KNIGHT THERAPEUTICS INC.

ANNUAL INFORMATION FORM
FISCAL YEAR ENDED DECEMBER 31, 2020

March 24, 2021

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Cautionary Note Regarding Forward Looking Statements

Any statements made in this annual information form ("AIF") that are not statements of historical fact or that refer to estimated or anticipated future events are forward-looking statements. The Corporation has based its forward-looking statements on management's beliefs and assumptions based on information available to its management at the time these statements are made. Such forward-looking statements reflect the Corporation's current perspective of our business, future performance, existing trends and information as of the date of this AIF. These include, but are not limited to, the Corporation's beliefs about future revenue and expense levels and growth rates, prospects related to its strategic initiatives and business strategies, including the integration of, and synergies associated with, strategic acquisitions, express or implied assumptions about government regulatory action or inaction, anticipated product approvals and launches, business initiatives and product development activities, assessments related to clinical trial results, product performance and competitive environment, and anticipated financial performance. Without limiting the generality of the foregoing, words such as *"may", "will", "expect", "believe", "anticipate", "intend", "could", "would", "estimate", "continue",* or *"pursue",* or the negative or other variations thereof or comparable terminology, are intended to identify forward-looking statements. The statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict, particularly in light of the ongoing and developing COVID-19 pandemic and its impact on the global economy. The Corporation cautions the reader that these statements are based on certain assumptions, risks and uncertainties, many of which are beyond the Corporation's control, such as statements about impacts of the COVID-19 pandemic on the business operations, financial results and on the global supply chain. In addition, certain important factors may affect the Corporation's actual operating results and could cause such results to differ materially from those expressed or implied by forward-looking statements. The Corporation believes the risks and uncertainties discussed under the section entitled "Risks Related to Knight's Business" and other risks and uncertainties detailed herein and from time to time in the Corporation's SEDAR filings, may cause its actual results to vary materially from those anticipated in any forward-looking statement. The Corporation disclaims any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

GLOSSARY OF ABBREVIATIONS

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

Abbreviation	Entity
60P	60^{o} Pharmaceuticals, LLC
Abir	Abir Therapeutics Ltd.
Advaxis	Advaxis Pharmaceuticals, Inc.
Alimera	Alimera Sciences, Inc.
Antibe	Antibe Therapeutics Inc.
Ardelyx	Ardelyx, Inc.
BMS	Bristol-Myers Squibb
Braeburn	Braeburn Pharmaceuticals, Inc.
Crescita	Crescita Therapeutics Inc.
Forbion	Forbion Capital Partners
GBT	Biotoscana Investments S.A.
Genesys	Genesys Capital Management Inc.
HarbourVest	HarbourVest Partners LLC
Jaguar	Jaguar Health Inc.
Knight or the Corporation or the Company	Knight Therapeutics Inc.
Knight InternationalBarbados	Knight Therapeutics International S.A (Barbados) Inc.
Knight USA	Knight Therapeutics (USA) Inc.
Medimetriks	Medimetriks Pharmaceuticals, Inc.
Medison	Medison Biotech (1995) Ltd.
Moksha8	Moksha8, Inc.
NEMO II	New Emerging Medical Opportunities Fund II Ltd.
NEMO III	New Emerging Medical Opportunities Fund III Ltd.
NeurAxon	NeurAxon Inc.
Origin	Origin BioMed Inc.
Paladin	Paladin Labs Inc.
PBB	Pro Bono Bio PLC
Profound	Profound Medical Inc.
Puma	Puma Biotechnology, Inc.
Sanderling	Sanderling Ventures, LLC
Sectoral	Sectoral Asset Management Inc.
SIFI	Società Industria Farmaceutica Italiana S.p.A.
Synergy	Synergy CHC Corp.
Titan	Titan Pharmaceuticals, Inc.
Teralys	Teralys Capital
Triumvira	Triumvira Immunologics Inc.
TVM	TVM Capital Capital GmbH
TXMD	TherapeuticsMD, Inc

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

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

Abbreviation	Other
API	Active pharmaceutical ingredient
ART	Antiretroviral Therapy
B3	B3 S.A. – Brasil, Bolsa, Balcão
CBCA	Canada Business Corporations Act
CEO	Chief Executive Officer
CMED	Câmara de Regulação do Mercado de Medicamentos (CMED)
CRA	Canada Revenue Agency
DSCSA	United States Drug Supply Chain Security Act
EMA	European Medicines Agency
FDA	U.S. Food and Drug Administration
Financial Statements	Annual audited consolidated financial statements
Formulary	An official list of drugs established by a provincial government or a private insurance company plan, the cost of which will be reimbursed by them for the benefit of eligible patients
Generic Drug/ Gx	A drug that, in comparison with an Innovative Drug, contains identical amounts of the identical medicinal ingredients, in comparable dosage forms, but does not necessarily contain the same non-medicinal ingredients and which is interchangeable with the said Innovative Drug
GMP	The acronym for Good Manufacturing Practices, which are the standards established by health authorities under which drugs can be developed, manufactured, packaged, analyzed, stored and shipped
HIV	Human immunodeficiency virus infection
HMO	Health Maintenance Organization
IBS-C	Irritable Bowel Syndrome with Constipation
IFRS	International Financial Reporting Standards
IMC	Innovative Medicines Canada
IQVIA	IQVIA Holdings, Inc. a leading pharmaceutical market research organization

Abbreviation	Other
Innovative Drug	A drug that usually enjoys proprietary barriers to entry, including regulatory or patent derived market exclusivity, novelty or brand differentiation
MD&A	Management Discussion and Analysis
NAV	Net Asset Value
NCIB	Normal Course Issuer Bid
NDA	New Drug Application
NDS	NewDrug Submission
NON	Notice of Non-Compliance
TPD	Over-the-counter medicines sold directly to a consumer without a prescription from a healthcare professional
PMPRB	The acronym for Patented Medicine Prices Review Board, which is an independent quasi-judicial body that oversees pricing of patented pharmaceuticals in Canada
PhRMA	Pharmaceutical Research and Manufacturers of America association
Products	Prescription pharmaceuticals, OTC pharmaceuticals, consumer health products, medical devices and diagnostics
PRV	Priority Review Voucher
PSA	Prostate specific antigen
QRA	Quebec Revenue Agency
TPD	Health Canada's Therapeutic Products Directorate
TSX	The acronym for the Toronto Stock Exchange, a Canadian senior equities market
TSX-V	The acronym for the TSX Venture Exchange, a Canadian equities market

CORPORATE STRUCTURE

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

On November 29, 2019, Knight completed the acquisition of a 51.2% interest (the "**Transaction**") in Biotoscana Investments S.A. ("**GBT**") from a controlling shareholder group that included Advent International and Essex Woodlands, among others. The remaining 48.8% of GBT was publicly-held and traded on B3 S.A. – Brasil, Bolsa, Balcão ("**B3**"), Brazil's main stock exchange through Brazilian Depository Receipts ("**BDRs**") and on the Luxembourg Stock Exchange – Euro MTF market (the "**Euro MTF**"). On July 15, 2020, the Company announced the launch of the tender offer for the acquisition and delisting of all outstanding BDR of Biotoscana Investments S.A (the "Unified Tender Offer"). Upon close of the tender offer process, 99.6% of the public shareholders tendered their BDRs and as a result Knight obtained 99.9% ownership of GBT. On October 23, 2020, the BDR program of GBT was cancelled by the Brazilian Securities and Exchange Commission.

Please see below an organizational chart showing the intercorporate relationships of Knight as at December 31, 2020. Knight wholly-owns Knight International , Knight USA, Abir and has a 99.9% ownership of GBT and its subsidiaries.

Subsidiary	Jurisdiction of Incorporation	Percent ownership
Knight Therapeutics Barbados Inc [1].	Barbados	100%
Knight Therapeutics USA Inc.	Delaware	100%
11718991 Canada Inc.	Canada	100%
Abir Therapeutics Ltd..	State of Israel	100%
Biotoscana Investments S.A..	Grand Dutchy of Luxembourg	99.9%
Biotoscana Ecuador S.A.	Ecuador	99.9%
Biotoscana Farma de Perú S.A.C.	Perú	99.9%
Biotoscana Farma S.A.	Argentina	99.9%
Biotoscana Farma S.A.	Colombia	99.9%
Biotoscana Colveh1 S.A.S	Colombia	99.9%
Biotoscana Colveh2 S.A.S	Colombia	99.9%
Biotoscana Colveh3 S.A.S	Colombia	99.9%
Biotoscana Colveh4 S.A.S	Colombia	99.9%
Biotoscana Uruguay S.A.	Uruguay	99.9%
Grupo Biotoscana Costa Rica S.R.L.	Costa Rica	99.9%
Grupo Biotoscana de Especialidad S.A. de C.V.	México	99.9%
Grupo Biotoscana Panamá S.A.	Panamá	99.9%
Grupo Biotoscana S.L.U.	Spain	99.9%
Wisteny Trading S.A.	Uruguay	99.9%

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

Subsidiary	Jurisdiction of Incorporation	Percent ownership
Laboratorio Biotoscana Farma S.p.A.	Chile	99.9%
Laboratorio DOSA S.A.	Argentina	99.9%
Laboratorio LKM S.A.	Argentina	99.9%
Latin American Pharma Company ETVE S.L.U.	Spain	99.9%
Laboratorio LKM Bolivia S.A.	Bolivia	99.9%
Laboratorio LKM Chile S.p. A.	Chile	99.9%
LKM Laboratorios Ecuador S.A.	Ecuador	99.9%
Laboratorio LKM Paraguay S.A.	Paraguay	99.9%
LKM Perú S.A[2]	Perú	99.9%
Grupo Biotoscana S.A.	Uruguay	99.9%
UM - Industria e Distribuidora de Medicamentos Ltda.	Brazil	99.9%
United Medical Ltda.	Brazil	99.9%

[1] *Company has been re-domiciled to Uruguay as of January 14, 2021 and its name has been changed to Knight Therapeutics International S.A. ("Knight International")*

[2] *The company has merged with Biotoscana Farma de Perú S.A.C. in March 2021*

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Knight was founded in 2014 to become a leading rest of world specialty pharmaceutical company. Since founding Knight has been focused on building a portfolio of innovative products through in-licensing or acquiring product rights. On October 21, 2019, the Corporation announced that it had entered into an agreement to acquire the controlling interest in GBT, a pan-Latin American specialty pharmaceutical company. GBT operates in the fast-growing Latin American region and focuses on rapidly growing market segments such as oncology and hematology, infectious diseases, and other specialty therapeutic areas. GBT is currently present throughout 10 Latin American countries where it operates through four companies, namely, Biotoscana, United Medical, LKM and DOSA. On November 29, 2019, Knight completed the acquisition of 51.2% of GBT. On December 20, 2019, the Corporation announced that it had submitted to B3 S.A. the authorization request to carry out the Unified Tender Offer to acquire the balance of GBT. The Unified Tender Offer was launched on July 15, 2020 and the settlement of the Tender Offer was completed on August 18 ,2020. Upon settlement of the United Tender Offer Knight acquired 99.9% ownership in GBT

Since inception, the Corporation has raised gross proceeds of $685,128 through issuance of 109,298,800 common shares at prices ranging from $3.50 to $10.00. On July 11, 2019, Knight launched a NCIB to acquire up to 12,053,693 common shares of the Corporation. On April 15, 2020, Knight completed the aforementioned NCIB and purchased cumulative total of 12,053,692 common shares at an average price of $7.14 per share. Subsequently, Knight launched a second NCIB on July 10, 2020, to acquire up to 10,856,710 common shares of the Corporation. As of March 23, 2021, the Corporation acquired 3,839,729 common shares at an average price of $5.40 per share under the second NCIB. On December 23, 2020, Corporation announced filing of the Shelf Prospectus which enables Knight to offer for sale up to $360 million of common shares, subscription receipts and debt securities of Knight during the 25-month period after filing of the shelf.

Knight has committed to invest over $126,000 with nine life sciences debt or equity fund managers all of which can leverage their broad life sciences industry experience and existing relationships with key life science companies to help secure Product rights for the Corporation. During 2019, Knight determined that while the fund strategy has

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been financially successful, the strategy has not been successful from a business development perspective as it has led to only two product license agreements. Consequently, Knight will not be investing in any new venture capital funds. As at December 31, 2020, Knight has approximately $31,500[1] of unfunded commitments that may be called over the life of the funds.

Knight has also invested over $170,000 through strategic debt financing to over a dozen companies with the objective of deploying capital in low risk, fair return opportunities while helping to secure Canadian and select international product rights. As at December 31, 2020, Knight has a $36,338 nominal loan balance receivable from four strategic loans outstanding.

During 2020, Knight continued building its infrastructure to support its ability to acquire, in-license and commercialize innovative products for the Canadian and LATAM market. In 2020 the Corporation continued to advance its Canadian portfolio by obtaining approvals from Health Canada for Ibsrela™, Imvexxy™, Bijuva™ and submitting Nerlynx® for an additional indication, HER2-positive metastatic breast cancer. Knight has also obtained regulatory approval for Lenvima® and Halaven® in Ecuador.

In Canada Knight is currently promoting Ibsrela® Probuphine® as well as Nerlynx® and has relaunched Trelstar with its national sales force. In LATAM, Knight is in early launch of Cresemba® across all territories. In addition, Knight is in early launch phase of Halaven® and Lenvima® in Brazil, Argentina, Chile and Peru. In addition, Halaven® and Lenvima® are pending launch in Ecuardor and pending approval in Colombia, Bolivia, Paraguay and Uruguay. The Corporation entered into a new exclusive distribution agreement with Gilead Sciences for commercialization of AmBisome® (liposomal amphotericin B) in Brazil and has launched Cresemba® in Brazil. and is commercializing Impavido® in select markets through its distribution partners.

Three Year History

Fiscal 2018

During 2018, Knight launched Probuphine® in Canada, a prescription drug for the management of opioid dependence and received the regulatory approval from Health Canada for Iluvien® for the treatment of diabetic macular edema. Furthermore, Knight submitted Netildex™ for the treatment of inflammatory ocular conditions of the anterior segment of the eye.

The Corporation expanded its product pipeline with the exclusive license agreements for Ibsrela™ (tenapanor) for IBS-C and hyperphosphatemia indications for Canada and Mytesi® for Canada and Israel. Furthermore, the Corporation expanded into the women's health therapeutic area with the licensing of Imvexxy™ and Bijuva™ for the territories of Canada and Israel. During 2018, Knight disbursed payments of $5,375 and received repayments of $41,112 related to strategic loans. The Corporation invested $27,169 in connection with its strategic investments in life science funds and received capital distributions of $6,769.

[1] Based on December 31, 2020 closing foreign exchange rate

Fiscal 2019

Strategic Acquisitions

On October 21, 2019, the Corporation announced that it had entered into an agreement to acquire a controlling interest in GBT, a pan-Latin American specialty pharmaceutical company. GBT operates in the fast-growing Latin American region and focuses on rapidly growing market segments such as oncology and hematology, infectious diseases, and other specialty therapeutic areas. GBT is currently present throughout 10 Latin American countries where it operates under its companies Biotoscana, United Medical, LKM and DOSA. On November 29, 2019, Knight acquired 51.2% of GBT. On December 20, 2019, the Corporation announced that it had submitted to B3 the authorization request to carry out the Unified Tender Offer to acquire the remaining 48.8% of GBT. The Corporation expects that it will complete the acquisition of the balance of GBT during 2020. For the year ended December 31, 2019, GBT had revenues of $250,498 (BRL 743 million) and net income of $539 (BRL 1.6 million).

The purchase price per share paid by the Company at closing was $3.48 (BRL 10.96), for an aggregate purchase price of $189,024 (BRL 595,662), which was funded entirely from the Company's cash on hand. An amount equivalent to 20% of the Purchase Price was deposited in escrow to secure the sellers' indemnification obligations under the purchase agreement for the GBT Transaction. The escrow amount releases released equally over a period of three years from closing, net of claims in accordance with the terms and conditions of the Share Purchase Agreement. The United Tender Offer is at similar terms as the Transaction plus interest at the Selic rate calculated from November 29, 2019 until the settlement date. Alternatively, the BDR holders may opt to be paid in cash on the settlement date an amount of BRL10.15 per BDR plus interest at the Selic rate calculated from November 29, 2019. As at December 31, 2019, the United Tender Offer liability recorded by Knight was $184,023 (BRL569,155).

Strategic Loans

In February 2019, the Corporation entered into a strategic loan with Moksha8, a specialty pharmaceutical company operating in Brazil and Mexico. Under the terms of the agreement, Knight may loan up to $32,470 (US$25,000) in working capital funding and an additional $129,880 (US$100,000) at Knight's sole discretion for corporate development and the acquisition of product licenses in LATAM. In conjunction with the strategic financing agreement, Knight received warrants at an exercise price of US$0.01 per warrant representing 5% of the fully diluted shares of Moksha8. As at December 31, 2019, the total nominal loan balance outstanding was $15,577 (US$11,993).

In addition, the Corporation entered into a strategic loan for $6,585 (US$5,000) with Triumvira, a private company with the vision of developing novel T-cell therapies that are safer and more efficacious than current gene therapy cancer treatments. In addition, the Corporation entered into an exclusive license agreement to commercialize Triumvira's future approved products for Canada, Israel, Mexico, Colombia and for TAC01-CD19 for Israel, Mexico, Brazil and Colombia.

