



Knight Therapeutics Reports Second Quarter 2021

-- Achieves Record Quarterly Revenues --

MONTREAL, Aug. 13, 2021 (GLOBE NEWSWIRE) -- Knight Therapeutics Inc. (TSX: GUD) ("Knight" or "the Company"), a leading Pan-American (ex-US) specialty pharmaceutical company, today reported financial results for its second quarter ended June 30, 2021. All currency amounts are in thousands except for share and per share amounts. All currencies are Canadian unless otherwise specified.

Q2 2021 Highlights

Financials

- Revenues were a record \$65,796, an increase of \$12,546 or 24% over prior year.
- Gross margin of \$28,871 or 44% compared to \$22,237 or 42% in prior year.
- Adjusted EBITDA¹ was \$9,396, an increase of \$1,743 or 23% over prior year.
- Gain from strategic fund investments of \$28,479, of which \$4,872 was realized.
- Net income was \$29,004, an increase of \$13,492 or 87% over prior year.
- Cash inflow from operations was \$12,409, an increase of \$4,337 or 54% over prior year.

Corporate Developments

- Purchased 1,324,076 common shares through a Normal Course Issuer Bid ("NCIB") for an aggregate cash consideration of \$6,954.
- Shareholders re-elected James C. Gale, Jonathan Ross Goodman, Samira Sakhia, Robert N. Lande, Michael J. Tremblay, Nicolás Sujoy and Janice Murray on the Board of Directors.
- Announced leadership change with Samira Sakhia assuming role of CEO and Jonathan Goodman assuming role of Executive Chairman effective September 1, 2021.

Products

- Acquired exclusive rights to manufacture, market and sell Exelon® in Canada and Latin America for an upfront and milestone payment of \$217,331 [US\$180,000].

Strategic Investments

- Received distributions of \$7,034 from strategic fund investments and realized a gain of \$4,872.

Key Subsequent Events

- Obtained regulatory approval for NERLYNX® to treat subset of HER2-positive metastatic breast cancer patients in Canada.
- Launched a NCIB in July 2021 to purchase up to 10,267,956 common shares of the Company over the next 12 months.
- Purchased an additional 2,675,917 common shares through NCIB for an aggregate cash consideration of \$13,865.

"After 104 quarters of leading publicly-traded specialty pharmaceutical companies since the tender age of 28 and with the majority of these quarters with Samira by my side, it is the right time for both Knight and for Canadian society for me to step aside and make room for a female superstar. I look forward to fulfilling my new role as Chair and to support Samira and our talented team to the best of my abilities. I do this not just because I am the Gudest and the largest Knight shareholder but because teams support each other during both GUD and bad times.

¹ Adjusted EBITDA is not a defined term under IFRS, refer to the definitions below for additional details.

Thank you to our shareholders and to Amal Khouri, Jody Engel, Corey Richardson, Arvind Utchanah, Georgette Lessard-Boyer, Gerry Mazzei and the many others who followed me from Paladin Labs Inc. for the confidence over the last 27 years. A special thank you goes to James Gale, managing partner at Signet Healthcare Partners for assuming the role of Lead Director. Imagine what we are going to do now that we are warmed up", said Jonathan Goodman, CEO of Knight Therapeutics Inc.

"It has been a privilege to have worked hand-in-hand with and learned from Jonathan for the last twenty years. I am honored and

humbled to take on the role of CEO of Knight and to lead an exceptionally talented and dedicated executive team and Knights across Canada and Latin America.

I am excited to announce that for Q2 Knight achieved record quarterly results despite the ongoing challenges posed by the pandemic. During the last 6 months we executed on multiple fronts with our business development team closing Exelon® and already beginning work on integration, the commercial team delivering on strong growth of our key brands and the operational teams executing on integration and systems implementation", said Samira Sakhia, President and Chief Operating Officer of Knight Therapeutics Inc.

