tax				
Current	1,862	1,112	4,776	3,251
Deferred	(1,339)	(1,802)	(4,196)	(6,578)
Income tax expense (recovery)	523	(690)	580	(3,327)
Net income (loss) for the period	85	9,588	(6,403)	7,491
Basic and diluted net income (loss) per share	—	0.09	(0.06)	0.07
Weighted average number of common shares outstanding				
Basic	101,132,799	106,250,793	101,211,415	108,728,924
Diluted	101,132,799	106,511,761	101,211,415	108,958,045

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

[In thousands of Canadian dollars]

[Unaudited]

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
OPERATING ACTIVITIES				
Net (loss) income for the period	85	9,588	(6,403)	7,491
Adjustments reconciling net income to operating cash flows:				
Depreciation and amortization	13,389	13,698	39,139	38,939
Net loss (gain) on financial instruments	2,820	(5,562)	19,752	2,346
Unrealized foreign exchange (gain) loss	98	3,619	(6,231)	1,557
Other operating activities	(384)	1,058	(4,030)	966
	16,008	22,401	42,227	51,299
Changes in non-cash working capital and other items	(10,992)	(7,235)	(7,416)	(33,303)
Cash inflow (outflow) from operating activities	5,016	15,166	34,811	17,996
INVESTING ACTIVITIES				
Purchase of marketable securities	(45,417)	(52,118)	(123,339)	(237,668)
Proceeds on maturity of marketable securities	58,703	81,204	150,693	262,372
Investment in funds	(1,372)	(1,006)	(2,575)	(1,176)
Purchase of intangible assets	(1,671)	(60)	(28,488)	(7,727)
Other investing activities	1,284	7,736	2,623	15,441
Cash inflow (outflow) from investing activities	11,527	35,756	(1,086)	31,242
FINANCING ACTIVITIES				
Repurchase of common shares through Normal Course Issuer Bid	(2,474)	(9,833)	(3,716)	(34,396)
Principal repayment of bank loans	(2,039)	(2,571)	(10,698)	(8,580)
Proceeds from bank loans	1,638	2,706	2,930	4,796
Other financing activities	(1,052)	(1,541)	(6,702)	(7,124)
Cash outflow from financing activities	(3,927)	(11,239)	(18,186)	(45,304)
Increase (decrease) in cash and cash equivalents during the period	12,616	39,683	15,539	3,934
Cash and cash equivalents, beginning of the period	60,807	37,844	58,761	71,679
Net foreign exchange difference	332	(109)	(545)	1,805
Cash and cash equivalents, end of the period	73,755	77,418	73,755	77,418
Cash and cash equivalents	73,755	77,418	73,755	77,418
Marketable securities	77,745	76,397	77,745	76,397
Total cash, cash equivalents and marketable securities	151,500	153,815	151,500	153,815