Products

In January 2019, the Corporation announced an exclusive license agreement with Puma for the right to commercialize Nerlynx® (neratinib) in Canada. Puma filed an NDS for Nerlynx® with Health Canada in July 2018 for the extended adjuvant treatment of adult patients with early stage HER2-overexpressed/amplified breast cancer following adjuvant trastuzumab-based therapy. In July 2020, the Corporation announced that Health Canada had approved Nerlynx®. The Corporation has begun limited commercialization efforts in 2020 in advance of private reimbursement.

During 2019, the Corporation submitted New Drug Submissions for three innovative products to Health Canada: Ibsrela™ for the treatment of IBS-C; Imvexxy™ for the treatment of moderated to severe dyspareunia, a symptom of vulvar and vaginal atrophy, due to menopause; and, Bijuva®, a bio-identical hormone therapy combination of estradiol and progesterone in a single, daily oral capsule intended for the treatment of moderate to severe vasomotor symptoms associated with menopause in women with intact uteri.

Fiscal 2020

S*trategic Acquisitions*

Knight acquired 51.2% of GBT on November 29, 2019. On December 20, 2019, the Corporation announced that it had submitted to B3 the authorization request to carry out the Unified Tender Offer to acquire the remaining 48.8% of GBT. The Unified Tender Offer was launched on July 15, 2020 and the settlement of the Tender Offer was completed on August 18 ,2020. Upon close of the tender offer process, 99.6% of the public shareholders tendered their BDRs through the Alternative Offer Price (BRL10.40 per BDR in cash on the settlement date). The Company paid an aggregate purchase price of $170,855 [BRL 537,523] and obtained 99.9% ownership of GBT. On October 23, 2020, the BDR program of GBT was cancelled by the Brazilian Securities and Exchange Commission.

Strategic Loans

On February 20, 2019, the Company entered into a secured loan agreement with Triumvira for $6,585 [US$5,000] for the development of its novelty T cell therapies ("Triumvira Loan Agreement"). The loan was recorded at a relative fair value of $6,264 [US$5,000] upon initial measurement and subsequently accounted for at FVTPL. In addition, Knight received warrants to purchase 3.5% of Triumvira's fully diluted common shares and the exclusive rights to commercialize Triumvira's future products in select countries. On April 16, 2020, Triumvira repaid the loan and all remaining accrued interest as at the date thereof.

In addition, on May 8, 2020, the Company amended certain terms of the loan with Synergy and issued an additional loan of $3,457 [US$2,500] which bears interest at 12.5% per annum and matures on May 8, 2021. The Corporation initially issued a secure loan to Synergy in 2017 of $12,705 [US$10,000] with an annual interest rate of 10.5% for a three-year term.

Products

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

In the first quarter of 2020 the Corporation launched Cresemba® in Brazil which was licensed form Basilea Pharmaceuticals for the treatment of invasive aspergillosis and invasive mucormycosis. In Argentina, Knight also launched Karfib® (carfilzomib), which is indicated for relapsed or refractory myeloma.

During the year, the Corporation received a regulatory approval from Health Canada for Ibsrela™ for the treatment of IBS-C. as well as a regulatory approval for Imvexxy™ and Bijuva™. Knight also submitted a supplement to a NDS of Nerlynx® for HER2-positive metastatic breast cancer. Moreover, the Corporation obtained a regulatory approval for Lenvima® and Halaven® in Ecuador.

On October 26, 2020, Knight signed a new exclusive distribution agreement with Gilead Sciences, Inc. (for the commercialization of AmBisome® (liposomal amphotericin B) in Brazil. The agreement will be effective starting January 1, 2021.

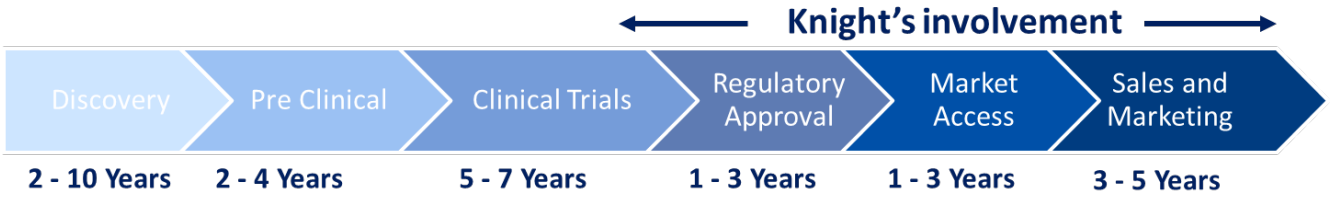
DESCRIPTION OF THE BUSINESS

The GBT Transaction

In 2019 the Corporation executed on its rest of the world strategy by acquiring a 51.2% interest in GBT, a Latin American specialty pharmaceutical company headquartered in Montevideo, Uruguay, operating in 10 countries in Latin America. In August 2020, Knight acquired the remaining stake in GBT and as a result obtained 99.9% ownership. GBT markets and sells licensed innovative products and engages in development, manufacturing and marketing of specialty branded generic products. GBT's business model focuses on therapeutic areas covering covering oncology and hematology, infectious diseases, and other specialty. This transaction represents a transformative acquisition and the Corporation's most important step to date towards executing on its strategy of building a specialty pharmaceutical company.

Knight's Focus

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



The Innovative Drug Industry

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

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

In the Innovative Drug industry, core competencies are required in science, to successfully develop new drugs, in medical and regulatory affairs, to obtain marketing approval, and in market access, sales and marketing, to receive reimbursement and drive prescription volumes. Fully integrated pharmaceutical companies build all of these core competencies, while others focus on specific areas of the value chain. For example, biotech companies focus on the

development of new drugs derived from either biotechnology or chemistry. Specialty pharmaceutical companies focus on understanding the dynamics of end-users, obtaining reimbursement and building distribution networks.

In order for pharmaceutical companies to launch new drugs, a rigorous approval process must be undertaken with the national regulatory authorities in the countries in which the products will be marketed. IMC, a Canadian-based pharmaceutical industry group, estimates that it takes, on average, ten to fifteen years for an experimental drug to advance from the laboratory to the market, that less than five out of five thousand compounds that are screened eventually progress to human testing and that only one of such compounds is ultimately approved for sale. Generally, pre-clinical studies may take place over a three to six-year period. Thereafter, and depending on the success rate of the pre-clinical studies, the actual phase I, phase II and phase III clinical trials may take up to seven years. In addition, the regulatory review and approval process by the FDA and the TPD could take an additional one to three years. Finally, there may be post-marketing phase IV clinical studies required by both the FDA and the TPD to strengthen marketing claims of approved products and/or risk management plans or patient registries to monitor drug safety. By focusing on late-stage drugs, the Corporation believes that its risk exposure, costs and time frames for approval may be reduced.

During the past decade, the pharmaceutical industry has continued to consolidate. The Corporation believes that this consolidation is being driven by a desire among pharmaceutical companies to (i) gain access to promising product pipelines in key therapeutic categories, (ii) add sales and marketing capabilities in other territories, and (iii) reduce costs through economies of scale and synergies.

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

Branded Generic Industry

Generic drugs are normally commercialized and known by their chemical name or international nonproprietary name, have the same active ingredient, concentration, pharmaceutical form and dosage and are used for the same indications as the Innovative Drug. They are equivalent to the Innovative Drug but may differ in size, shape, packaging and period of activity. Ordinary generics are pharmaceutically equivalent to an Innovative Product. However, in developing countries, including Latin America, health regulations allow manufacturers to commercialize generic drugs with a brand name. Branded generics are a given a brand name to differentiate the product from ordinary generics (which are also commercialized in these markets) or other branded generics. The brand name is seen as an indicator of quality and leads to patient and physician loyalty. In certain developing countries, ordinary generics are commonly sold into public institutions and through government tender and branded generics are sold in private institutions or paid for by patients who will pay more for the better quality associated with the brand. Regulations in Latin American countries vary as to the level of studies that need to be conducted to obtain approval of a generic (branded or otherwise) product. In certain countries in Latin America, branded generic manufacturers are required to provide *in vitro* studies of equivalence, whereas in other countries the manufacturer is required to provide *in vivo* bio-equivalence studies. Depending on the type of studies and regulatory review times, it may take between 2-4 years from launch of development effort to approval and launch of a branded generic product. Similar to Innovative Drug, branded generics are marketed to physicians on the basis of quality and name recognition but rely on the efficacy of the Innovative Drug. The market for branded generics is highly competitive in Latin America with several large well-funded local companies and multi-nationals with

expertise in development and commercialization, including Tecnofarma, Eurofarma, Gador, Laboratorios Bago, Sandoz, Cipla, Dr. Reddy and Teva. Competitors in the branded generic industry strive to be first to market in order to gain the most market share before new entrants arrive. As new entrants launch their own branded generic of a certain molecule, manufacturers may discount products to retain market share.

Pharmaceutical markets in which Knight operates

The Corporation believes that as multinational pharmaceutical companies continue to increase in size, their threshold for desirable products and the target market size of innovative products increases. Many products do not address sufficiently large market potential and are overlooked by multinational pharmaceutical and biotech companies. Thus, the Corporation believes that these dynamics create an opportunity for specialty pharmaceutical companies such as Knight. The size of pan-American (ex-US) market represents 6% of the global pharmaceutical market [2].

The Canadian Pharmaceutical Market

The Canadian healthcare system operates such that each province functions as a distinct territory with the power to govern provincial Formulary reimbursement. According to IQVIA, total Canadian sales of pharmaceutical products amounted to $32,000,000 for the twelve-month period ended June 30, 2020, an increase of 6.5% from the previous year. The Corporation believes that the growth is primarily driven by the aging population and technological breakthroughs which have increased the number of ailments, including immunological disorders and rare diseases, that can be treated with drugs, partially offset by pricing and reimbursement pressures.

Regulatory overview

Health Canada, through the Food and Drugs Act, regulates the safety, efficacy, and quality of all pharmaceutical drugs for use by humans in Canada before and after the products enter the Canadian marketplace. The review of a new innovative drug takes between 18-24 months. The data protection provisions of the Food and Drug Regulations provide an 8-year period of market exclusivity for new chemical entities. Drugs are also subject to patent protection if applicable under the Patented Medicines (Notice of Compliance) Regulations. In 2020, Health Canada introduced new interim order providing temporary regulatory tools to expedite the authorization for importing, selling and advertising COVID-19-related drugs, devices and vaccines in Canada. It is expected that Health Canada may build on the temporary regulatory measures put into place to develop future agile approaches to regulation that support innovation and safety.

Reimbursement

One of the key success factors in commercializing pharmaceutical products in Canada is ability to secure reimbursement. To reach this goal, the Corporation uses specialized external consultants, as necessary, to prepare new submissions to public drug review agencies including the Common Drug Review (CDR) and the pan-Canadian Oncology Review (pCODR), as well as to work with the Corporation on negotiations and submissions to the pan-Canadian Pharmaceutical Alliance (pCPA), private drug plans and public formularies, such as the provincial drug plans. In addition, the Corporation works with external consultants to manage and support the reporting requirements of existing products. As the need arises, the Corporation employs consultants to prepare certain new

[2] *Source: IQVIA*

presentations to private insurers and the provincial bodies responsible for overseeing Formularies. The Corporation supports these submissions and presentations by commissioning independent pharmacoeconomic studies, when required, to illustrate the economic benefits of incorporating their products in treatment regimens.

Key LATAM Pharmaceutical Markets[3]

Brazil

Market size and Healthcare System

Brazil has the largest economy by GDP and the largest population in the region that is forecasted to grow It is the sixth largest market globally and the largest in LATAM. The Brazilian market grew by 1.1% in 2019. According to IQVIA, the Brazilian pharmaceutical market is expected to grow at a CAGR of 9.6% (±2.3%) between 2020 and 2024, reaching BRL 205,900,000 by 2024. Brazil has a dual healthcare system, public and private , with the largest healthcare expenditure in LATAM countries. Brazil's public health system (Sistema Único de Saúde, SUS) is among the world's largest, catering to the 75% of the population. In 2020, the budget for healthcare services was set at BRL 125,600,000, up by 2.4% from 2019. However due to the public healthcare crisis , in March 2020 government introduced a spending ceiling law. Later that year, in August 2020 the budget was reinforced with 63,400,000 BRL to fight the pandemic, acquire emergency equipment and supplies as well as few other initiatives.

Regulatory Overview

Brazil's drug approval process is overseen by the Brazilian Health Surveillance Agency (ANVISA). The approval process is similar to the process in more developed markets; it involves a pharmacological, efficacy, safety and technical review. Pricing negotiations are conducted concurrently with the drug approval process.

In order to market a product in Brazil, companies are required to obtain an operating license authorization from ANVISA and local health authorities, good manufacturing practices certification and product registrations/enrollment from ANVISA. ANVISA requires pharmaceutical companies to use their own laboratories for the testing and release of all products for the Brazilian market. Once granted, marketing authorization is valid for 5 years.

Drug prices are regulated in Brazil by the Drugs Market Regulation Chamber (CMED) which establishes maximum prices allowed for drugs sold by manufacturers, importers and their distributors to pharmacies. Upon obtaining a marketing authorization from ANVISA, companies must submit an application for pricing approval to CMED. Such applications must include information about the product, including but not limited to, cost-effectiveness studies, the product price in comparator countries (Australia, Canada, Spain, U.S.A. France, Greece, Portugal, Italy, New Zealand and the country of origin) and the expected launch price in Brazil. The launch price in Brazil shall not be higher than the lowest price for the product in any of the comparator countries. CMED also publishes drug list prices and allowed price increases on March 31st of each year. Historically, the price increases allowed by CMED have been less than inflation. Due to COVID-19, CMED delayed the implementation of the price increase from April 1, 2020 to August 1, 2020. As of the date hereof, CMED is not expected to delay the April 1, 2021 price increase.

[3] *Sources: Pharma Legal Handbook, BMI Research, IQVIA., GlobalData, US FDA, Thomson Reuters*

In addition, Brazil has a highly complex and fragmented tax system that has significant implications for pharmaceutical companies. Pharmaceutical products are some of the most heavily impacted consumer goods by the fragmented tax system. High taxation on these products increases prices for patients, limits patient access and impact margins for pharmaceutical companies.

Reimbursement

As discussed above, Brazil's healthcare system includes both private and public payors. Public reimbursement is limited to drugs on the National List of Essential Medicines (RENAME), determined through public bidding system for drugs in the state system and certain exceptional outpatient drugs. In addition, in order to obtain reimbursement from private insurers and HMOs, the product must be included in the List of Procedures as approved and published by the National Agency of Supplementary Health (ANS). ANS reviews and updates list of covered procedures and therapies every two years. Under the Brazilian Constitution, health is a fundamental right of all citizens and a duty of the government. The government is thus obliged to provide the means necessary to supply medicines to all Brazilians which is done through the Single Health System (SUS). The National Committee for Health Technology Incorporation (CONITEC) determines which treatments are included in the SUS. CONITEC bases its decision on (i) scientific evidence of safety and efficacy and (ii) cost effectiveness to the public healthcare system. The list of drugs covered by the SUS does not include expensive medicines or medicines to treat rare diseases or conditions. Patients seeking access to such medicines have to pursue judicial action in order to receive injunctive relief for coverage.

IP

Patent review in Brazil is currently the responsibility of the Brazilian Patent Office (INPI); however, the body that reviews drug applications, ANVISA, holds an equally binding opinion on pharmaceutical applications that may pose a "health risk". There is a regulatory barrier in Brazil related to the data package exclusivity. The data exclusivity is recognized by Brazilian court but its application by those courts is controversial due to lack of a term of protection.

Argentina

Market size and Healthcare System

Argentina GDP per capita was $10 in 2019. The country has a highly volatile economy that is undergoing a period of recession and high inflation. In fact, since July 2019, the peso has depreciated by over 105 percent. Argentina's pharma market has grown rapidly (5-year CAGR 2018 2022: 34.6%) and is expected to have a nominal growth of 43% in 2021 per IQVIA, but the market size remains relatively small ($5,600,000 in 2019) and growth forecasts may be exaggerated due to inflation. The majority of the growth in the Argentinian pharmaceutical markets has been driven by the local inflationary conditions. Average drug prices in Argentina are low and the reimbursement system is fragmented, and in many cases duplicative (i.e. patients are covered on both public and private plans). The pharmaceutical industry has been one of the most dynamic sectors of the Argentine economy and is now a driver of economic growth, jobs, scientific knowledge and applied technology. Argentina has a fragmented market (95.6% of the 415 drug companies in Argentina generated less than $100,000 in revenue in 2018) and a high prevalence of national companies. Argentinian regulations impose barriers to imports of certain pharmaceutical products into Argentina based on the product classification or specific countries. Only products manufactured in approved countries or facilities that have been previously inspected and approved by Argentinian health authorities are allowed. Active pharmaceutical ingredients, however, are not subject to same restrictions as finished products.