SELECT FINANCIAL RESULTS & BALANCE SHEET ITEMS

[In thousands of Canadian dollars]

	Q2-21	Q2-20	Change		YTD-21	YTD-20	Change	
			\$ ¹	% ²			\$ ¹	% ²
Revenues	65,796	53,250	12,546	24%	111,865	99,089	12,776	13%
Gross margin	28,871	22,237	6,634	30%	49,451	42,097	7,354	17%
Selling and marketing	9,184	9,051	(133)	1%	16,797	19,165	2,368	12%
General and administrative	9,451	8,171	(1,280)	16%	16,533	16,589	56	0%
Research and development	2,585	2,319	(266)	11%	5,403	5,068	(335)	7%
Amortization of intangible assets	7,635	5,804	(1,831)	32%	12,937	11,843	(1,094)	9%
Operating income (loss)	16	(3,108)	3,124	101%	(2,219)	(10,568)	8,349	79%
Interest income	(1,786)	(3,678)	(1,892)	51%	(3,784)	(8,327)	(4,543)	55%
Interest expense	668	1,101	433	39%	1,328	2,248	920	41%
Foreign exchange loss	3,194	4,056	862	21%	7,395	8,963	1,568	17%
Net income	29,004	15,512	13,492	87%	32,562	6,035	26,527	440%
Basic net earnings per share	0.230	0.133	0.097	73%	0.256	0.118	0.138	117%
EBITDA ³	9,271	7,245	2,026	28%	14,431	8,462	5,969	71%
Adjusted EBITDA ³	9,396	7,653	1,743	23%	14,975	10,850	4,125	38%

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

² Percentage change is presented in absolute values

³ EBITDA and adjusted EBITDA are non-IFRS measures, refer to section ""Non-IFRS measures and reconciliation to adjusted EBITDA" below for additional details

	Q2-21	Q2-20	Variance		YTD-21	YTD-20	Variance		
	<i>Excluding impact of IAS 29</i>								
	<i>Constant Currency³</i>		<i>\$¹</i>	<i>%²</i>		<i>Constant Currency³</i>		<i>\$¹</i>	<i>%²</i>
Revenues	65,185	50,806	14,379	28%	111,267	92,765	18,502	20%	
Cost of goods sold	35,107	26,393	(8,714)	33%	59,483	48,438	(11,045)	23%	
Gross margin	30,078	24,413	5,665	23%	51,784	44,327	7,457	17%	
<i>Gross margin (%)</i>	46%	48%			47%	48%			
Expenses									
Selling and marketing	9,065	8,948	(117)	1%	16,679	18,198	1,519	8%	
General and administrative	8,961	8,088	(873)	11%	15,835	15,633	(202)	1%	
Research and development	2,638	2,324	(314)	14%	5,408	4,956	(452)	9%	
Amortization of intangible assets	7,121	5,345	(1,776)	33%	12,207	10,457	(1,750)	17%	
Operating income (loss)	2,293	(292)	2,585	885%	1,655	(4,917)	6,572	134%	
EBITDA ³	9,271	5,992	3,279	55%	14,431	7,010	7,421	106%	
Adjusted EBITDA ³	9,396	6,389	3,007	47%	14,975	8,784	6,191	70%	

¹ A positive variance represents a positive impact to net income and a negative variance represents a negative impact to net income

² Percentage change is presented in absolute values

³ Financial results at constant currency, EBITDA and adjusted EBITDA are non-IFRS measures, refer to section "Non-IFRS measures and reconciliation to adjusted EBITDA" below for additional details

			Change	
	06-30-21	12-31-20	\$	% ¹
Cash, cash equivalents and marketable securities	166,121	392,225	(226,104)	58%
Trade and other receivables		116,510	1,291	1%
	117,801			
Inventory	55,784	56,505	(721)	1%
Financial assets	217,364	193,955	23,409	12%
Accounts payable and accrued liabilities	66,417	44,828	21,589	48%
Bank loans	35,149	51,770	(16,621)	32%