Regulatory Overview

In accordance with Ministry of Health regulation, the National Agency of Medicines, Food and Medical Technology (ANMAT) is responsible for all aspects regarding the approval and control of pharmaceuticals. ANMAT has jurisdiction over the safety, efficacy, and quality of medicines as well as the activities, processes, for the supply, production, manufacturing, fractioning, import and/or export, warehousing, and commercialization of drug products and materials used for production. In addition, each province has its own health authority which works in conjunction with ANMAT and may issue its own regulations. Before a corporation can hold a marketing authorization, it must first have been duly licensed as a pharmaceutical company by ANMAT to manufacture or import pharmaceutical products for sale in the Argentinian market. ANMAT requires pharmaceutical companies to use their own laboratories for the testing and release of all products for the Argentinian market. In addition to approval of new innovative products, ANMAT allows for abbreviated approval of products which have been approved in other markets, including, but not limited to, USA, Canada, UK, France, Japan, Italy, and Spain. These abbreviated standards allow local companies to submit limited information (evidence of commercialization in reference country, draft product label and patient and physician insert and in certain cases bioavailability data) in order to obtain approval. Marketing authorizations are valid for a period of five (5) years and can be renewed for an additional five (5) years. In addition to obtaining the marketing approval, pharmaceutical companies are required to successfully complete the "first batch technical inspection" at their licensed facility prior to launching the product in Argentina. Finally, upon issuance of a market authorization, ANMAT does not provide regulatory data exclusivity.

Reimbursement

Argentina's reimbursement system is made up of three sectors: public, social security and private. Individuals may be covered through multiple sectors at the same time and have overlapping coverage. For example, individuals or groups may elect to supplement their public or social security coverage with private insurance. The public sector includes national and uninsured individuals. Social security covers mostly unionized workers and includes broad coverage, whereas the private sector is mainly through private insurance companies.

IP

In order to reduce healthcare costs, the Ministry of Health in Argentina has ruled that products manufactured locally that contain the same active ingredient as products manufactured abroad ,but that are priced cheaper than the products manufactured abroad, must be covered by local payors. In order to allow local manufacturers the ability to develop and obtain approval of products, ANMAT has provided multiple avenues of approval of generics or "similars". ANMAT defines "similar" as follows:

a) Similar medicinal or pharmaceutical specialty: one that contains the same active pharmaceutical ingredients, the same concentrations, the same pharmaceutical form, same form of administration, same therapeutic indication, and same dosage being equivalent to the reference product and can differ in characteristics such as size, form, excipient components, shelf-life, and primary packaging.
b) Similar pharmaceutical form: the one that is found in the same physical form (solid, liquid, gaseous), has the same form of administration and is equivalent to the pharmaceutical form of the reference product.

As ANMAT has a broad definition of what qualifies as a generic and in many cases does not require bioequivalence studies, generic manufacturers may obtain marketing authorizations by submitting a limited registration dossier.

However, as ANMAT works to harmonize its regulations with other agencies in Latin America, ANMAT may have to update its regulations to conform with other markets which have more rigorous standards.

In addition, in 2012, the Argentinian National Institute of Industrial Property (INPI) updated its guidelines on chemical-pharmaceutical patent applications and severely restricted the patentability of certain categories of inventions, including but not limited to formulations, compositions, and use. While these guidelines have been challenged, there have been no rulings as of yet. As a result, the generic market in Argentina continues to flourish.

Finally, upon issuance of a market authorization, ANMAT does not provide regulatory data exclusivity.

Colombia

Market size and Healthcare System

Colombia has the third largest population in LATAM but its GDP per capita is relatively small. Consequently, its healthcare expenditure per capita is low and the healthcare system is underfunded. Colombia comprised only 6.6% of the Key LATAM Markets healthcare expenditures in 2018. Healthcare expenditure is forecasted to grow at 9.7% CAGR between 2018 and 2022 while the pharmaceutical market is forecasted to grow at 4.6% CAGR between 2018 and 2022. Colombia's pharma market is expected to experience nominal growth of 8% in 2021 according to IQVIA. Colombia has a universal healthcare system and a significant portion of healthcare expenditure comes from public funding. Colombia has a Social Security System with national healthcare coverage which is regulated by the government through the ministry of health and benefits its citizens by being affiliated to either contributory (private) or subsidized (public) regimes. The universal healthcare system allows Colombians to select an affiliation with a health insurance system by choosing one insurance intermediary (EPS) for a monthly fee. The government subsidises those living in poverty, while others opt for private insurance policies that offer better services. Colombia's healthcare system has a large deficit mainly due to mismanagement of EPS and an influx of Venezuelan immigrants. This is driving the government to consider healthcare reforms to lower drug prices and add additional restrictions to high priced drugs.

Regulatory Overview

Colombia's drug approval process is similar to the process of more developed nations and involves a pharmacological, pharmaceutical and legal review Patented drugs are approved within eighteen to twenty-four months while generic drugs are approved faster. The drug approval process in Colombia is overseen by the National Institute of Medication and Food Surveillance (INVIMA). In order to market a product in Colombia, companies are required to obtain a marketing authorizations or health registrations. The review process falls into three different stages that involve pharmacological, pharmaceutical and legal reviews. The first phase is only required for evaluation of safety, pharmacokinetics, toxicity and efficacy data.

The second stage or pharmaceutical review involves review of manufacturing processes, formulation, excipients, bioavailability , and quality data. The final stage involves review of legal documentation including manufacturing agreements, trademarks and GMP compliance. Once approved, a marketing authorization is valid for five years after which a company is required to apply for renewal no later than the third month prior to expiration. Patented drugs have the largest share of the Colombian pharmaceutical market, representing 67.9% in 2018.

Pricing is overseen by the National Price Commission of Pharmaceuticals and Medical Devices (CNPMD) and it combines free-market pricing with reference price ceilings. The high-priced drugs, essential medicines (as defined by the WHO) and drugs with a high impact on societal health, have a ceiling price set based on a basket of at least

seven reference countries [4] .The number of drugs included under this pricing scheme has been increasing in recent years. Currently, molecules controlled under the reference pricing system account for ~40% of those prescribed in the country. Drugs that do not fall under the jurisdiction of direct control are priced freely.

Reimbursement

As noted above, there are two public reimbursement regimes: Contributory and Subsidized. The contributory regime covers employed individuals, pensioners, and retirees. This plan is mainly funded through mandatory contribution equivalent to a total of 12.5% of employee's income, split between employees of the program (4%) and their employers (8.5%). The subsidized regime covers all individuals that are unable to pay for the contributory regime. Members of the armed forces, teachers and employees of the state-owned petroleum company belong to a third regime called Special Regimens

The individuals under the subsidized regime are placed into one of the six socioeconomic categories (SISBEN) and pay based on a sliding scale of fees based on such categorization. The plan is funded by fees from the contributory regime and government funds.

IP

IP protection in Colombia is among the weakest in LATAM. Patent application reviews take five years on average. Colombia's primary regulatory body for drugs, INVIMA, has been known to deny new chemical entity data protection due to minor chemical similarities with previously approved molecules. There are no specific regulations for pharmaceutical trademarks. The basic requirements are distinctiveness of the sign and the lack of confusable registered trademarks or applications to identify competitive linked products or services. There is a data protection in Colombia for new chemical or biological entities. Generic or biosimialars companies could apply for a market approval for new chemical or biologic entities but would have to provide their own safety and efficacy studies for license to be granted by INVIMA.

Mexico

Market Size and Healthcare System

Mexico has the second largest pharmaceutical market ($13,805,000 USD in 2018) with a large patented prescription pharmaceutical segment, supported by stronger IP laws than other Latin American markets. Mexico has the second highest total healthcare expenditure (5.5% of GDP in 2018) and government initiatives underway to improve infrastructure and system efficiency. According to IQVIA, the Mexico's pharmaceutical market is expected to grow at a CAGR of 7.1% between 2020 and 2024 Having run on a strong anti-corruption platform, President Andrés Manuel López Obrador has taken a hard stance and looked to change leadership and process within the various healthcare agencies. While these measures were put in place in connection with the public healthcare system, many pharmaceutical companies have faced delays in product approvals, permits and continue to deal with the lack of clarity with regards to the changes and their impact on processes and regulations.

[4] Reference countries for pricing van include Argentina, Brazil, Chile, Ecuador, Mexico, Panama, Peru, Uruguay, Canada, United States, United Kingdom, Australia, France Norway, Germany, Portugal, Spain.

Regulatory Overview

The Ministry of Health of Mexico has mandated the Federal Commission for Protection against Sanitary Risks (COFEPRIS) to be the agency to manage the framework in relation to drugs, biologics and medical devices. COFEPRIS implements the General Health Law and its Regulations which are supplemented by Guidelines and Official Norms (NOMS) issued by COFEPRIS. The process to obtain marketing authorizations in Mexico varies between eight (8) months and eighteen (18) months depending on whether the product is a generic of a product already approved in Mexico or is a new product. In addition, if a new molecule is approved by Health Canada, FDA, EMA, the Swiss Agency for Therapeutic Products (Swissmedic) or Therapeutic Goods Administration in Australia then the approval timelines may be reduced by up to 60 days. Further, marketing authorizations are granted for a period of five (5) years and pharmaceutical companies must provide compliance with good manufacturing practices, safety and efficacy standards, pharmacovigilance, labelling standards and other provisions at each renewal.

Reimbursement

Reimbursement in Mexico is made up of public (social security institutions) and private insurers, as well as out-of-pocket payments and informal arrangements. The major segments of the Mexican health-care system are:

- Mexican Institute of Social Security (IMSS). This represents social security for the self-employed and employees in private companies;
- Institute of Social Security for State Workers (ISSSTE);
- Institute of Health for the Wellbeing (INSABI) Replacing the former Seguro Popular, this reimbursement This program was created to cover people with lower incomes and provides a public insurance scheme for those not covered by social security and other formal arrangements. This recently created program should have the same capacity to provide medical services as the IMSS system and would ensure that informal workers, who make up approximately 60% of the nation's workforce, would have the same access to health services as their formal sector counterparts

In addition to the above systems, certain specific sectors, such as military or Mexican Petroleum Company (PEMEX, state-owned) employees have their own social security system.

The private and public sectors function separately, and reimbursement and pricing decisions are made independently.

IP

In Mexico patents and trademarks are regulated by Mexican Intellectual Property Office (IMPI). Generally IP protections in Mexico are more advanced than in other Latin American countries. IMPI grants patents protecting compounds, formulations, uses and manufacturing processes for medicines. There is a linage system between COFEPRIS and IMPI, the objective of which is to prevent granting marketing authorization in violation of exclusivity rights.

On November 30, 2018, United States, Mexico, and Canada signed the USMCA agreement, an update of the North American Free Trade Agreement (NAFTA) created in 1994. UMCA includes a detailed section about data protection In connection with data protection terms under the USMCA, Mexico has agreed to extend the term for data protection of new agricultural chemical products, new pharmaceutical products, new indications and biologics from the current five (5) years of data exclusivity to ten (10) years of data exclusivity. USMCA has a specific section

establishing that parties should not permit generic manufacturers referencing undisclosed test or other data concerning safety and efficacy of new pharmaceutical products for at least ten years from the date marketing approval was first granted.

Chile

Market size and Healthcare System

Chile has the smallest population but the highest GDP per capita among the key LATAM Markets. Furthermore, among the key LATAM Markets, Chile has the highest healthcare expenditure per capita representing 9.1% of GDP. The public healthcare expenditure is expected to grow at a faster rate than private expenditure between 2018 and 2022, driven by government reform to formalize the healthcare coverage system for Chile. According to IQVIA, the Chile's pharmaceutical market is expected to experience nominal grow of 6.5%% in 2021 Chile's pharma market is fragmented whereby, the top 20 companies account for 31.1% of new drug registrations.

Chile has a dual (public and private) healthcare system which cover separate populations and distinct areas of care. The public system is not formally universal coverage; however, reforms and increased prevalence of private coverage have resulted in somewhat effective universal coverage for primary care. The coverage gaps across both private and public systems remain, particularly impacting the most disadvantaged segments of the population.

Regulatory Overview

The application of Sanitary License which allows companies to import or manufacture pharmaceutical products is reviewed and approved by the Public Health Institute (ISP). The approval process is relatively fast and review time can take up to 6 months. The applicant is required to submit safety and efficacy data, including full preclinical and clinical studies. In case of generics, the applicant can go through a simplified procedure for registration of pharmaceutical products and will be required to demonstrate bioequivalence. if required Once garneted, the marketing authorization is valid for a period of five years and can be renewed for equal and successive periods.

Chile has an unregulated, free market-based pricing model. Therefore, the average prices of patented products as well as branded generics are one of the highest in the LATAM region which impacts the drug coverage and hinders patient access to treatments.

Reimbursement

The Chilean healthcare system is primarily structured by a mandatory medical coverage. This coverage is financed by health insurance contributions paid to the providers of healthcare insurance, a public entity (FONASA) which covers 75% of the population or a private entity (ISAPRE). All workers and self-employed individuals are required to contribute a certain percentage of their monthly wages into either a private or a public plan. The law provides for minimum medical coverage and the additional features depend on the health institution and the health plan chosen by each individual.

IP

Chile's IP regulations are extremely unfavourable for manufacturers of patented drugs. Chile does not allow for the filing of "use" patents on new indications if that molecule is included as an active ingredient in any products that have already been approved for sale domestically. In order for products to qualify for data protection they must be launched within 12 months after the date of first approval in any market. Consequently, local generic manufacturers

often capitalize on this rule to launch generic versions of drugs not patented in Chile that exceeded this one year timeframe.

Other LATAM Pharmaceutical Markets[5]

Peru

Peru is the eighth most populous country in the Americas, with a population of 32 million inhabitants and an average life expectancy of 73.7 years. According to the World Bank, Peru's annual health expenditures remain at an estimated 5.5% of GDP. Despite this, the national government's healthcare budget has risen 16% in 2018 to approximately USD 5 million, remaining among the highest-priority sectors. According to IQVIA, the Peru's pharmaceutical market is expected to experience nominal grow of 10.1%% in 2021. Interim president, Francisco Sagasti has established a temporary administration after a political crisis in November 2020 following the ousting of former president, Martín Vizcarra.

Peru has a decentralized health care system administered by 5 entities: the Ministry of Health (MINSA), which provides health services for 60% of the population; *EsSalud*, which provides for 30% of the population; and the Armed Forces (FFAA), National Police (PNP), and the private sector together provide services to the remaining 10%. The resulting system contains multiple providers of services and insurance, often performing functions with a high degree of overlap and little coordination. Health workers often work several jobs in multiple subsectors. Passage of several healthcare reform legislation in 2009 and 2013, the percentage of Peruvians with some sort of health coverage has increased from 37% in 2004 to 83% in 2017.

The Peruvian market for pharmaceutical products has been valued at approximately US$ 2 billion in 2016, with imports of more than US$ 540 million. More than US$ 320 million in equipment, medical material and supplies, and more than US$ 8 million in medical furniture imports.

Drugs, biological and medical devices are regulated by the Directorate General of Medicines, Supplies and Drugs (DIGEMID). In order to manufacture or import the pharmaceutical product, a company must obtain a sanitary registration. Marketing authorizations are valid for five years after which they can be renewed starting one year before their expiration date. The renewal process requires submission of all the documents submitted for initial registration except for studies supporting the efficacy and safety of the product. The approval process generally takes 12 to 18 months after filing. Marketing authorizations cannot be held by a foreign company. Foreign companies are required to use Peruvian distributors to commercialize their products.

Prices of pharmaceutical products are not regulated but each company is required to report the retail prices to DIGEMID's Price Observatory which are disclosed in a public database that allows consumers to compare prices.
Patent and trademarks are regulated by the National Institute for the Defense of Competition and Intellectual property (INDECOPI) . A patent application must comply with three basic requirements which include; novelty, inventive level and industrial application. Foreign patents are recognized under the Patent Cooperation Treaty (PCT) and Paris agreement granting a total of 30 months for a patent application.

[5] *Sources: Pharma Legal Handbook, BMI Research, IQVIA., GlobalData, US FDA, Thomson Reuters*

Ecuador

In Ecuador, the National Agency for Sanitary Regulation, Control and Sanitary Surveillance (ARCSA) is responsible for applying and enforcing regulatory process for pharmaceutical products. The authorization, pricing and reimbursement is based on the World Health Organization (WHO) guidelines. The process for obtaining the product registration in Ecuador takes between six to eighteen months. The products that contain active ingredients that have already been approved by a health authority in a country that is a subject to WHO's standards, such as US, Canada, EU can take up to nine months. The approval of new active ingredient may take between twelve and eighteen months. Once approved, marketing authorization is valid for five years and it can easily be renewed through ARCSA's electronic system.

Ecuador has a dual healthcare system that is comprised of public (social security) and private insurers, out-of-pocket payments and informal arrangements. The Ecuadorian Institute of Social Security (IESS) is a major participant in the public segment and is a provider of health services for self-employed and employees in public and private companies. Private entities operating within the public sector include the Welfare Board of Guayaquil, the Child Protection Association of Guayaquil, the Cancer Society, and the Ecuadorian Red Cross. Social security services for workers are funded by contributions from affiliated workers, insured under the Social Security Law as an Ecuadorian workers' protection right, and are guaranteed by the IESS under various regimes. Given the strains on the public system, the public health sectors have implemented cost cutting measures by pushing for price reductions in public bids and encouraging competition and use of generics. Private health insurers and companies offering prepaid medical insurance cover 3% of the medium and high-income population. Enrollment in private health insurance has increased considerably over the past few years.

The drug prices in Ecuador are fixed through health ministry and National Council for Fixing and Reviewing Drug Prices (CDNP). There are three applicable regimes for establishing drug prices:

1. Regulated : price cap is set for each market segment for medications that are considered essential or new. The cap for each segment is calculated using the average of the retail prices in the private market . In case of the new drugs the level of therapeutic innovation is used as a basis for establishing a price cap.
2. Direct: prices are set by the government only in specific situation when essential and new medications that are being commercialized do not fall under the price regulation or if the companies do not adhere to price cap
3. Open: all the products that are not included in the previous two regimes are allowed to be priced freely but prices must be reported to CDNP

Public health system generally dispenses and reimburse products that are prescribed from the product list issued by the ministry of health. The products that are on the government issued list are sourced through a public tender process, public auctions and special regime. Conversely, in the private healthcare system the insurers can acquire products form private pharmacies or insurance providers.

The local IP office SENADI is in charge of regulating trademarks and patents . The foreign trademarks and patents are not recognized and have to be filed with local authority.

Bolivia

The State Agency for Medicinal Products and Health Technology (AGEMED) is responsible for a regulatory approval. In order to obtain a product registration, a company must provide all documentation required by the health authorities. Once filed, the Pharmacological Commission reviews the documents and information provided. If the product complies with evaluation, qualification, efficiency and security standards, the Pharmacological Commission

continues the authorization process, by evaluating the labeling, sampling and quality control before granting the registration number. The evaluation process takes a at least three months for a product that has an active ingredient that has already been approved and at least four months for a product that contains a new active ingredient. Once approved, the registration is valid for five years. Renewal process follows the same procedure as the registration of the product.

Bolivia has a national health system which is composed of both public and private institutions which are regulated by the ministry of health. In the public sector, the ministry of health is responsible for regulating and conducting all national policies and strategies. The private sector it is composed of insurance companies and non-governmental organizations. The public sector is financed by the government while the private sector is generally financed through employment through contributions by both the employees and employers.

In Bolivia, the prices of pharmaceutical products are not regulated. The "Servicio Nacional de Propiedad Intelectual (SENAPI)" is the public institution that regulates all the patents and trademarks in Bolivia. Once registered, trademarks are valid for ten years.

Environmental Matters

GBT operates four (4) manufacturing facilities and a research and development facility and certain of these facilities also operate laboratories in Argentina as well as a laboratory in Brazil. The facilities in Argentina and Brazil are subject to a variety of environmental, health, and safety laws and regulations at the federal, state or provincial, and municipal levels. These laws and regulations govern, among other things, air emissions, wastewater discharges, the use, handling, and disposal of hazardous substances and wastes, soil and groundwater contamination, and employee health and safety. GBT's manufacturing facilities use, in varying degrees, hazardous substances in their processes. In the event of the discovery of previously unknown contamination at these facilities, Knight may be required to take additional, unplanned remedial measures and potentially fines, closures or suspension.

THE CORPORATION'S STRATEGY

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

Following the completion of the GBT acquisition, 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 for a number of years. The acquisition of legacy products from global

pharmaceutical 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 footprint, capabilities, and portfolio.

2. In-licensing of innovative products

The Company is pursuing the in-licensing of innovative late-stage products in its key therapeutic areas that include oncology/hematology, infectious diseases, immunology, gastrointestinal and central nervous system. In addition, the Company remains open to considering the in-licensing of products in other specialty areas where Company believes that 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.

3. Development of branded generic products

Through the GBT acquisition, the Company's development efforts have been concentrated on developing branded generics for Argentina and other LATAM markets. The Company is focusing its near-term efforts on expanding the geographic reach of currently developed branded generics. In addition, the Company is working on optimizing its development efforts and *capabilities* to allow it to access larger opportunities for LATAM.

Commercial Strategy

Focusing on Specialty Therapeutic Fields

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

This targeted approach may be used for all of Knight's current innovative pharmaceutical products and is a determinant of whether Knight will enter a new therapeutic area or add a new product. For example, Knight's strategy for the Canadian commercialization of Ibsrela® is to promote it to 1,500 physicians who represent 17% of IBS-C prescribers but, more importantly, represent approximately 65% of IBS-C prescriptions This contrasts with products which are more broadly prescribed, for example, by approximately 43,500 general practitioners in Canada.

Leveraging Specialized Sales and Marketing Infrastructure

Knight's strategy is to grow its drug portfolio and to develop sales and marketing expertise within specialty therapeutic fields in which it is active (i.e. commercial or near-commercial products). With the acquisition of GBT, Knight will work to ensure that commercial expertise and specialty focus within specific countries continues to be a focus and will look to build in areas such as covering oncology and hematology, infectious diseases, and other specialty. This will enable Knight to continue to build on the strategic relationships it has with prescribing physicians and industry contacts

Outsourcing of Select Functions

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

- administrative services
- laboratory studies
- logistic services
- pharmacovigilance
- product manufacturing
- select selling services

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

With the acquisition of GBT, Knight acquired four (4) manufacturing plants in Argentina. The majority of the branded generic products are manufactured at these plants. Knight will continue to assess whether it is more cost effective to manufacture in our own facilities or whether to outsource production, taking into account not just costs but reliability and local import regulations. In addition, Brazilian and Argentinian regulations require pharmaceutical companies to use their own laboratories for the testing and release of all products for their respective markets. Similarly, by contracting with other persons to perform certain research activities, the Corporation reduces expenses and risks associated with maintaining a research facility.

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

Growth Strategy

Rest of World Strategy

On November 29, 2019, Knight has successfully executed on its Rest of the World Strategy by acquiring a controlling stake in GBT from shareholder group that included Advent International and Essex Woodlands, among others. With this acquisition Knight has gained an access to established Latin American growth platform with footprint across 10 Latin American countries. Knight finalized the acquisition of the remaining shares in August 2020, and as a date hereof owns 99.9% of GBT.

With the acquisition of GBT, Knight's product licensing efforts are focused on identifying potential products and companies that fit within its existing commercial footprint, pan-American (ex USA). Knight may look at rights for select areas such as Israel, Middle East, Australia, Sub-Saharan Africa, Romania, Russia and other countries excluding the U.S., Western Europe, Japan and China.

Knight currently owns the worldwide rights to Impavido®, the worldwide (excluding U.S.) rights to Neuragen® and has the exclusive rights to distribute certain other products in select international markets.

Knight is continuing to pursue out-licensing opportunities for Impavido® and Neuragen® in other jurisdictions.

Developing and Acquiring Late-Stage Pharmaceuticals

Knight maintains an active program to identify potential products for development, acquisition or licensing. In addition, the Corporation pursues opportunities to in-license late-stage products from biotech companies. Knight focuses on currently marketable or late-stage development products in order to mitigate clinical, regulatory and commercial risks. Such products generally have passed safety and toxicity testing and have demonstrated at least preliminary efficacy in humans. This allows Knight to concentrate on developing competencies in regulatory affairs, market access, and sales and marketing. Although Knight's focus is on late-stage products, the Corporation may nonetheless acquire the rights to earlier stage products through partnerships derived from its life sciences fund strategy and secured lending. For example, Knight's agreement Triumvira is a strategic lending strategy through a secured debt and as further consideration the Corporation received the exclusive license to commercialize Triumvira's future products for Canada, Israel, Mexico, Colombia and for TAC01-CD19 for Israel, Mexico, Brazil and Colombia if certain conditions are met.

At present, the Corporation is actively pursuing product acquisitions that may require substantial capital resources. There are no present agreements or commitments with respect to any such acquisitions. There can be no assurance that any of those product acquisitions will be completed by the Corporation.

Knight uses a number of internal and external sources to identify products for acquisition, to evaluate their scientific and clinical viability, and to estimate their commercial potential. Through its own internal business development efforts and, to a lesser extent, consultants, the Corporation identifies products for potential acquisitions. Once identified, each product undergoes scientific, clinical and commercial screens to further evaluate its fit within Knight's product portfolio and the likelihood of its future success.

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

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

While the primary focus of Knight is the innovative or branded pharmaceutical market, the Corporation may also participate, to a lesser extent, in the generic market. The Corporation's position in the generic market will be used as a tactical measure to: (i) generate stable and predictable earnings during the Corporation's early stages of

development; and (ii) counter-balance the inherent risk involved in developing the market for innovative products. Knight remains focused on its Innovative Drugs and intends on outsourcing all of its generic sales efforts. Moreover, Knight's strategy also includes the acquisition and commercialization of consumer health products and medical devices where Knight can leverage its sales and marketing expertise.

Developing Branded Generic Products

In certain developing countries, including Latin America, health regulations allow for generic products to be commercialized with a brand name. Competitors in the branded generic industry strive to be first to market in order to gain the most market share before new entrants arrive. GBT's internal research and development efforts have historically allowed it to launch branded generic products which often launch first which has given GBT a competitive advantage. Knight intends to continue to develop and launch branded generic products for Argentina as well as certain other Latin American markets. Knight will work with local teams to identify products which fit with the existing portfolio and future portfolio for development. New product development takes between 8-18 months before the dossier can be submitted to ANMAT for approval.

Strategic Lending to Life Sciences Companies

Knight lends capital on a secured basis to life sciences companies located in various geographic markets. Typically, loans have low to mid-teens interest rates, are secured and may come with additional consideration to the Corporation such as fees and/or equity consideration. Loans often come with product rights or product options for Canada and select international markets. These loans strengthen Knight's ties within the life sciences industry and, in doing so, help to secure product rights for Knight either on a direct or indirect basis. To date, Knight's strategic lending strategy has led to two commercial assets (i.e. Neuragen® and Synergy family of products) as well as a number of early stage pipeline products including the recent in-licensing rights of select Triumvira's future products for certain countries.

Neglected Tropical Diseases and Rare Pediatric Diseases

Knight's strategy includes investing in treatments and cures for neglected tropical diseases and rare pediatric diseases, which may result in revenue from the sale of pharmaceutical products for neglected tropical diseases and rare pediatric diseases respectively, as well as a beneficial interest in future PRVs.

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

In addition, Knight International started a strategic financing relationship with 60P in December 2015. As part of the agreement, Knight International obtained the commercial rights for all of 60P's products in Canada, Israel, Russia and select products in LATAM. Knight has advanced a total of US$11,395 to 60P which was used for the development of tafenoquine for the prevention of malaria as well as for the regulatory submission of Arakoda™ to the FDA. On

Aug 9, 2018, Arakoda™ was approved in the US by the FDA for the prophylaxis of malaria in patients aged 18 years and older.

BUSINESS OF THE CORPORATION

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

Products	• **Developing, acquiring or in-licensing the sales and marketing rights to Products** • **Developing, manufacturing, selling and marketing Products and branded generics** • **Launching and marketing innovative pharmaceutical products to prescribing physicians through a direct sales force or a contract sales organization, journal advertisements, continuing medical education materials and sponsorship** • **Making regulatory submissions to government agencies seeking approval to market clinically-tested therapeutics** • **Submitting applications to national bodies, provincial and private payers to approve pricing and reimbursement for product** • **Partnering, co-promoting and/or out-licensing Products** • **Developing innovative pharmaceuticals to treat neglected tropical diseases and rare pediatric diseases**
Strategic Investments	• Pursuing acquisitions and, or making equity investments in specialty pharmaceutical businesses in Canada and select international markets • Financing life science companies in Canada and internationally

Sources of Product Opportunities

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

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

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

Emerging Biotech Companies - According to PhRMA, there are more than 7,000 medicines in clinical development globally, all of which have the potential to help patients around the world. When negotiating with a multinational pharmaceutical company, Canadian and LATAM distribution rights are not always prioritized. By carving out these territories through a license agreement with a Corporation such as Knight, a biotech company stands to gain additional value as a means of defraying the cost of research and development. In addition, with the acquisition of GBT, Knight is able to in-license a broader territory and provide more value as opposed to country only license agreements.

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

Additionally, the Corporation supports the financing of biotech companies to acquire later stage products. This includes investing in life sciences venture capital funds, lending on a secured basis to life sciences companies and supporting the development of pharmaceutical products for neglected tropical diseases and rare pediatric diseases.

Branded generics- The market for banded generics in LATAM is highly competitive and well-funded by several large local and multinational companies. The key to success in branded generic industry is to be first on the market. The infrastructure in Argentina which consists of research and development, and manufacturing facilities, enables the Corporation to develop and launch several products in the key therapeutic areas.

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

Knight's Product Portfolio

The Company's focus is to market and sell licensed innovative products and engage in development, manufacturing and marketing of specialty pharmaceutical branded generic products in Canada, LATAM and select international markets. The Corporation's business model focuses on therapeutic areas covering oncology and hematology, infectious diseases, and other specialty therapeutic areas.

In addition, Knight's wholly owned subsidiary, Knight International, develops innovative pharmaceuticals including those used to treat neglected tropical diseases and rare pediatric diseases. Knight expects to expand its product portfolio within existing therapeutic fields in Canada and internationally, and intends to leverage its expertise in specialty sales and marketing, 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.

The Corporation has a pipeline of products in the process of being submitted for regulatory approval, in pre-commercialization and at its early stages of commercialization. The following summarizes certain products from Knight's product portfolio.

Prescription Pharmaceutical Products

Product	Indication	Canada	Brazil	Argentina	Colombia	Mexico	Others	Partner
Oncology/Hematology								
Nerlynx®	Adjuvant breast cancer	Launched						Puma
Nerlynx®	Metastatic breast cancer	Submitted						Puma
Trelstar®	Advanced prostate cancer	Marketed						Debiopharm
Vidaza®	Myelodysplastic syndrome		Marketed					Celgene (BMS)
Abraxane®	Metastatic pancreatic, and metastatic breast cancer		Launched					Celgene (BMS)
Halaven ®	Metastatic breast cancer		Marketed	Launched	Submitted		Launched	Eisai
Halaven ®	Soft tissue sarcoma		Launched	Launched	Submitted		Launched	Eisai
Lenvima®	Differentiated thyroid cancer, Advanced renal cell cancer, and Unresectable hepatocellular carcinoma		Marketed	Launched	Submitted		Launched	Eisai
BGx								
Ladevina®	Multiple myeloma			Marketed	Launched		Marketed	Own
Zyvalix®	Metastatic prostate cancer			Marketed	Launched		Marketed	Own
Karfib®	Relapsed or refractory multiple myeloma			Launched				Own
Leprid®	Palliative treatment of advanced prostate cancer			Marketed				Own
Infectious Diseases								
Ambisome®	Fungal infection		Marketed				Launched	Gilead
Cresemba®	Fungal infection		Launched	Launched	Launched	Launched	Launched	Basilea
Impavido®	Leishmaniasis						Launched	Own
Other Specialty								
Ibsrela™	IBS-C	Launched						Ardelyx
Salofalk®	Ulcerative colitis				Marketed		Marketed	Dr. Falk
Ursofalk®	Primary biliary cirrhosis			Marketed	Marketed		Marketed	Dr. Falk
Imvexxy™	Moderate-to-severe dyspareunia	Approved						TXMD
Bijuva™	Moderate-to-severe vasomotor symptoms due to menopause	Approved						TXMD
BGx								
Fibridoner®	Idiopathic pulmonary fibrosis			Marketed				Own
Toliscrin®	Pseudomonas aeruginosa lung infection in patients with cystic fibrosis			Marketed			Marketed	Own
Toliscrin®	Severe acute or resistant chronic infections due to colistin sensitive strains of gram-negative pathogenic bacilli			Marketed			Marketed	Own
Tobradosa Haler®	Chronic lung infections due to Pseudomonas aeruginosa			Marketed			Marketed	Own

Launched: product has been on the market under 5 years
Marketed: product has been on the market over 5 years

Oncology/Hematology

NERLYNX®

On January 9, 2019, Knight entered into an exclusive license agreement with Puma for the exclusive right to commercialize Nerlyinx® (neratinib) in Canada. On July 16, 2019, Nerlynx® was approved by Health Canada for the extended adjuvant treatment of adult patients with early stage HER2-overexpressed/amplified breast cancer following adjuvant trastuzumab-based therapy. Furthermore, in September 2020, Knight announced that it has submitted a supplemental NDS to Health Canada for neratinib in combination with capecitabine for the treatment of patients with HER2-positive metastatic breast cancer who have failed two or more prior lines of HER2-directed treatments, which was approved by the US FDA in February 2020. In December 2019 pERC published their final report recommending that Nerlynx® should not be reimbursed through the public insurance plans. Knight launched NERLYNX® at the end of 2019 and the Corporation is focused on ensuring access to patients.

Trelstar®

On January 8, 2020, Knight announced that the Corporation entered into an agreement with Debiopharm for the Canadian commercial rights of Trelstar® (tripotorelin), for the treatment of advanced prostate cancer and chronic pain associated with endometriosis. On April 20, 2020, the Corporation announced that it took over commercial activities from Debiopharm's previous partner, Allergan and is commercializing Trelstar® in Canada. According to IQVIA data, Trelstar® sales in Canada were $1,824 for the year ended December 31, 2020 (2019: $2,179).