¹ Percentage change is presented in absolute values

Revenue: For the quarter ended June 30, 2021, revenues increased by \$12,546 or 24% and on a constant currency basis increased by \$14,379 or 28%. The growth in revenues on a constant currency basis is explained as following:

- An estimated increase in revenues of approximately \$5,500 to \$7,000 driven by the increased demand of certain of our infectious diseases products to treat invasive fungal infections associated with COVID-19.
- An increase in revenues of \$4,187 driven by the acquisition of Exelon®.
- An increase in revenues of \$4,807 or 64% driven by the growth of our recently launched products, including Cresemba®, Lenvima®, Halaven®, Nerlynx®, Trelstar® and certain BGx products.

Gross margin: For the quarter ended June 30, 2021, the gross margin increased from 42% to 44% compared to the same period in the prior year due to lower inventory provision and a change in product mix, partially offset by re-negotiation of certain license agreements and the depreciation of the LATAM currencies. The gross margin would have been 46%, an increase of 2%, from 44% after excluding the adjustment of hyperinflation accounting in accordance with IAS 29.

Selling and marketing: For the quarter ended June 30, 2021, selling and marketing increased by \$133 or 1% and on a constant currency basis by \$117 or 1% as compared to the same prior year period. The increase is driven by promotional activities related to newly launched products and Exelon®, offset by a net reduction of \$1,719 in ECL expenses.

General and administrative: For the quarter ended June 30, 2021, general and administrative expenses increased by \$1,280 or 16% and on a constant currency basis by \$873 or 11% as compared to the same period in prior year. The increase is driven by an expense of \$1,210 related to the extension of expiry date of certain stock options held by executive officers, directors and employees, offset by a lower cost of restructuring activities during the quarter compared to the same prior year period.

Amortization of intangible assets: For the quarter ended June 30, 2021, amortization of intangible assets increased by \$1,831, or 32%, mainly explained by the amortization of Exelon® acquired during Q2-21, partially offset by the depreciation of LATAM currencies.

Interest income: Interest income is the sum of interest income on financial instruments measured at amortized cost and other interest income. For the quarter ended June 30, 2021, interest income was \$1,786, a decrease of \$1,892 or 51%, compared to the same prior year period, due to a decrease in interest rates, the average cash and marketable securities balances and a lower average loan balance.

Interest expense: The interest expense relates to interest incurred on bank loans. For the quarter ended June 30, 2021 interest expenses was \$668, a decrease of \$433 or 39% compared to the same period in the prior year due to a decrease in the average loan balance outstanding.

Adjusted EBITDA: For the quarter ended June 30, 2021 adjusted EBITDA increased by \$1,743 or 23% and on a constant currency basis by \$3,007 or 47%, compared to the same prior year period. The growth in adjusted EBITDA is driven by an increase in gross of margin of \$5,665 due to the increase in revenues offset by higher operating expenses of \$1,304 due to the cost of the extension of the stock options and a reduction in the adjustments of reconciling items from operating income to adjusted EBITDA including acquisition and transaction costs, non-recurring expenses and purchase price accounting adjustments by \$1,354.

Net income or loss: For the quarter ended June 30, 2021, net income was \$29,004 compared to net income of \$15,512 for the same period last year. The variance mainly resulted from the above-mentioned items as well as a net gain on the revaluation of financial assets measured at fair value through profit or loss of \$28,472 in the second quarter of 2021 versus a net gain of \$16,499 in the prior year period.

Cash, cash equivalents and marketable securities: As at June 30, 2021, Knight had \$166,121 in cash, cash equivalents and marketable securities, a decrease of \$226,104 or 58% as compared to December 31, 2020. The variance is primarily due to cash outflows related to the acquisition of Exelon®, the shares repurchased through NCIB and the repayments of bank offset by cash generated from operating activities.