Vidaza® and Vidaza® GX

Vidaza® (azacytidine) is indicated for the treatment of patients with Myelodysplastic Syndrome of the subtypes: Refractory anemia (RA) or refractory anemia with ringed sideroblasts (if accompanied by neutropenia or thrombocytopenia or requiring transfusions), refractory anemia with excess blasts, refractory anemia with excess blasts in transformation, and chronic myelomonocytic leukemia.Vidaza® is licensed from Celgene (now BMS), and GBT holds the rights to commercialize the product in Brazil. In addition, GBT holds the rights to Vidaza® GX, which was launched in 2019.

Abraxane®

Abraxane® (paclitaxel protein-bound particles for injectable suspension) is indicated for the first-line treatment of patients with metastatic pancreatic adenocarcinoma, in combination with gemcitabine. Abraxane® is licensed from Celgene (now BMS), and GBT holds the rights to commercialize the product in Brazil. The Company previously held the rights to commercialize the product in Mexico, which terminated on August 17, 2020.

Halaven®

Halaven® (eribulin mesylate) is a synthetic derivative of halicondrin 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 regimen 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 GBT holds the rights to commercialize the product in Latin America except Mexico. Eisai holds the rights to commercialize the product in Mexico. Halaven is pending approval in Colombia, Bolivia, Paraguay and Uruguay.

Lenvima®

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

Ladevina®

Ladevina® (lenalidomide) is indicated for (1) the treatment, as a maintenance monotherapy, of patients with newly diagnosed multiple myeloma, who have had an autologous stem cell transplant and, in patients with relapsed or refractory mantle cell lymphoma, (2) the treatment of patients with transfusion-dependent anemia due to low-risk and intermediate-1 myelodysplastic syndromes linked to a 5q deletion cytogenetic abnormality with or without abnormalities, (3) the treatment, in combination therapy, of adult patients with multiple myeloma without prior treatment who are not candidates for a transplant, and (4) the treatment, in combination with Dexamethasone and in second line, of multiple myeloma patients who have received at least one prior therapy and have not responded to treatment. Ladevina® is part of GBT's proprietary branded generic portfolio and is commercialized in Argentina, Chile, Colombia, Peru, Ecuador, Bolivia, Paraguay, Uruguay and Central America.

Zyvalix®

Zyvalix® (Abiraterone acetate) is indicated in combination with prednisone for the treatment of castration-resistant metastatic prostate carcinoma and castration sensitive high-risk metastatic prostate carcinoma. Zyvalix® is part of GBT's proprietary branded generic portfolio and is commercialized in Argentina, Chile Colombia. Peru and Bolivia.

Karfib

Karfib® (Carfilzomib) 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. Karfib® is part of GBT's proprietary branded generic portfolio. The Company launched Karfib® in Argentina during 2020.

Leprid

Leprid® is indicated for palliative treatment of advanced prostate cancer. Leprid® is part of GBT's proprietary branded generic portfolio and is currently marketed in Argentina

Infectious Diseases

AmBisome®

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

affiliate's portfolio for over twenty years. GBT is aslo responsible for all commercial activities in Brazil as well as Bolivia, Paraguay and Peru. On October 26, 2020, the Company announced that they signed a new exclusive agreement with Gilead for the commercialization of AmBisome® in Brazil. The new agreement is effective starting January 1, 2021.

Cresemba®

Cresemba® (isavuconazonium sulfate) is s an azole antifungal agent indicated for use in adults for the treatment of invasive apergillosis and invasive mucormycosis. Cresemba® is licensed from Basilea Pharmaceutica Ltd, and GBT holds the rights to commercialize the product in Latin America. Cresemba® is commercialized in Argentina, Colombia, Mexico, Chile, Peru, and was launched in Brazil in Q1-2020.

Impavido®

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.

Other Specialty Therapeutic Areas

Ibsrela™

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

Salofalk®

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 GBT holds the rights to commercialize the product in Colombia, Argentina, Peru and Chile.

Ursofalk™

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

I*mvexxy™ and Bijuva™*

On July 31, 2018, Knight entered into an exclusive licensing agreement for the commercial rights of Imvexxy™ and Bijuva™ in Canada and Israel. Imvexxy™ is a TXMD FDA-approved product (estradiol vaginal inserts), for the treatment of moderate-to-severe dyspareunia (vaginal pain associated with sexual activity), a symptom of vulvar and vaginal atrophy (VVA), due to menopause. Bijuva™ was approved by the U.S. FDA on October 18, 2018, is a bio-identical hormone therapy combination of estradiol and progesterone in a single, oral softgel for the treatment of moderate-to-severe vasomotor symptoms due to menopause. Both Imvexxy™ and Bijuva™ were approved by Health Canada during Q3-20. The Corporation expects to launch both products in 2022.

Fibridoner®

Fibridoner® (pirfenidone) indicated for the treatment of mild to moderate idiopathic pulmonary fibrosis in adults. Fibridoner® is part of GBT's proprietary branded generic portfolio and is commercialized in Argentina, Uruguay and Ecuador.

Toliscrin

Toliscrin® (Colistimethate sodium) for injection is indicated for the treatment of severe acute or resistant chronic infections due to colistin sensitive strains of gram-negative pathogenic bacilli. It is particularly indicated when the infection is caused by sensitive strains of *Pseudomonas aeruginosa.*

The inhaled colistimethate sodium is used in the treatment of airway colonisation or infection due to *Pseudomonas aeruginosa* that is resistant to tobramycin. Toliscrin® is part of GBT's proprietary branded generic portfolio and is commercialized in Argentina.

Tobradosa Haler

Tobradosa Haler® is indicated for the treatment of chronic lung infections due to *Pseudomonas aeruginosa i*n adults and children from 6 years of age with cystic fibrosis. Tobradosa Haler ® is part of GBT's proprietary branded generic portfolio and is commercialized in Argentina.

Sales and Marketing

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

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

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

Knight employs dedicated national physician salesforce teams in each of its countries where Knight and GBT have commercial operations. The Corporation believes that it can effectively reach its core prescriber group with a focused sales team because of the concentrated nature of the specialty markets in which it competes and because of the Corporation's use of fact-based physician targeting tools. The Corporation will use fact-based physician targeting in order to obtain the greatest return for its sales effort. The Knight sales team will use the data to focus on this smaller, high potential group while other marketing tactics, such as advertising and direct mail, will be used to reach the balance of the market in a more efficient manner.

Knight will organize and support various continuing education initiatives to ensure that physicians are kept informed of the most current practices in using the Corporation's products. The Corporation believes that participation in medical conferences in Canada and internationally is important in building awareness of the Corporation's products and their benefits among its target groups. Conference participation will be further used to build the supportive relationship between the Corporation and its core physician target groups.

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

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

Ensuring Distribution to Appropriate Points of Sale - Knight will employ a variety of tactics to support its own direct sales efforts to ensure that its products are available for sale at the appropriate distribution points.

Manufacturing and Distribution

Knight does not manufacture any of its products directly, but rather outsources this function for certain products to third parties, including licensors. Through contractual arrangements and quality control audits, Knight ensures that its products are manufactured in accordance with the current GMP, consistent with regulatory requirements. In addition, under most of the Corporation's product license agreements, the licensor retains the rights and obligation to manufacture the licensed product. With the acquisition of GBT, Knight acquired four (4) manufacturing plants in Argentina. The majority of the branded generic products are manufactured at these plants. Knight will continue to assess whether it is more cost effective to manufacture in our own facilities or whether to outsource production, taking into account not just costs but reliability and local import regulations.

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

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

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

Competition

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

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

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

Within Canada, Knight competes with Innovative Drug manufacturers, innovative pharmaceutical companies that license and distribute Innovative Drugs, and Generic Drug manufacturers. Within each of Knight's therapeutic fields, other drug companies offer competitive products. For example, Impavido® is approved in Germany, Israel and the U.S., and faces generic competition in some of its markets. The Corporation competes with specialty pharmaceutical companies in Canada such as Acerus Pharmaceuticals Corporation, Pharmascience, HLS Therapeutics Inc., and regional affiliates of multinationals, such as Purdue Pharma Canada, Bausch Health Canada Ltd., and Endo International plc's subsidiary Paladin, in securing the Canadian rights to new products. In Latin America, Knight expects to face competition for licenses from affiliates of multi-national companies as well as large local players such as Pint Pharma, EMS; Eurofarma, Hypera Pharma, Tecnofarma Gador, and Bago as they look to grow in the region. In addition, in Latin America, GBT's branded generic business competes with large local players such as a Tecnofarma, Roemmers, Gador, Bago as well multi-national players such as Sandoz, Teva, Dr. Reddy and Cipla.

Licensing and Intellectual Property

The pharmaceutical industry places great emphasis on brand differentiation by the use of trademarks. Thus, while some of the Corporation's products do not have patent protection, the Corporation believes that many of the products it intends to sell are differentiated based on their recognizable trademarks.

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

Potential Liability and Insurance

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

Knight's Fund Investment Portfolio

Knight invests in life sciences venture capital funds in which the Company earns a return similar to any other limited partner in the fund and may receive preferential access to innovative healthcare products from around the world for Canada and select international markets. Since inception of the fund strategy, Knight has committed to invest with the following capital fund managers for approximately $126,653 of which $31,500 remains committed as at December 31, 2020. To date, the investments in venture capital funds have led to the Canadian in-license of Iluvien® from Alimera and a portfolio of products from Advaxis. Knight does not expect to invest in additional venture capital funds

	Fund Commitment	
Fund Manager	**In Source Currency (in thousands)**	**In Canadian Dollars[1] (in thousands)**
Teralys Capital	$30,000	$30,000
Domain Associates LLC	US$25,000	$29,063
Forbion Capital Partners	EUR 19,500	$27,550
Sectoral Asset Management[2]	US$13,000	$13,919
Sanderling Ventures LLC	US$10,000	$11,625
HarbourVest Partners LLC	$10,000	$10,000
TVM Capital GmbH	US$1,600	$1,996
Bloom Burton Healthcare Lending Trust[3]	$1,500	$1,500
Genesys Capital Management (Fund III) Inc.	$1,000	$1,000
Total		**$126,653**

[1] Converted at the Bank of Canada noon exchange rates as of the commitment dates (using the December 31, 2020 closing rates total fund commitment would be $136,086)

[2] Knight received a full return of capital from its US$13,000 investment in Sectoral's NEMO II and subsequently committed to reinvest US$10,000 into Sectoral's NEMO III

[3] Represents an investment in a debt fund

Knight's Strategic Loans

Knight finances other life sciences companies in Canada and internationally on a secured basis with the strategic goal of strengthening relationships in the life sciences industry, and securing product distribution rights for Canada and select international markets. The primary factors considered by the Corporation in assessing lending opportunities are as follows: (i) risk profile of the borrower, (ii) the nature and value of security, (iii) the anticipated return on investment, and (iv) the product distribution rights acquired in conjunction with the loan. The table below lists all of Knight's loans issued since inception. As at December 31, 2020, Knight has a $36,338 nominal loan receivable as detailed in the table below.

Entity	Status	Original Loan Amount	Base Interest Rate	Nominal loan balance as at December 31, 2020		Maturity
				In Source Currency	In Canadian Dollars[1]	
Synergy[3]	Active	US$21,500	10.5%-15%	US$7,500	$9,549	2021
60P	Active	US$11,395	15%	US$6,310	$8,033	2023
Moksha8[6,7]	Active	US$11,500	15%	US$11,993	$15,269	2023
Other strategic loan	Active	US$2,738	10%	US$2,738	$3,487	2025
Triumvira[10,11]	Repaid	US$5,000	15%			
CRH	Repaid	US$30,000	12%	-	-	N/A
PBB	Repaid	US$15,000	12%	-	-	N/A
Apicore	Repaid	US$6,500	15%	-	-	N/A
Origin	Default[8]	$850	15%	-	-	N/A
Extenway	Impaired	$800	15%	-	-	N/A
Profound	Repaid	$4,000	15%	-	-	N/A
Pediapharm	Repaid	$1,250	12%	-	-	N/A
Antibe	Converted[9]	$500	10%	-	-	N/A
Ember[4,5]	Impaired	US$1,000	12.5%	-	-	N/A
Medimetriks[2]	Repaid	US$23,000	13%	-	-	N/A
Crescita	Repaid	$6,841	9%	-	-	N/A

[1] Converted at the Bank of Canada closing exchange rates on December 30, 2020
[2] In March 2018, Knight received early repayment of US$20,000 from Medimetriks
[3] Includes US$11,500 loaned in 2015 and US$10,000 loaned in 2017. The 2015 loans were fully repaid as of January 31, 2018
[4] 50% of the Ember loan was assigned to the Bloom Burton Healthcare Lending Trust
[5] The original maturity date was in 2016 but the loan remains outstanding
[6] Knight committed to loan up to US$25,000 in working capital which includes US$2,000 which matured in February 2019, US$8,000 loaned in February 2019 and an additional US$1,500 loaned in September.
[7] Knight received warrants representing 5% of the fully diluted shares of Moksha8
[8] Acquired assets related to Neuragen® pursuant to an order of The Supreme Court of Nova Scotia following default by Origin
[9] On March 27, 2018, Knight converted the debt into 2,489,889 common shares
[10] Knight received warrants to purchase 3.5% of Triumvira's fully diluted common shares
[11] Knight will receive the exclusive right to commercialize Triumvira's future approved products in Canada, Israel, Mexico, Colombia and for TAC01-CD19 for Israel, Mexico, Brazil and Colombia if certain conditions are met

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

Knight's International Investments

Moksha8

On February 15, 2019, the Corporation entered into a strategic financing agreement with Moksha8, a specialty pharmaceutical company focused on licensing, marketing and distributing innovative and established therapeutics in the two largest Latin America markets: Brazil and Mexico. Knight owns warrants representing 5% of the fully diluted shares of Moksha8. The Corporation may lend up to $159,150 (US$125,000) to be disbursed at Knight's sole discretion for corporate development and the acquisition of product licenses in LATAM.

Personnel and Employees

As of the date hereof, Knight has 679 employees in Canada and LATAM whose collective responsibilities relate primarily to business development, sales and marketing, operations, manufacturing scientific affairs (including research and development) and administration. Additionally, Knight engages several consultants for various services. In addition, 87 employees in Brazil and 207 employees in Argentina are unionized.

Department	Corporate	Canada	Brazil	Argentina	Colombia	Other
Commercial	2	18	52	51	30	47
Scientific Affairs	2	19	12	127	2	14
Supply and Manufacturing	4	1	2	150	8	11
Administrative	34	5	21	28	19	20
Total	**42**	**43**	**87**	**356**	**59**	**92**

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

RISKS RELATED TO KNIGHT'S BUSINESS

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

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

The success of Knight is dependent, in part, on the services of its CEO Jonathan Ross Goodman. Mr. Goodman suffered an accident in August 2011 from which he has not yet fully recovered, and continues to deal with his energy levels and memory retrieval issues. The experience of this individual will be a significant contributing factor to Knight's continued success and potential growth. The loss of Mr. Goodman's services on a short, medium, long term or on a temporary basis could have a material adverse effect on Knight's operations and business prospects. In addition, Knight believes that its future success will depend in large part on its ability to attract and retain additional highly skilled technical, management, and sales and marketing personnel. There can be no assurance that Knight will be successful in attracting and retaining such personnel, and the failure to do so could have a material adverse effect on Knight's business, operating results and financial condition.

Ability to Implement Knight's Strategy to Grow the Business

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

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

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

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

The successful integration of new operations arising from Knight's acquisition business plan and strategy, including the acquisition of GBT, requires that a substantial amount of management time and attention be focused on integration tasks. Management time that is devoted to integration activities may detract from management's

normal operations focus. Integration activities, including integrating processes, management, technologies and manufacturing capabilities, can result in unanticipated operational problems, expenses and liabilities. If Knight is not successful in executing its integration strategies in a timely and cost-effective manner, it will have difficulty achieving its growth and profitability objectives.

Ability to Integrate New Products and Companies in Canada and Internationally

The integration of newly acquired products and companies into Knight's business will require significant management attention and expansion of marketing, sales, and general and administrative staff. Knight's strategic direction includes becoming an international specialty pharmaceutical company. In November 2019, Knight acquired a controlling interest in GBT. During 2020, Knight's management has been focused on the integration of GBT. Due to COVID-19, integration efforts had to be slowed down and will continue into 2021. As Knight's management remains focused on integration, they may deviate from other operating concerns. Knight's management has limited experience operating in LATAM and as a result of this inexperience Knight management may not be able to properly integrate, manage and grow in LATAM.

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

The Corporation's growth in the next few years will come from product launches and acquisitions which will require substantial investment before Knight earns returns on these products. Each new product launch requires significant promotional investment during the first three to five years from launch and during the early years of a launch the Corporation will not have significant revenues from these products. There is no guarantee that a new product will obtain physician and patient acceptance and earn sufficient revenues to deliver profitable growth. Knight and GBT are either launching or in the early stages of launching several products, including Nerlynx, Trelstar, Ibsrela Cresemba, Halaven, Lenvima and Karfib. There is no guarantee that these products will obtain physician and patient acceptance and earn sufficient revenues to deliver profitable growth.