Financial assets: As at June 30, 2021, financial assets were at \$217,364, an increase of \$23,409 or 12%, as compared to the prior period, mainly due to an increase of \$27,045 due to mark-to-market adjustments in Knight's fund investments offset by loan repayments of \$2,479 and a decrease of \$1,731 driven by the disposal of equity investments. Given the nature of the fund investments there could be significant fluctuations in the fair value of the underlying assets. More specifically, on May 26, 2021 Singular Genomics Systems, Inc. ("SGS"), an investment held within Domain Associated LLC ("Domain"), announced the closing of its initial public offering at a public offering price of USD 22 per share. The shares held by Domain are subject to a 180-day lockup period. During the quarter ended June 30, 2021, the Company recorded an unrealized gain of \$30,522 [USD 24,626]. As at August 11, 2021, SGS's share price closed at USD 15.23. Should the share price of SGS remain at this level, the Company would record an unrealized loss of approximately \$14,030 [USD 11,320] in Q3-21. The unrealized gain recorded on SGS was partially offset by an unrealized loss recorded, in the second quarter ended June 30, 2021, of \$13,533 related to Atea Pharmaceuticals an investment held within Sectoral Asset Management fund. To date, Knight has recorded a net gain of \$8,881 in connection with Sectoral's investment in Atea.

Bank Loans: As at June 30, 2021, bank loans were at \$35,149, a decrease of \$16,621 or 32% as compared to the prior period, mainly due to loan repayment of \$14,911, a further decrease of \$2,323 due to the foreign exchange revaluation partially offset by an overdraft increase of \$613.

Product Updates

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

Knight has entered into a transition service agreement with Novartis until transfer of marketing authorization, on a country-by-country basis during which Knight will receive a net profit transfer. Knight will begin distributing Exelon® upon transfer of marketing authorization, on a country-by-country basis.

NCIB

On July 10, 2020, the Company announced that the Toronto Stock Exchange approved its notice of intention to launch for a NCIB ("2020 NCIB"). Under the terms of the 2020 NCIB, Knight may purchase for cancellation up to 10,856,710 common shares of the Company which represented 10% of its public float as at July 6, 2020. The 2020 NCIB commenced on July 14, 2020 and ended on July 13, 2021.

On July 12, 2021, the Company announced that the Toronto Stock Exchange approved its notice of intention to launch a NCIB ("2021 NCIB"). Under the terms of the 2021 NCIB, Knight may purchase for cancellation up to 10,267,956 common shares of the Company which represented 10% of its public float as at June 30, 2021. The 2021 NCIB commenced on July 14, 2021 and will end on the earlier of July 13, 2022 or when the Company completes its maximum purchases under the NCIB. Furthermore, Knight entered into an agreement with a broker to facilitate purchases of its common shares under the NCIB. Under Knight's automatic share purchase plan, the broker may purchase common shares which would ordinarily not be permitted due to regulatory restrictions or self-imposed blackout periods.

During the three-month period ended June 30, 2021, the Company purchased 1,324,076 common shares for an aggregate cash consideration of \$6,954, of which \$2,503 remains to be settled as at June 30, 2021. Subsequent to quarter end, the Company purchased an additional 2,675,917 common shares, for an aggregate cash consideration of \$13,865.

Conference Call Notice

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

Date: Friday, August 13, 2021

Time: 8:30 a.m. ET

Telephone: Toll Free: 800-437-2398 or International 1-647-792-1240

Webcast: www.gud-knight.com or [Webcast](#)

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

Replay: An archived replay will be available for 30 days at www.gud-knight.com

About Knight Therapeutics Inc.

Knight Therapeutics Inc., headquartered in Montreal, Canada, is a specialty pharmaceutical company focused on acquiring or licensing and commercializing innovative pharmaceutical products for Canada and Latin America. Knight owns Biotoscana Investments S.A., a pan-Latin American specialty pharmaceutical company. Knight Therapeutics Inc.'s shares trade on TSX under the symbol GUD. For more information about Knight Therapeutics Inc., please visit the company's web site at www.gud-knight.com or www.sedar.com.

Forward-Looking Statement

This document contains forward-looking statements for Knight Therapeutics Inc. and its subsidiaries. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. Knight Therapeutics Inc. considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared but cautions the reader that these assumptions regarding future events, many of which are beyond the control of Knight Therapeutics Inc. and its subsidiaries, may ultimately prove to be incorrect. Factors and risks, which could cause actual results to differ materially from current expectations are discussed in Knight Therapeutics Inc.'s Annual Report and in Knight Therapeutics Inc.'s Annual Information Form for the year ended December 31, 2020 as filed on www.sedar.com. Knight Therapeutics Inc. disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information or future events, except as required by law.

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IMPACT OF HYPERINFLATION

[In thousands of Canadian dollars]

The Company applies IAS 29, Financial Reporting in Hyperinflation Economies, as the Company's Argentine subsidiaries used the Argentine Peso as their functional currency. IAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be adjusted based on an appropriate general price index to express the effects of inflation. If the Company did not apply IAS 29, the effect on the Company's operating income would be as follows:

	Q2-21				YTD-21			
	Reported	Excluding	Variance		Reported	Excluding	Variance	
	under IFRS	impact of IAS 29	\$ ¹	% ²	under IFRS	impact of IAS 29	\$ ¹	% ²
Revenues	65,796	65,185	611	1%	111,865	111,267	598	1%
Cost of goods sold	36,925	35,107	(1,818)	5%	62,414	59,483	(2,931)	5%
Gross margin	28,871	30,078	(1,207)	4%	49,451	51,784	(2,333)	5%
<i>Gross margin (%)</i>	<i>44%</i>	<i>46%</i>			<i>44%</i>	<i>47%</i>		
Expenses								
Selling and marketing	9,184	9,065	(119)	1%	16,797	16,679	(118)	1%
General and administrative	9,451	8,961	(490)	5%	16,533	15,835	(698)	4%
Research and development	2,585	2,638	53	2%	5,403	5,408	5	0%
Amortization of intangible assets	7,635	7,121	(514)	7%	12,937	12,207	(730)	6%
Operating Income (loss)	16	2,293	(2,277)	99%	(2,219)	1,655	(3,874)	234%

¹ A positive variance represents a positive impact to net income due to the application of IAS 29 and a negative variance represents a negative impact to net income due to the application of IAS 29

² Percentage change is presented in absolute values

NON-IFRS MEASURES AND RECONCILIATION TO ADJUSTED EBITDA

[In thousands of Canadian dollars]

Non-IFRS measures

The Company discloses non-IFRS measures that do not have standardized meanings prescribed by IFRS. The Company believes that shareholders, investment analysts and other readers find such measures helpful in understanding the Company's financial performance and in interpreting the effect of the GBT Transaction on the Company. Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and may not have been calculated in the same way as similarly named financial measures presented by other companies.

The Company uses the following non-IFRS measures:

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

Financial results at constant currency allow results to be viewed without the impact of fluctuations in foreign currency exchange rates thereby facilitating the comparison of results period over period. The presentation of results under constant currency is considered to be a non-GAAP measure and does not have any standardized meaning under GAAP. As a result, the information presented may not be comparable to similar measures presented by other companies.

EBITDA: Operating loss adjusted to exclude amortization and impairment of intangible assets, depreciation, PPA accounting adjustments, and the impact of IAS 29 (accounting under hyperinflation) but to include costs related to leases. In addition, EBITDA does not reflect the portion of GBT's results attributable to the non-controlling interests.

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

Adjustments include the following:

- With the adoption of IFRS 16, the lease payments of Knight are not reflected in operating expenses. The IFRS 16 adjustment approximates the cash outflow related to leases of Knight.
- Acquisition costs relate to costs incurred on legal, consulting and advisory fees for the acquisition of GBT and the acquisition of products.
- Other non-recurring expenses relate to expenses incurred by Knight that are not due to, and are not expected to occur in, the ordinary course of business. For the quarter ended June 30, 2021, Knight recorded one-time costs of \$43.