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

Knight's growth depends on acquisition of rights to products from other companies as the primary source for new products. Risks in acquiring new products include: a) the ability to locate new products that are attractive and complement Knight's business, and b) the price to acquire or obtain the license for these products may be too costly to justify the acquisition. Knight faces ongoing competition from other pharmaceutical companies in acquiring rights to products, which makes it difficult for Knight to find attractive products on acceptable terms. In certain cases, license agreements may impose certain commitments and restrictions. Financial commitments may include minimum purchases and commercial spend which may limit Knight's ability to manage profitability. Knight may also have commitments to obtain approval or launch within a certain period of time or risk termination. Further, product license agreements may include limitations on the ability for the Corporation to license additional products with similar or same indications. Such restrictions may affect Knight's ability to license new products or gain efficiencies from commercial infrastructure and limit the Corporation's growth and profitability. Since the acquisition of GBT,

Knight has become a pan-American (ex USA) license partner. To date, Knight has not licensed any product for such a broad region. For the LATAM region, Knight may face competition for product rights from local regional players who are better funded and more knowledgeable about the local pharmaceutical market.

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

Ability to Successfully Develop New Drugs

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

GBT develops branded generic products through its own research and development efforts. The research and development efforts require an early assessment of therapeutic trends and intellectual property rights in the various countries in which GBT operates, especially Argentina. The process of development of branded generic products is complex and uncertain as well as time consuming and costly. The process of product development is inherently risky and has a high failure rate. The products developed through internal efforts, if and when fully developed, tested and approved, may not be profitable. GBT's products may enter the market after other branded generic or pure generic manufacturers or may not be as cost effective to be commercially viable for payors.

Ability to Maintain Good Labour Relations

GBT's has 207 employees (sales, manufacturing and technical) in Argentina and all employees in Brazil who are unionized. The collective agreements are governed by collective bargaining agreements which are nationally regulated. These agreements mandate salary increases (including inflation or hyper-inflation increases) as well as bonuses and benefits. The unions play an active role in salary negotiations and could have material negative impact on Knight through increased compensation expenses or work stoppages.

Ability to Maintain Approvals for Development, Manufacture and Distribution

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

laboratory must have good laboratory practices and must be approved by the local regulatory authority. For that reason, GBT owns and operates two (2) laboratories in Argentina and one (1) in Brazil.

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

The majority of GBT's branded generic portfolio is manufacture by GBT at its own facilities in Argentina. Each of the sites must be in compliance with GMP and are audited by the Argentinian health authorities. In addition, in order to commercialize the branded generic portfolio in other LATAM markets (eg. Colombia, Peru etc.), each of GBT's four (4) manufacturing facilities may need to be audited and approved by the health authorities in these markets as part of the product registration process in those markets. Any delays in obtaining or maintaining approvals could result in delays of marketing authorizations, launches and potential losses.

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

Ability to comply with Environmental Standards

GBT operates four (4) manufacturing facilities and a research and development facility and certain of these facilities also operate laboratories in Argentina as well as a laboratory in Brazil. The facilities in Argentina and Brazil are subject to a variety of environmental, health, and safety laws and regulations at the federal, state or provincial, and municipal levels. These laws and regulations govern, among other things, air emissions, wastewater discharges, the use, handling, and disposal of hazardous substances and wastes, soil and groundwater contamination, and employee health and safety. Any failure by us to comply with environmental, health, and safety requirements could result in the limitation or suspension of production or subject us to monetary fines, civil or criminal sanctions, or other future. Knight is also subject to laws and regulations governing the destruction and disposal of raw materials and non-compliant products, the handling of regulated material included in products, and the disposal of Knight's products or their components at the end of their useful lives. In addition, compliance with environmental, health, and safety requirements could restrict Knight's ability to expand facilities or require Knight to acquire costly environmental or safety control equipment, incur other significant expenses, or modify manufacturing processes. GBT's manufacturing facilities may use, in varying degrees, hazardous substances in their processes. In the event of the discovery of previously unknown contamination at these facilities, Knight may be required to take additional, unplanned remedial measures and potentially fines, closures or suspension.

Reliance of Key Products

Knight, with the combination of GBT, will realize a significant portion of its revenues from the sale of certain key products, which may evolve as Knight and GBT grow its portfolio. For example, for the year ended December 31, 2020, the key products included AmBisome®, Abraxane®, Salofalk®, Ladevina®, Halaven®, Vidaza® and Impavido®.

The Corporation's financial results and cash flows may be materially affected should sales of these products decline, whether from new entrants into the market, generic competition, adverse events or other factors.

Value of Intangible Assets and Goodwill

A significant amount of the Corporation's total assets is related to acquired Intangible Assets and Goodwill as defined in the Corporation's annual audited consolidated financial statements for fiscal 2020. As of December 31, 2020, the carrying value of Knight's Intangible Assets was approximately $156,547 (2019:$173,372) and Goodwill was approximately $77,725 (2019:$88,262). The Corporation is required to review the carrying value of its intangible assets for impairment periodically or when there is an indication of impairment and is required to review the carrying value of its Goodwill on an annual basis. Intangible assets include the net book value of product rights, trademarks and process know-how covered by certain patented and non-patented information. Goodwill is the excess of the aggregate consideration transferred in a business combination and the amount recognized for the non-controlling interests over the net identifiable assets acquired and liabilities assumed. The goodwill is allocated to each of the Corporation's cash-generating units that expect profit from the business combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Management reviews the carrying value based on projected future results. If events such as generic competition or inability to manufacture or obtain supply of product occur that may cause sales of the related products to decline, the Corporation adjusts the projected results accordingly. Any impairment in the carrying value results in a write-down of the intangible asset or goodwill which is charged to income during the period in which the impairment is determined. The write-down of intangible assets or goodwill may have a material adverse effect on the results of operations in the period in which the write-down occurs. Additional information relating to this can be found in the Corporation's Financial Statements and MD&A for the year ended December 31, 2020 which can be found on Knight's profile at www.sedar.com.

Strategic Loan Investments put Knight's Capital at Risk

Certain of Knight's collaborations or other transactions with pharmaceutical companies, drug developers and other life sciences companies have involved and will continue to involve the financing of such companies including by way of loans and other forms of debt. Such loans take and may continue to take different forms and will have different terms with respect to interest rate, repayment terms, security and other matters. Some of the companies with which we entered into strategic financing transaction have relatively short or no operating histories. There can be no assurance that any such companies will be able to repay such loans in accordance with their repayment terms or that any security in respect of such loans would be sufficient at the time of realization to cover the debt owed by such companies. Any failure to repay such loans in accordance with applicable terms, failure to realize on security or inadequacy of security upon realization could have a material adverse effect on the capital position and general financial condition of Knight. In addition, even if the Corporation is able to realize certain value for the security, it may distract management from other parts of the business and require substantial time and resources in order to realize the security. For example, during 2015 the Corporation lent $800 to Extenway and shortly thereafter the Corporation determined that Extenway was in default of the loan and wrote off the full loan receivable.

Furthermore, Knight International entered into a secured loan agreement with 60P in December 2015, the proceeds of which were used in the development of medicines for treatment and prevention of malaria. In August 2018, 60P announced the FDA's approval of Arakoda™ in the U.S. There can be no assurance that 60P will have the required financing to launch Arakoda™ or that its launch will be commercially successful and generating enough profitability to repay Knight's loan. Furthermore, there is no assurance that Knight will be able to realize on the security of 60P to recover its loan and interest receivable balances.

Ability to maintain financial covenants on existing financial leverage

As at December 31, 2020, Knight through its ownership GBT had total bank debt of $51,770. GBT's borrowings include customary covenants, including certain financial covenants, limitations on incurrence of additional indebtedness and the ability to make distributions to shareholders, and certain financial covenants related to asset coverage and liquidity and other maintenance covenants, as well as customary events of default. An event of default under the terms of the current or any future borrowings could result in an accelerated maturity date for all amounts outstanding thereunder, or potentially lead to a cross-default under other borrowings. This could reduce Knight's liquidity and cash flow and impair Knight's ability to grow its business.

As at the date hereof, Knight has not obtained a change of control waiver from Itaú Brasil. Should Knight not be able to obtain a change of control waiver, Itau may elect to demand full repayment of the loan. In the event Itaú demands repayment, Knight may enter into a new loan agreement with another financial institution. Knight may not be able to refinance the loan on favourable terms and may have to provide additional security and guarantees. Should Knight not be able to refinance the loan, Knight may have to fully repay the loan from cash on its balance sheet. This could reduce Knight's liquidity and cash flow and impair Knight's ability to grow its business.

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

As part of Knight's growth strategy, it invests in healthcare-specialized funds and fund managers which have substantial assets under management in the healthcare sector and can leverage their existing relationships with key life science companies to help secure Canadian and select international market product rights for Knight. Since inception of the fund strategy,, the Corporation has committed to invest, or made investments, in funds managed by Sectoral, Forbion, Teralys, Domain, Sanderling, HarbourVest, TVM, Genesys, and Bloom Burton for approximately $126,000 based on exchange rates in effect as of the commitment dates. Knight does not exercise direction or control over the funds in which it invests and does not have any direct decision making in the investment decisions of such funds. There is no guarantee that such funds will make investments that are profitable for Knight nor that Knight's relationships with such funds will help Knight secure any product rights. Further, Knight's investments in such funds are capital in nature and there is no guarantee that all or any such capital will be recovered.

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

One of Knight International ' strategies is to source opportunities to license or acquire and develop therapeutics to treat either Neglected Tropical or Rare Pediatric Diseases. Knight International may not be able to source such opportunities or to source them on attractive deal terms. In addition, Knight International may not be successful in securing FDA approval for such therapeutics, or if approved, may nonetheless not be granted a PRV from the FDA, and therefore may not be successful in receiving a beneficial interest in additional PRVs. For instance, Knight International entered into a strategic loan with 60P to support the development and approval of Arakoda™(tefenoquine) for the prevention of malaria, a rare tropical disease. While 60P did obtain FDA approval for Arakoda™, 60P was not the first company to obtain FDA approval for tafenoquine and as such did not receive a PRV.

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

Knight may consider issuing additional debt or equity securities in the future to fund potential acquisitions or investments, or for general corporate purposes. If Knight issues additional equity or convertible debt securities to

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

The Globalization of Knight's Business

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

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

There is no guarantee that Knight's efforts to expand sales in select international markets will succeed. The expansion of Knight's activities in select international markets may further expose the Corporation to more volatile economic conditions, political instability, competition from companies that are already well established in these markets, the inability to adequately respond to unique characteristics of these markets, particularly with respect to

their regulatory frameworks, difficulties in recruiting qualified personnel, potential exchange controls, weaker intellectual property protection, higher crime levels, and corruption and fraud.

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

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

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

In addition, members of Knight's management team based in LATAM may be unfamiliar with, and inexperienced in, Canadian securities law and other legal requirements. From a financial reporting perspective, differences in banking systems and business cultures could have an adverse effect on the efficiency of internal controls over financial reporting matters. Knight's senior management and audit committee have been and continuously strive to enhance their knowledge of emerging markets through spending time in each of the GBT markets and with GBT management as well as independent research, local agents and legal counsels and are continuously updated of the applicable audit practices and procedures in Latin America. Despite these efforts, given the significant learning curve to fully understand GBT's business, operating environment and the quality of controls in place, Knight may not be able to adequately assess the efficiency of internal controls over financial reporting or the effects of the laws and requirements of all local business jurisdictions.

Generic Product Risk

Although Knight's strategy is focused on acquiring the rights to products not subject to competition from generic products, there may be no proprietary protection for many of the branded pharmaceutical products which will eventually form part of Knight's or GBT's portfolio. Certain of our products are not protected by patent rights or have limited patent life and will soon lose patent protection. Further, a significant portion of GBT's revenues derive from sales of branded generic products which do not have any patent protection. The entrance into the market of a generic pharmaceutical or competing branded generic products, typically erodes the branded product or the Corporation's own branded generic product's market share which may have a material adverse effect on Knight's business, financial condition and results of operations. For example, AmBisome®, which is approved commercialized by GBT in Brazil and certain other LATAM countries, has no patent. Should a generic version of AmBisome® be approved in Brazil, it would likely have a material negative effect on the sales of AmBisome®.

Dependence upon Companies in which Knight Makes Investments

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

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

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

Control of Our Strategic Investments

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

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

We may invest in privately-held companies. Generally, little public information exists about private companies and we are required to rely on the ability of our senior management to obtain adequate information to evaluate the potential returns from investing in these assets. If we are unable to uncover all material information about these assets, we may not make a fully informed investment decision, and we may lose money on our investment.

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

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

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

there is no assurance that Knight will be able to obtain and to continue to maintain adequate insurance coverage in connection with its business or that the insurance coverage will be consistently available, or consistently available on economically feasible terms, to Knight. In addition, not all risks are covered by insurance and no assurance can be given that the insurance coverage obtained and maintained by Knight will be sufficient to cover losses or claims that may occur involving Knight's business.

Marketing and Competition

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

Ability to Obtain Regulatory Approvals

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

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

In addition, there can be no assurance that the regulators will not require modification to any other submissions which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of Knight to utilize its technology, thereby adversely affecting operations. Further, there can be no assurance that Knight's future products will prove to be safe and effective in clinical trials, or receive the requisite regulatory approvals.

New Legislation or Regulatory Requirements

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

In March 2021, Anvisa has launched a draft of the serialization process that pharmaceutical products being sold in Brazil will have to follow. The serialization process would require all manufacturers of drug products sold in Brazil. to "serialize" each package to enhance drug traceability in the event of an adverse event and to prevent drug counterfeiting. Changes in serialization requirements or failure to comply with serialization requirements may result

in an increase in costs, delays in supply or lost sales due to implementation of the changes required under the serialization process, and may therefore affect the profitability The draft proposal is in the discussion stages with the industry and the new rules are expected to be in place in February 2022.

Further, to achieve approvals of new products and new indications, regulatory authorities in Canada and Latin America continue to establish new and increasingly rigorous requirements in the already lengthy and expensive process of obtaining regulatory approvals and reimbursement for pharmaceutical products.

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

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

Ability to Obtain Product Reimbursement

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

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

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

As drug costs have increased, public Formularies have become more restrictive in both the number of products they reimburse and the conditions under which they will be reimbursed. The failure to achieve Formulary listings and/or specific conditions attached to restricted listings may affect patients' and physicians' decisions regarding the use of Knight's future products. There can be no assurance that the current conditions and rigor or timing of review related to submissions for public and private Formulary listings will not change or become more onerous in the future. Furthermore, there can be no assurance that the Formularies will list or continue to list Knight's future products. If

any of Knight's future products fail to achieve a negotiated LOI with the pCPA or are not listed on the provincial Formularies, this may have a material adverse effect on Knight's financial condition, results of operations or cash flows.

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

Product Pricing Regulations on Certain Drug Products

All patented drug products that form part of Knight's Canadian portfolio of products are subject to pricing regulation by the PMPRB, a federal agency tasked with ensuring that prices of patented medicines are not excessive. As per the current PMPRB guidelines , for patented products, the maximum non-excessive price in Canada is limited to a range with a lower bound set by the prices of existing comparable drugs sold in Canada and an upper bound set by the median prices for the same drug sold in a specified subset of developed comparator countries. For existing patented products, prices cannot be increased annually by more than a factor based on Statistics Canada's Consumer Price Index. The PMPRB monitors compliance through a review of the average transaction price of each patented drug product as reported by pharmaceutical companies like Knight on a semi-annual basis. The PMPRB may from time to time deem certain of Knight's existing or future patented products to be excessively priced based on the application of its empowering legislation and regulations, including those related to price increases, the comparative assessment of new products and reductions in the highest price in international reference countries. Such determinations by the PMPRB may have a material adverse effect on Knight's financial condition and results of operations or cash flows.

On December 2, 2017, Health Canada published expected key changes in the new PMPRB guidelines. Subsequent to this, on August 21, 2019, the federal government published the final regulations governing the PMPRB. On November 21, 2019, the PMPRB published a first draft set of new guidelines, followed by a second draft set on June 20, 2020. The PMPRB provided consultation periods following the release of both draft sets and the final guidelines were released on October 23, 2020 with the following key changes:

- Changes in the comparator countries used to determine price ceilings. The changes include removal of the US (which generally has the highest international drug prices) and Switzerland and addition of seven new countries judged to have similar consumer protection-oriented mandates and relative wealth as Canada. The PMPRB 11 countries now include: Australia, Belgium, France, Germany, Italy, Japan, the Netherlands, Norway, Spain, Sweden and the United Kingdom;
- New economics-based price regulatory factors:
    - Pharmacoeconomic value
    - Size of the Market
    - GDP and GDP Per Capita

- Require information on price adjustments (e.g. confidential rebates, discounts) given to third parties in Canada – (currently pending legal outcomes)

The regulatory changes to the PMPRB may have a significant adverse effect on the price of patented drugs sold by the Corporation in Canada and may limit the Corporation's ability to in-license and launch products in Canada due to more restrictive pricing regulations.