For the three and six-month periods ended June 30, the Company calculated EBITDA and adjusted EBITDA as follows:

	Q2-21	Q2-20	Change		YTD-21	YTD-20	Change	
			\$ ¹	% ²			\$ ¹	% ²
Operating income (loss)	16	(3,108)	3,124	101%	(2,219)	(10,568)	8,349	79%
Adjustments to operating (loss) income:								
Amortization of intangible assets	7,635	5,804	1,831	32%	12,937	11,843	1,094	9%
Depreciation of property, plant and equipment and ROU assets	1,576	1,810	(234)	13%	2,982	3,534	(552)	16%
Lease costs (IFRS 16 adjustment)	(703)	(751)	48	6%	(1,397)	(1,585)	188	12%
Impact of PPA accounting	-	233	(233)	100%	-	866	(866)	100%
Impact of IAS 29	747	3,257	(2,510)	77%	2,128	4,372	(2,244)	51%
EBITDA ³	9,271	7,245	2,026	28%	14,431	8,462	5,969	71%
Acquisition and transaction costs	82	104	(22)	21%	432	320	112	35%
Other non-recurring expenses	43	304	(261)	86%	112	2,068	(1,956)	95%
Adjusted EBITDA ³	9,396	7,653	1,743	23%	14,975	10,850	4,125	38%

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

² Percentage change is presented in absolute values

³ EBITDA and adjusted EBITDA are non-IFRS measures, refer above for additional details

INTERIM CONSOLIDATED BALANCE SHEETS

[In thousands of Canadian dollars]

[Unaudited]

As at

June 30, 2021

December 31, 2020

ASSETS

Current

Cash and cash equivalents	102,582	229,592
Marketable securities	63,539	147,316
Trade receivables	69,521	62,515
Other receivables	6,698	12,413
Inventories	55,784	56,505
Prepays and deposits	2,211	2,214
Other current financial assets	23,632	34,431
Income taxes receivable	6,063	7,115
Total current assets	330,030	552,101

Marketable securities	-	15,317
Prepays and deposits	3,225	4,208
Right-of-use assets	4,237	4,035
Property, plant and equipment	23,077	22,127
Investment properties	1,372	1,539
Intangible assets	363,359	156,547
Goodwill	76,273	77,725
Other financial assets	193,732	159,524
Deferred income tax assets	4,368	2,432
Other long-term receivables	41,582	41,582
	711,225	485,036
Assets held for sale	2,392	2,539
Total assets	1,043,647	1,039,676

INTERIM CONSOLIDATED BALANCE SHEETS (continued)

[In thousands of Canadian dollars]

[Unaudited]

As at	June 30, 2021	December 31, 2020
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	66,127	44,512
Lease liabilities	1,841	1,875
Other liabilities	1,917	1,291
Bank loans	35,149	51,770
Income taxes payable	9,719	13,559
Other balances payable	3,020	1,053
Total current liabilities	117,773	114,060
Accounts payable and accrued liabilities	290	316
Lease liabilities	2,894	2,543
Other balances payable	12,076	14,900
Deferred income tax liabilities	21,174	21,616
Total liabilities	154,207	153,435
Shareholders' Equity		
Share capital	668,425	694,351
Warrants	117	117
Contributed surplus	21,082	18,731
Accumulated other comprehensive loss	(7,829)	(1,503)
Retained earnings	207,645	174,545
Total shareholders' equity	889,440	886,241
Total liabilities and shareholders' equity	1,043,647	1,039,676

INTERIM CONSOLIDATED STATEMENTS OF INCOME
 [In thousands of Canadian dollars, except for share and per share amounts]
 [Unaudited]

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Revenues	65,796	53,250	111,865	99,089
Cost of goods sold	36,925	31,013	62,414	56,992
Gross margin	28,871	22,237	49,451	42,097
Expenses				
Selling and marketing	9,184	9,051	16,797	19,165
General and administrative	9,451	8,171	16,533	16,589
Research and development	2,585	2,319	5,403	5,068
Amortization of intangible assets	7,635	5,804	12,937	11,843
Operating income (loss)	16	(3,108)	(2,219)	(10,568)
Interest income on financial instruments measured at amortized cost	(647)	(2,340)	(1,533)	(5,723)
Other interest income	(1,139)	(1,338)	(2,251)	(2,604)
Interest expense	668	1,101	1,328	2,248
Other (income) expense	19	135	(93)	110
Net gain on financial instruments measured at fair value through profit or loss	(28,472)	(16,499)	(37,945)	(9,769)
Net gain on mandatory tender offer liability	-	(2,057)	-	(1,570)
Realized gain on sale of asset held for sale	-	-	-	(2,948)
Realized gain on automatic share purchase plan	-	(1,299)	-	(4,168)
Foreign exchange loss	3,194	4,056	7,395	8,963
(Gain) loss on hyperinflation	(182)	527	(122)	804
Income before income taxes	26,575	14,606	31,002	4,089
Income tax				
Current	(706)	1,464	(58)	4,465
Deferred	(1,723)	(2,370)	(1,502)	(6,411)
Income tax recovery	(2,429)	(906)	(1,560)	(1,946)
Net income for the period	29,004	15,512	32,562	6,035
Attributable to:				
Shareholders of the Company	29,004	17,449	32,562	15,740
Non-controlling interests	-	(1,937)	-	(9,705)
Attributable to shareholders of the Company				
Basic net earnings per share	0.230	0.133	0.256	0.118
Diluted net earnings per share	0.230	0.133	0.256	0.118
Weighted average number of common shares outstanding				
Basic	125,971,873	131,045,101	127,406,628	133,094,626
Diluted	126,009,078	131,369,206	127,443,974	133,403,376

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
[In thousands of Canadian dollars]
[Unaudited]

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
OPERATING ACTIVITIES				
Net income for the period	29,004	15,512	32,562	6,035
Adjustments reconciling net income to operating cash flows:				
Depreciation and amortization	9,030	7,614	15,738	15,377
Net gain on financial instruments	(28,472)	(16,499)	(37,945)	(9,769)
Unrealized foreign exchange loss	699	4,056	5,356	8,963
Other operating activities	603	(4,621)	2,055	(11,762)
	10,864	6,062	17,766	8,844
Changes in non-cash working capital and other items	1,545	2,010	11,850	(21,939)
Cash inflow (outflow) from operating activities	12,409	8,072	29,616	(13,095)
INVESTING ACTIVITIES				
Purchase of marketable securities	(16,103)	(20,000)	(47,895)	(33,415)
Proceeds on maturity of marketable securities	63,740	118,113	146,896	194,559
Proceeds from distribution of funds	7,034	10,019	11,370	12,109
Purchase of intangible assets	(217,871)	(10,093)	(218,493)	(12,407)
Other investing activities	(1,758)	(8,183)	(916)	65,040
Cash (outflow) inflow from investing activities	(164,958)	89,856	(109,038)	225,886
FINANCING ACTIVITIES				
Repurchase of common shares through Normal Course Issuer Bid	(4,494)	(17,954)	(23,043)	(31,265)
Principal repayment on bank loans	(6,063)	(6,787)	(14,911)	(7,518)
Other financing activities	(633)	(238)	(1,263)	10,930
Cash outflow from financing activities	(11,190)	(24,979)	(39,217)	(27,853)
(Decrease) increase in cash and cash equivalents during the period	(163,739)	72,949	(118,639)	184,938
Cash and cash equivalents, beginning of the period	271,218	286,942	229,592	174,268
Net foreign exchange difference	(4,897)	(298)	(8,371)	387
Cash and cash equivalents, end of the period	102,582	359,593	102,582	359,593
Cash and cash equivalents			102,582	359,593
Short-term marketable securities			63,539	191,927
Long-term marketable securities			-	15,317
Total cash, cash equivalents and marketable securities			166,121	566,837