In LATAM, the price of pharmaceuticals is subject to extensive government regulations, which may include the imposition of price controls and maximum price caps, mandated price reductions to battle hyper-inflation and limitations on price increases. Price negotiations with government agencies, HMOs and other buyers may take considerable time after the Corporation has received its marketing authorization for a product. For example, in Brazil, upon obtaining marketing authorization, pharmaceutical companies must obtain approval of their launch price from CMED before they can launch their product. CMED bases its launch pricing approval on comparative pricing in United States, New Zealand, Australia, Greece, Portugal, Italy, Spain, France, and Canada. In addition, CMED is also responsible for sanctioning the allowable annual price increases. Delays in pricing and reimbursement approvals may have a negative impact on the Corporation's cash flows and profitability. In addition, in certain countries where GBT operates, the Corporation may be forced to reduce its pricing, offer discounts, forgive certain balances outstanding in order to comply with cost-containment measures.

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

Ability to Protect and Maintain its Intellectual Property and Licensing Arrangements

Knight's success depends in part on its ability to protect and maintain intellectual property rights and licensing arrangements for its current and its future products. Knight does not know whether any of its patent applications or those of its licensors will result in the issuance of any patents. Even if issued, these patents may not provide Knight with a competitive advantage against competitors with similar technologies. Furthermore, competitors may design around Knight's or its licensors' patents and develop similar technologies or duplicate any technologies that Knight or its licensors may have developed. No assurance can be given that licenses or rights to be used by Knight will not be challenged, invalidated, infringed or circumvented. Moreover, laws of many countries may not protect Knight's intellectual property to the same extent as the laws of Canada and the U.S., and those countries may also lack adequate rules and procedures for defending Knight's intellectual property rights. Furthermore, certain countries outside the U.S. and Canada enforce a system of compulsory licenses whereby third parties can be granted license to commercialize patented products if the patent is not commercially exploited by its owner or its licensees in the country within a certain number of years of the patent issuance in that specific country. To the extent that Knight's future employees, consultants or contractors will use intellectual property owned by others in connection with their work for Knight, disputes may also arise as to the rights in related or resulting knowhow and inventions. Any loss of patent protection would likely adversely affect Knight's operating results in those national markets. The commercial success of Knight will also depend in part on Knight not infringing patents or proprietary rights of others and not breaching the licenses to be granted to Knight. Any claims of infringement of intellectual property rights, even claims without merit may require the Corporation to (i) allocate time and resources to defend or challenge; (ii) suspend the manufacture, licensing or use of product(s) alleged to employ the contested intellectual property; (iii) redesign, rework or replace the brands of its products or packaging, if feasible; (iv) divert the attention and

resources of management; or (v) if possible, enter into license agreements in order to obtain the right to use the intellectual property of a third party. There can be no assurance that Knight will be able to obtain a license to any third-party technology that it may require to conduct its business or that such technology can be licensed at a reasonable cost. The Corporation, through its acquisition of GBT develops and commercializes branded generic pharmaceutical products. GBT's generic product development may be considered a violation of historical, current and future license partnership agreements. There is no certainty that Knight will not be challenged by its partners for non-compliance of its future licensing arrangements. Furthermore, there can be no assurance that Knight will be able to remain in compliance with its future licensing arrangements. Consequently, there may be a risk that these licensing arrangements will be withdrawn with no compensation or penalties to Knight.

Reliance on Branded Generic Portfolio

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

Disputes Regarding Ownership or Inventorship of Products and Technologies

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

Reliance on Third Parties for Supply and Manufacture of Products

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

materials could significantly delay the development, regulatory approval and marketing of Knight's existing and future products, including Impavido® or the various branded generic products.

Drug manufacturers are subject to ongoing periodic unannounced inspection by Health Canada, the FDA, ANVISA (Brazil), ANMAT (Argentina), COFEPRIS (Mexico), INVIMA (Colombia) as well as other LATAM health agencies, and corresponding state and foreign agencies to ensure strict compliance with GMPs and other government regulations. In addition, GBT has four (4) manufacturing facilities including two (2) laboratories in Argentina and one laboratory in Brazil. Each of these facilities is inspected by their local agency, and, in the case of the manufacturing facilities and laboratories in Argentina, may also be inspected by other LATAM agencies. While Knight is obligated to audit the performance of third-party contractors, it does not have complete control over its third-party manufacturers' compliance with these regulations and standards. Failure by either Knight's third-party manufacturers or by Knight to comply with applicable regulations could result in sanctions being imposed, including fines, injunctions, civil penalties, failure of the government to grant review of submissions or market approval of drugs, delays, suspension or withdrawal of approvals, product seizures or recalls, operating restrictions, facility closures and criminal prosecutions, any of which could negatively impact the business.

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

Global Pandemic Covid-19

The outbreak of the coronavirus, or COVID-19, which has been declared by the World Health Organization to be a pandemic in March 2020, has spread across the globe and is impacting worldwide economic activity. COVID-19 has triggered the deepest global recession in decades and caused a toll on illness and deaths, pushed millions into poverty and may continue to further depress the economy and family incomes. A public health pandemic, including COVID-19, poses the risk that the Corporation and its employees, contractors, suppliers, and other partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities. Certain countries where the Corporation has significant operations, have required entities to limit or suspend business operations and have implemented travel restrictions and quarantine measures.

As with much of the pharmaceutical industry, the Corporation's revenues from launch products and resulting prescription growth has been adversely affected by COVID-19. Knight suspended in-person promotional and medical activities in all countries in March 2020. The Knight field team continues to use digital means to interact with healthcare providers. These interactions tend to be less frequent and in the case of complex infectious disease and oncology product launches, potentially less impactful. While it is not possible at this time to estimate the impact that COVID-19 could have on the Corporation, the continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt the supply chain and the manufacture or shipment of product inventories and adversely impact the Corporation's business, financial condition or results of operations. Uncertainties related to the continued magnitude and duration of the COVID-19 pandemic, the extent to which it will impact our estimated future financial results, worldwide macroeconomic conditions including interest rates, employment rates, consumer spending, health insurance coverage, the speed of the anticipated recovery and governmental and business reactions to the pandemic, including any possible re-initiation of shutdowns or renewed restrictions, have increased the complexity of developing the potential impact of COVID-19. The extent to which the COVID-19 outbreak impacts the Corporation's results will depend on future developments that are highly

uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact.

Any future developments could have a material adverse effect on the Corporation's business and results. In addition, due to the severity and global nature of the COVID-19 pandemic, it is possible that the estimates used in the preparation of the financial statements can change in the near term and may have a material impact. Potential impacts may include, but are not limited to, impairment of intangible assets, goodwill, property plant and equipment, and financial assets, write-downs on inventory and a change in the estimated credit loss on accounts receivable.

As a date hereof, the outbreak has not had a material impact on the Corporation's results. The Corporation is committed to providing safe working environment for its employees and has successfully navigated the pandemic during 2020. Throughout the pandemic, the Corporation and its employees have adapted to new ways of working and have transitioned to working remotely. Knight has taken steps in establishing digital sales channels. Furthermore, the Corporation has sufficient liquidity to meet all operating requirements for the foreseeable future. The Corporation is developing return to field or office protocols on a country by country basis to ensure compliance with local regulations, ensuring safety of employees, patients and healthcare professionals.

Global Political and Economic Conditions

Challenging global market and economic conditions with a tighter credit environment and recession in most major economies began in fiscal 2008 and took many years to recover. As a result of COVID-19, the world's major economies may face similar structural flaws and challenges going forward that will impact global productivity growth in the future. Concerns about the systemic impact of ongoing potential long-term and wide-spread recession, energy costs and geopolitical issues have contributed to increased market volatility and may affect expectations for western and emerging economies. These conditions have contributed to volatility at high levels. Turbulence in Canada and international markets and economies and prolonged declines in business and consumer spending may adversely affect Knight's liquidity and financial condition, and the liquidity and financial condition of Knight's future customers. Our strategic investments may be susceptible to economic slowdowns or recessions and adverse economic conditions may lead to financial losses and a decrease in revenues, net income and assets.

Knight has no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting its businesses or over the possibility of political unrest, legal and regulatory changes in jurisdictions in which Knight operates. These factors could negatively affect Knight's results of operations in those markets.

Agreements Relating to the Development and Distribution of Products

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

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

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

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

Environmental, social and governance matters

Increasingly, in addition to the importance of their financial performance, companies are being judged by their performance on a variety of environmental, social and governance (ESG) matters, which are considered to contribute to the long-term sustainability of companies' performance. A variety of organizations measure the performance of companies on such ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the Corporation 's efforts and impacts on climate change and human rights, ethics and compliance with law, and the role of the Corporation 's board of directors in supervising these issues. In addition to the topics typically considered in such assessments, in the healthcare industry, issues of the public's ability to access Knight and GBT's medicines are of particular importance. Knight actively manages a broad range of such ESG matters, taking into consideration their expected impact on the sustainability of Knight's business over time, and the potential impact of Knight's business on society and the environment. However, in light of investors' increased focus on ESG matters, there can be no certainty that Knight will manage such issues successfully, or that Knight will successfully meet society's expectations as to its proper role. Any failure or perceived failure by us in this regard could have a material adverse effect on Knight's reputation and on its business, share price, financial condition, or results of operations, including the sustainability of Knight's business over time.

Concentration of Credit Risk: Customers and Strategic Relationships

Credit risk is the risk of loss associated with the inability of a third party to fulfil its payment obligations. Knight is exposed to credit risk with respect to amounts receivable from customers. The corporation monitors its customers' credit and also considers the impact COVID-19 pandemic may have on customers when making credit assessments. 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 expected credit loss provision based upon days past due and the likelihood of collection for each customer. Moreover, the potential future economic impact of COVID-19 may affect the collectability of customers receivables. Knight sells its pharmaceutical products to drug wholesalers, retailers and distributors, including national, provincial and independent pharmacies, retail drug and food store chains, hospitals, member of buying groups, clinics and other institutions. A significant portion of Knight's revenues is derived from such sales and therefore are dependent on the activities and success of those customers. Any significant reduction or loss of business with one or several of these customers could have a material adverse effect on Knight's business, financial condition, cash flows and results of operations.

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

The marketable securities and cash equivalent balances are subject to minimal risk of changes in value and are invested in institutions with a S&P or DBRS credit rating of A or R1(low) or better which are invested in the following:

- four Canadian financial institutions & one foreign affiliate of Canadian financial institution
- one large foreign bank
- three Canadian credit unions
- one foreign government

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

For the years ended December 31,	**2020**	2019
	$	$
Trade and Accounts Receivable	**62,676**	90,560
Interest Receivable	**4,270**	7,534
Other Receivables	**4,695**	6,086
Loans Receivable	**33,108**	30,571
Investments in Funds	**149,736**	114,061
Total	**254,485**	248,812

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

Policies regarding returns, allowances and chargebacks may reduce revenues in future fiscal periods

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

Value of Financial Assets

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

	Carrying amount	
As at December 31,	**2020**	2019
	$	$
Loans and other receivables		
Measured at amortized cost	**8,847**	2,181
Measured at FVTPL	**24,261**	28,390
Equity Investments		
Measured at FVTPL	**5,154**	3,712
Measured at FVOCI	**4,464**	6,473
Derivatives		
Measured at FVTPL	**1,493**	4,334
Fund Investments		
Measured at FVTPL	**149,736**	114,061
Total	**193,955**	159,151

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

The fair values of Knight's financial assets may fluctuate significantly which could have a material adverse effect on the Corporation's results of operations, financial condition, cash flows and the market price of Knight's securities. In addition, there is no guarantee that the fair values of Knight's financial assets will be realized in full or in part by the Corporation.

For more information regarding the Corporation's financial assets, methodology for measuring fair values of financial assets, refer to Notes 2, 3, 16 and 17 of the Corporation's Financial Statements for the fiscal year ended December 31, 2020 which can be found under Knight's profile at www.sedar.com.

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

Value of Investments in Funds

The Corporation records investments in funds at their NAV and its valuation may involve uncertainties and judgment determinations made by fund investment managers and, if such valuations should prove to be incorrect, the NAV of a fund could be misstated. Independent pricing information may not always be available to Knight regarding certain securities and other investments held within the funds. Additionally, the funds may hold investments which by their very nature may be extremely difficult to value accurately. The NAV of Knight's investment in funds is $149,736 as at December 31, 2020 and there can be no assurance that Knight will not incur any material write-down in the future on the investments in funds i or that Knight will realize the current NAV of its fund investment.

Value of Inventory

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

Income Tax

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

Knight bases its tax provision on certain estimates and assumptions made by management. Knight's consolidated income tax rate is affected by the mix and amount of net income earned in each of its subsidiaries. Knight may enter into many transactions and arrangements in the ordinary course of business and in certain of these, the tax treatment may not be entirely certain. Knight therefore makes and will continue to make estimates and judgments in determining its consolidated tax provision and the value of Knight's tax assets and taxes payable. The outcome of any audits by taxation authorities may differ from the estimates and assumptions Knight will use in determining its consolidated tax provisions and accruals. This could result in a material effect on Knight's consolidated income tax provision, financial position, cash flows and the net income for the period in which such determinations are made. From time to time, the Corporation is subject to tax audits. While the Corporation believes that its filing positions are appropriate and supportable, periodically, certain matters are challenged by tax authorities.

Knight received notices of reassessment from the CRA and the QRA in July 2018 and January 2019 respectively. These notices are related to the disposition in 2014 of a PRV held by Knight's wholly-owned subsidiary, Knight Therapeutics (Barbados) Inc. A PRV is a transferrable asset that entitles the holder to a priority review for a drug of its choice. The Corporation'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. These notices of reassessment provides 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. Knight believes that these reassessments are unfounded and has filed a notice of objection with the CRA in September 2018 to start the appeals process. However, there can be no assurance regarding the

outcome or when a resolution may be reached. An unsuccessful outcome of our dispute with CRA and QRA could result in Knight not recovering the amounts paid to the tax authorities, which could have an adverse effect on our liquidity and financial position.

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

PFIC rules related to the ownership and disposition of Knight shares

Knight may be a PFIC in accordance with the Internal Revenue Code and the U.S. Internal Revenue Service may now or in the future designate it as such. A U.S. holder of shares of a PFIC will generally be required to treat excess distributions or gain from the sale of shares as ordinary income and pay an interest charge to the extent the excess distribution or gain is allocated to prior taxable years for PFIC purposes. If Knight is a PFIC, U.S. holders who make a timely election could, either (a) mark their Common Shares to market each year and treat the gain or loss (to the extent of previously recognized gain) as ordinary income or (b) include in their income annually their share of net earnings of Knight as income from a qualified electing fund (a "QEF Election"), whether or not Knight distributes cash to the U.S. holder. However, if Knight is not able to provide U.S. holders with the information required by them to make a QEF Election, such U.S. holders may not be able to avail themselves of the QEF Election. A PFIC is any non-U.S. corporation which meets either an asset or income test. The asset test is met if at least 50% of assets of a corporation consist of assets that produce or are held to produce passive income; and the income test is met if at least 75% of its gross income consists of passive income. Knight has raised considerable capital in anticipation of executing its business strategy and it is possible that such capital could be considered a passive asset under the PFIC asset test. Therefore, it cannot be assumed that Knight is not currently a PFIC and it is possible that it will remain or become a PFIC in the future.

Quarterly fluctuations

Knight's results of operations, and in particular, revenues, may vary from quarter to quarter due to many factors including the following: the level of acceptance of Knight's products, which will affect the revenues associated therewith; the ability to sell meaningful amounts of Knight's current product pipeline which may be dependent on approvals for an initial indication or additional indications in Canada and select international markets; the timing and number of future product launches. Each new product launch may require significant promotional investment during the first three to five years from launch. The level of patient and physician acceptance of Knight's existing

and future products, as well as the availability of similar therapies, may impact Knight's revenues by driving the level and timing of prescriptions for its products. Other factors include expenditures related to the acquisition, sale and promotion of pharmaceutical products, the availability and cost of raw materials, interruptions in supply by third-party manufacturers, new products introduced by Knight or its competitors, the mix of products that Knight sells, sales and marketing expenditures and general economic and industry conditions that may affect customer demand.

Compliance with Laws and Regulations affecting public companies

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

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

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

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

As a public company, the Corporation is required to comply with the internal control evaluation and certification requirements of Canadian securities laws. During the year, company has integrated all of GBT entities to the Internal Control – Integrated Framework (2013 COSO Framework). As a result, based on the evaluation of the Knight's ICFR, the Corporation's financial reporting internal controls are currently in compliance with those requirements. .

Reliance on Information Technology

Knight is dependent on information technology systems, including internet-based systems, for internal communication as well as communication with customers and suppliers. The Corporation collects and maintains electronic information for the conduct of its business and is increasingly relying on technology systems, infrastructure and data storage and processing. Information maintained electronically includes confidential information about Knight and GBT's products, partners, suppliers, customers and employees, in addition to the Corporation's financial data. Further, Knight /GBT have engaged certain third parties for activities such as pharmacovigilance and specialty pharmacies to work with patients and health care practitioners in relation to their products. Cyber security incidents can result from deliberate attacks or unintentional events. Cyber-attacks and security breaches could include unauthorized attempts to access, disable, improperly modify or degrade the Corporation's information, systems and networks, the introduction of computer viruses and other malicious codes and fraudulent "phishing" emails that seek to misappropriate data and information or install malware onto users' computers. Cyber-attacks in particular vary in technique and sources, are persistent, frequently change and are increasingly more targeted and difficult to detect and prevent against.

Reliance on data obtained from IQVIA

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

Volatility of Share Price

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

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

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

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

Interest rate risk

Knight is subject to interest rate risk on its cash and cash equivalents, marketable securities and loans. Details regarding maturity dates and effective interest rates are described in Notes 7, 8, and 18 of the Corporation's Financial Statements for the fiscal year ended December 31, 2020 which can be found under Knight's profile at www.sedar.com. The Corporation does not believe that the results of operations or cash flows would be materially affected to any significant degree by a sudden change in market interest rates relative to interest rates on the investments, owing to the relative short-term nature of the marketable securities and currently low market yields.

Equity price risk

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

2020	**$**
Equity investments	**9,618**
Investments in Funds	**149,736**
Derivatives	**1,493**
Net exposure	**160,847**

2019	**$**
Equity investments	10,185
Investments in Funds	114,061
Derivatives	2,034
Net exposure	126,280

The Corporation monitors its equity investments for impairment on a periodic basis and at least at 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

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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 relative quantity of the security being sold. The Corporation manages the equity price risk through the use of strict investment policies approved by the Board of Directors. The Corporation's Board of Directors regularly reviews and approves equity investment decisions.

Foreign exchange risk

The Company maintains cash and cash equivalents, marketable securities, trade and other receivables, other financial assets, other balances payable and accounts payable and accrued liabilities 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 though the consolidated statement of income, and therefore includes intercompany balances and excludes foreign currency balances that get revaluated to CAD through other comprehensive income.

2020	USD	EUR	BRL	ARS
Cash and cash equivalents	41,181	615	—	—
Marketable securities	10,000	—	—	—
Trade and other receivables	3,519	159	28,902	147,588
Other financial assets	40,046	25,869	—	—
Other balances payable	(380)	—	—	—
Accounts payable and accrued liabilities	(5,832)	(1,426)	(17,786)	—
Other financial liabilities	(15,789)	—	—	—
Net exposure	**72,745**	**25,217**	**11,116**	**147,588**

The Company is also exposed to foreign exchange risk on the BOB, CHF, MXN, PEN, PYG and UYU. The total net exposure, in CAD, for these currencies is $1,137.

Absence of dividends

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

Risks associated with our internal controls over financial reporting.

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

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DIVIDEND RECORD AND POLICY

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

CAPITAL STRUCTURE

The authorized share capital of the Corporation is comprised of an unlimited number of Common Shares of which 128,764,247 Common Shares, 5,278,751 options and 174,228 warrants to purchase Common Shares were issued and outstanding as at March 24, 2021. Each Common Share entitles the holder to one vote per share. The holders of Common Shares are entitled to receive notice of meetings of shareholders of the Corporation and to vote at such meetings. The holders of the Common Shares are entitled to receive, as and when declared by the Board of Directors, dividends in such amounts as shall be determined by the Corporation's Board of Directors. The holders of Common Shares have the right to receive the remaining property of the Corporation in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

MARKET FOR SECURITIES

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

Price Range and Trading Volume

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

Month	Low	High	Volume
2020			
January	7.59	8.08	5,188,800
February	6.67	7.90	4,971,800
March	4.93	6.92	10,424,200
April	6.31	7.91	14,523,422
May	7.38	7.84	4,555,100
June	6.82	7.64	6,026,300
July	6.66	7.06	4,706,300
August	6.21	6.85	4,178,900
September	5.80	6.16	4,967,700
October	5.44	5.78	5,184,800
November	5.32	5.56	7,622,300
December	5.22	5.54	19,072,100
2021			
January	5.25	5.69	6,327,000
February	5.16	5.64	6,251,800
Up until March 24, 2021	4.99	5.35	7,439,414

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DIRECTORS AND OFFICERS

The following table sets forth the name, province or state, and country of residence of each of the directors of the Corporation as at December 31, 2020, as well as their position with the Corporation, as applicable, or their principal occupation, as well as the year in which they became directors of the Corporation.

Name, Province/State of Residence	Principal Occupation	Director Since	Other Principal Occupations Held in Last Five Years
James C. Gale[(1)(3)] New York, USA	Managing Partner, Signet Healthcare Partners (healthcare investing)	2013	None
Jonathan Ross Goodman Québec, Canada	Chief Executive Officer of the Corporation	2013	President of the Corporation from 2013-2016 / Chairman of the Board of Paladin from 2012-2014
Samira Sakhia Québec, Canada	President and Chief Financial Officer of the Corporation	2016	Chief Financial Officer of Paladin from 2001-2015
Robert N. Lande[(1)(2)] New York, USA	President, FXCM Group LLC (foreign exchange trading services)	2013	Chief Financial Officer of Global Brokerage Inc., a shareholder in FXCM Group LLC
Michael J. Tremblay [(2)] Ontario, Canada	Corporate Director	2019	President of Astellas Pharma Canada, Inc. from 2010-2018
Nicolás Sujoy Buenos Aires, Argentina	Partner, Clara Capital	2020	Founding partner of Private Equity Firm Clara Capital/ Director and Country Manager for Advent International
Janice Murray [(1)(2)] Beaconsfield, Quebec	Corporate Director	2020	President of Novartis Pharmaceuticals Canada 2017-2019 / Chief Financial Officer for Latin America and Canada Region of Novartis

(1) Member of the Audit Committee
(2) Member of the Compensation, Corporate Governance and Nominating Committee
(3) Chairman of the Board of Directors

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

Name, Province of Residence	Position within Knight	Other Principal Occupations Held in Last Five Years
Jonathan R. Goodman Quebec, Canada	Chief Executive Officer	President of the Corporation from 2013-2016 Chairman of the Board of Paladin from 2012-2014
Samira Sakhia Quebec, Canada	President and Chief Operating Officer	Chief Financial Officer of Paladin from 2001-2015
Amal Khouri Quebec, Canada	Vice President, Business Development	Global Business Development and Licensing, Novartis Pharmaceuticals Corporation from 2007-2014

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Name, Province of Residence	Position within Knight	Other Principal Occupations Held in Last Five Years
Arvind Utchanah Quebec, Canada	Chief Financial Officer	Finance, Accounting and Financial Planning & Analysis, Paladin Labs Inc. from 2012-2016

As at March 24, 2021, the directors and executive officers of Knight as a group beneficially own or exercise control or direction over, directly or indirectly, 22,454,519 Common Shares, representing approximately 17.4% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

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

Bankruptcies

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

On July 16, 2013, Paladin acquired all of the issued and outstanding shares of Allon Therapeutics Inc. ("Allon") (TSX: NPC) in accordance with the Order for Reorganization in Allon's proposal under the Bankruptcy and Insolvency Act (Canada) and under the CBCA, and Paladin become the sole shareholder of Allon. Ms. Sakhia was appointed director of Allon upon closing. Allon ceased to be a reporting issuer subsequent to closing and its shares were delisted from the TSX.

Prior to his current position as President of FXCM Group LLC, Mr. Lande served as Chief Financial Officer of Global Brokerage Inc. ("GLBR"), a shareholder of FXCM Group. On December 11, 2017, GLBR filed a Prepackaged Chapter 11 Plan of Reorganization (the "Plan") pursuant to the terms of a Restructuring Support Agreement ("RSA") signed with approximately 70% by value of the bondholders of a GLBR bond that was maturing in 2018. The overall purpose of the Plan was to enable GLBR to extend the maturity of the bond for five additional years. The Plan was confirmed

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on January 22, 2018 and GLBR emerged from bankruptcy on February 8, 2018. The overall purposes of the Plan was successful, and the new secured notes have been distributed in accordance with the Plan.

Mr. Gale served as a board member of Sancilio & Company Inc. ("Sancilio") since 2017 pursuant to a stockholder's agreement between Signet Healthcare Partners and other shareholders of Sancilio. On June 5, 2018, Sancilio and certain of its affiliates filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code.

Penalties or Sanctions

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

Committees of the Board of Directors and their Responsibilities

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

CCGNC

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

a) to address matters of corporate governance and to review and approve the compensation of the senior management of the Corporation, to review management's development of the compensation philosophy and then to independently monitor the Corporation's compensation systems and practices to ensure they encourage and reward behaviour which supports the achievement of the Corporation's strategic goals. The CCGNC's role is also to make recommendations to the Board as to which directors and fulltime employees should be granted stock options pursuant to the Option Plan.

b) to evaluate the size of the Board; identify the skill sets currently available and skill sets that may be required; assess the performance of the Board, its committees and the contributions of individual directors; and recommend to the Board the director nominees to be put before the shareholders at the annual meetings.

Audit Committee Disclosure

Audit Committee's Charter

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

The Audit Committee meetings for fiscal year 2020 took place on a quarterly basis.

Composition of the Audit Committee

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

Relevant Education and Experience

Robert N. Lande – Chairman

Mr. Lande is the President of FXCM Group LLC, an online brokerage firm offering trading in foreign exchange, equity indices and commodities. Formerly, he was Chief Financial Officer of FXCM and prior to that was a managing partner and Chief Operating Officer of Riveredge Capital Partners LLC ("**Riveredge**"), 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 on the board of directors of Paladin Labs Inc. from 1995 to 2014. Mr. Lande is a chartered financial analyst and holds an M.B.A. from the John Molson School of Business and a B.A. in Economics from McGill University.

James C. Gale, Director

Mr. Gale is the founding partner of Signet Healthcare Partners ("Signet"). He is currently the Chairman of the Board of Alpex Pharma S.A. and Teligent Inc., and also serves on the board of directors of Spepharm BV, Bionpharma Inc., CoreRx, Inc., RK Pharma Inc., Leon Nanodrugs GmbH, Pharmaceuticals International Inc. and Chr. Olesen Synthesis A/S. Prior to Signet, Mr. Gale worked for Gruntal & Co., LLC ("Gruntal") 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 on the Board of Paladin Labs from 2008 to 2014.

Janice Murray

Ms. Murray has a wealth of pharmaceutical experience as well as leadership in general management, strategy, finance and sales & marketing. She served as the CFO of Novartis Pharmaceuticals Canada Inc., for several years before becoming Vice-President of the Ophthalmics Business Franchise. Ms. Murray then became the CFO of the Latin America & Canada Region responsible for 10 reporting units and $2B in sales. Before her retirement in 2019, she became President of Novartis Pharmaceuticals Canada Inc. leading multiple therapeutic areas, launching several innovative medicines and serving on the Innovative Medicines Canada Industry Board. Prior to working at Novartis, 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 lead several strategic projects during key acquisitions and privatization. She completed her CPA, CA designation while working at KPMG 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 Boondoc Technologies, the VOBOC Foundation, and the West Island Palliative Care Residence Foundation. Ms. Murray holds a CPA designation from the Ordre des Comptables Professionnels Agrees du Quebec, as well as ICD.D designation from the Institute of Corporate Directors' program at the University of Toronto Rotman School of Management.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

The table below provides the fees that Ernst & Young LLP billed the Corporation for the fiscal years ended December 31, 2020 and December 31, 2019:

Category	**2020**	2019
	$	$
Audit services	**2,148,734**	**2,101,000**
Audit-related services	**171,650**	**560,000**
Tax services	**865,875**	**421,615**
Total Fees	**3,186,259**	**3,082,615**

Fees for audit services include fees associated with the annual audit, translation services, accounting assistance, involvement with public offerings and fees associated with regulatory filings. Tax fees include tax compliance, tax advice and tax planning, including expatriate tax services.

LEGAL PROCEEDINGS

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

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

MATERIAL CONTRACTS

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

- Reciprocal Investment Agreement by and between Knight, Medison, Tzalir Holdings Ltd. and Meir Jakobsohn dated August 31, 2015, as amended on September 1, 2015 and December 16, 2015.

- Underwriting agreement by and between Knight and a syndicate of underwriters led by GMP Securities L.P. dated May 16, 2016;

- Underwriting agreement by and between Knight and a syndicate of underwriters led by GMP Securities L.P. dated December 9, 2016.

- Share purchase and sale agreement on other covenants entered into by a and among, on one side, as Sellers, ADVENT CARTAGENA (LUXEMBOURG) S.à.r.l.ESSEX WOODLANDS HEALTH VENTURES FUND VIII, LPESSEX WOODLANDS HEALTH VENTURES FUND VIII-A, WOODLANDS HEALTH VENTURES FUND VIII-B, LPBIOTOSCANA SECONDARY INVESTMENTS S.C.S.ROBERT FRIEDLANDERMAZAL INVESTMENT VENTURES LTD.ROBERTO LUIZ GUTTMANN and on the other side as Buyer, KNIGHT THERAPEUTICS INC.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is AST Trust Company (Canada) at its principal offices located in Montreal, Quebec.

INTEREST OF EXPERTS

The Corporation's Annual Audited Consolidated Financial Statements for the year ended December 31, 2020 included in the Corporation's Annual Report filed under *National Instrument 51-102 – Continuous Disclosure Obligations*, portions of which are incorporated by reference in this AIF, have been audited by Ernst & Young LLP. Ernst & Young LLP is independent of the Corporation within the meaning of the Code of Ethics of the Ordre des comptables professionnels agréés du Québec.

ADDITIONAL INFORMATION

Additional information regarding the Corporation can be found under the Corporation's profile on SEDAR at www.sedar.com.

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

The foregoing documents may be obtained by contacting our Chief Financial Officer at our head office, 3400 De Maisonneuve Blvd. W., Suite 1055, Montreal, Québec H3Z 3B8, telephone: (514) 678-8930.

SCHEDULE "B"
AUDIT COMMITTEE CHARTER

APPROVED BY THE BOARD OF DIRECTORS ON FEBRUARY 22, 2015

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

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

Definitions and Interpretation:

In this Charter:

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

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

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

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

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

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

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

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

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

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

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

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

Duties and Responsibilities:

Among its specific duties and responsibilities, the Committee shall:

i) Recommend to the Board the appointment and compensation of the External Auditor and oversee the External Auditor's work. The Board shall appoint and retain, subject to ratification by the Corporation's shareholders, compensate, evaluate, and terminate, when appropriate, the External Auditor, which shall report to the Board.

ii) Obtain and review, at least annually, a report by the External Auditor describing: the External Auditor's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review.

iii) Approve in advance all audit services to be provided by the External Auditor. (By approving the audit engagement, the audit services within the scope of the engagement shall be deemed to have been pre-approved.)

iv) Establish policies and procedures for the engagement of the External Auditor to provide audit and permissible non-audit services, which shall include pre-approval of all permissible non-audit services to be provided by the External Auditor.

v) Consider, at least annually, the independence of the External Auditor, including whether the External Auditor's performance of permissible non-audit services is compatible with the auditor's independence, and obtain and review a report by the External Auditor describing any relationships between the External Auditor and the Corporation or any other relationships that may adversely affect the independence of the auditor.

vi) Review and discuss with the External Auditor:

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

b) the reports of the External Auditor with respect to interim periods.

vii) Review, analyse and discuss with management and the External Auditor the annual audited financial statements of the Corporation, and, in relation thereto, if any:

a) the auditor's judgment as to the quality of the Corporation's accounting principles, setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements;

b) the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," including accounting policies that may be regarded as critical;

c) major issues regarding the Corporation's accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles and financial statement presentations;

d) the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented;

e) reports from the External Auditor as required by applicable securities rules; and

f) review earnings press releases.

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

viii) Recommend to the Board based on the review and discussion described in paragraph vii) above, whether the annual financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" relating thereto should be approved.

ix) Review, analyse and discuss with management and (if and where applicable) the External Auditor the interim financial statements of the Corporation, and, in relation thereto, if any:

a) an analysis of the auditor's judgment as to the quality of the Corporation's accounting principles, setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements;

b) major issues regarding the Corporation's accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles and financial statement presentations;

c) reports from the External Auditor as required by applicable securities rules; and

d) review earnings press releases.

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

x) Approve, on behalf and in the name of the Board, based on the review and discussion described in paragraph vii) above, the interim financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" relating thereto.

xi) Resolve disagreements, if any, between management and the External Auditor with respect to issues relating to financial reporting.

xii) Review and discuss the adequacy and effectiveness of the Corporation's internal controls, including any significant deficiencies in internal controls and significant changes in such controls reported to the Committee by the External Auditor or management.

xiii) Periodically review and discuss the adequacy and effectiveness of the Corporation's disclosure controls over financial information, procedures, and management reports thereon.

xiv) Review and discuss with the principal internal auditor of the Corporation the scope and results of the internal audit program.

xv) Review and discuss corporate policies with respect to earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies.

xvi) Review and discuss the Corporation's policies with respect to risk assessment and risk management.

xvii) Oversee the Corporation's compliance systems with respect to legal and regulatory requirements.

xviii) Establish procedures for handling complaints regarding accounting, internal accounting controls and auditing matters, including procedures for confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.

xix) Establish policies for the hiring of employees and former employees of the External Auditor and any former external auditor.

xx) Annually evaluate the performance of the Committee and assess the adequacy of the Committee's charter.

Stock Exchange Listing
Toronto Stock Exchange
Trading Symbol: GUD

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